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HEALTH FACILITIES & SERVICES REVIEW BOARD

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

1. **INFORMATION FOR EXISTING FACILITY**

Current Facility Name ____Cornerstone Medical Office Building______
Address ______________27650 Ferry Road______
City ______________Warrenville_____ Zip Code __60555___ County ___DuPage__________
Name of current licensed entity for the facility __not applicable__________
Does the current licensee: own this facility ___n/a_____ OR lease this facility___n/a__ (if leased, check if sublease □)
Type of ownership of the current licensed entity (check one of the following:) __________ Sole Proprietorship
_______ Not-for-Profit Corporation __X___ For Profit Corporation ________ Partnership _________ Governmental
_______ Limited Liability Company _______ Other, specify ____________
Illinois State Senator for the district where the facility is located: Sen._____Tom Johnson__________
State Senate District Number ____48_____ Mailing address of the State Senator __1725 S. Naperville Road_______
_______________Wheaton, IL 60189______
Illinois State Representative for the district where the facility is located: Rep. __Mike Fortner__________
State Representative District Number ____95____ Mailing address of the State Representative_135 Freemont St.____
_______________West Chicago, IL 60185

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

3. **FACILITY'S BED OR DIALYSIS STATION CAPACITY BY CATEGORY OF SERVICE** (Complete "APPENDIX A" attached to this application) not applicable

4. **FACILITY'S OTHER CATEGORIES OF SERVICE AS DEFINED IN 77 IAC 1100** (Complete "APPENDIX A" attached to this application) not applicable

5. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant ____CDH-Delnor Health System dba Cadence Health____________
Address ______________25 North Winfield Road______________
City, State & Zip Code ___________Winfield, IL 60190______________
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_X_____ Not-for-Profit Corporation ________ For Profit Corporation ________ Partnership ____ Governmental
_______ Limited Liability Company ________ Other, specify ______________

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

Exact Legal Name of Entity to be Licensed ________not applicable______________
Address ______________
City, State & Zip Code ______________
Type of ownership of the current licensed entity (check one of the following:) ________ Sole Proprietorship
______ Not-for-Profit Corporation ______ For Profit Corporation _____ Partnership _____ Governmental
_______ Limited Liability Company ________ Other, specify ______________

6. **BUILDING/SITE OWNERSHIP.** NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY
Exact Legal Name of Entity That Will Own the Site____ CDH-Delnor Health System dba Cadence Health________
Address ______________25 North Winfield Road______________
City, State & Zip Code ______________Winfield, IL 60190______________
Type of ownership of the current licensed entity (check one of the following:) __________ Sole Proprietorship
_X___ Not-for-Profit Corporation ________ For Profit Corporation ________ Partnership _______ Governmental
_______ Limited Liability Company ________ Other, specify ______________

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

1. **INFORMATION FOR EXISTING FACILITY**

Current Facility Name ___Cornerstone Medical Office Building___
Address ___27650 Ferry Road___
City ___Warrenville___ Zip Code ___60555___ County ___DuPage___
Name of current licensed entity for the facility __not applicable___
Does the current licensee: own this facility ___n/a___ OR lease this facility ___n/a___ (if leased, check if sublease □)
Type of ownership of the current licensed entity (check one of the following:) ______ Sole Proprietorship
______ Not-for-Profit Corporation __X__ For Profit Corporation ______ Partnership ______ Governmental
______ Limited Liability Company ______ Other, specify ______
Illinois State Senator for the district where the facility is located: Sen. ___Tom Johnson___
State Senate District Number ___48___ Mailing address of the State Senator ___1725 S. Naperville Road___
___Wheaton, IL 60189___
Illinois State Representative for the district where the facility is located: Rep. __Mike Fortner___
State Representative District Number ___95___ Mailing address of the State Representative___135 Freemont St.___
___West Chicago, IL 60185

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

3. **FACILITY'S BED OR DIALYSIS STATION CAPACITY BY CATEGORY OF SERVICE** (Complete "APPENDIX A" attached to this application) not applicable

4. **FACILITY'S OTHER CATEGORIES OF SERVICE AS DEFINED IN 77 IAC 1100** (Complete "APPENDIX A" attached to this application) not applicable

5. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant ___Cornerstone Medical Development Company, L.L.C.___
Address ___27650 Ferry Road___
City, State & Zip Code ___Warrenville, IL 60555___
Type of ownership of the current licensed entity (check one of the following:) ______ Sole Proprietorship
______ Not-for-Profit Corporation ______ For Profit Corporation ______ Partnership ______ Governmental
__X__ Limited Liability Company ______ Other, specify ______

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

Exact Legal Name of Entity to be Licensed ___not applicable___
Address ______
City, State & Zip Code ______
Type of ownership of the current licensed entity (check one of the following:) ______ Sole Proprietorship
______ Not-for-Profit Corporation ______ For Profit Corporation ______ Partnership ______ Governmental
______ Limited Liability Company ______ Other, specify ______

6. **BUILDING/SITE OWNERSHIP.** NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY
Exact Legal Name of Entity That Will Own the Site ___Cadence Health___
Address ___25 North Winfield Road___
City, State & Zip Code ___Winfield, IL 60190___
Type of ownership of the current licensed entity (check one of the following:) ______ Sole Proprietorship
__X__ Not-for-Profit Corporation ______ For Profit Corporation ______ Partnership ______ Governmental
______ Limited Liability Company ______ Other, specify ______

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

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

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

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

11. **ANTICIPATED ACQUISITION PRICE:** $_23,350,000____________________

12. **FAIR MARKET VALUE OF THE FACILITY:** $_23,335,000-$23,365,000__________
(to determine fair market value, refer to 77 IAC 1130.140)

13. **DATE OF PROPOSED TRANSACTION:** __by March 31, 2013 ________________________

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

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

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

17. **FINANCIAL INFORMATION** (co-applicants must also provide this information). Per 77 IAC 1130.520(b)(3), an applicant must demonstrate it has sufficient funds to finance the acquisition **and** to operate the facility for 36 months by providing evidence of a bond rating of "A" or better (that must be less than two years old) from Fitch, Moody or Standard and Poor's rating agencies or evidence of compliance with the financial viability review criteria (as applicable) to the type of facility being acquired (as specified at 77 IAC 1120). Append as **ATTACHMENT #6.**

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

Name: ______________Michael Holzhueter, Vice President and General Counsel Cadence Health_____________
Address: ______________ 25 North Winfield Road________________________________
City, State & Zip Code: ___Winfield, IL 60190________________________________
Telephone (630) 933-1600 Ext. ______________________

Cornerstone Medical Development Company, L.L.C.

19. **ADDITIONAL CONTACT PERSON.** Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.
    Name: Honey Jacobs Skinner, Partner Sidley Austin
    Address: 1 South Dearborn
    City, State & Zip Code: Chicago, IL 60603
    Telephone (312 853-7527) Ext.

19. **ADDITIONAL CONTACT PERSON.** Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.
    Name: Jacob M. Axel, President Axel & Associates, Inc.
    Address: 675 North Court Suite 210
    City, State & Zip Code: Palatine, IL 60067
    Telephone (847) Ext. 776-7101

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

    Signature of Authorized Officer Lenard W. LaBelle

    Typed or Printed Name of Authorized Officer LENARD W. LABELLE

    Title of Authorized Officer: PRESIDENT

    Address: 27650 FERRY ROAD

    City, State & Zip Code: WARRENVILLE IL 60555

    Telephone (630) 225-2663 Date: 7/30/12

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

CADENCE HEALTH

July 31, 2012

Illinois Health Facilities and
Services Review Board
Springfield, IL

To Whom It May Concern:

Cadence Health's acquisition of OAD Orthopaedics, Ltd., including its ambulatory surgery treatment center and medical office building, both located at 27650 Ferry Road in Warrenville, Illinois, will be accomplished through the use of cash and other liquid assets of Cadence Health. Neither Cadence Health nor any related entity will incur any debt related to the proposed acquisition of OAD Orthopaedics, Ltd.

Sincerely,

Michael Vivoda

Michael Vivoda
President and CEO

/smb

Notarized:

Susan M. Bove 7/31/12

OFFICIAL SEAL
SUSAN M BOVE
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:10/01/12

ATTACHMENT 2

SUMMARY

APPRAISAL REPORT

Cornerstone Medical Building

27650 Ferry Road

Warrenville, Illinois

As of

May 21, 2012

Prepared at the Request of

Ms. Elizabeth Kim

Associate

Cain Brothers & Company, LLC

601 California Street, #1505

San Francisco, California 94108

Table of Contents

LaSalle Appraisal Group, Inc.

May 30, 2012

Ms. Elizabeth Kim
Associate
Cain Brothers & Company, LLC
601 California Street, #1505
San Francisco, California 94108

Re: Cornerstone Medical Building
27650 Ferry Road
Warrenville, Illinois
P.I.N.: 04-36-318-012 & 07-01-101-012/-018

Dear Ms. Kim:

As requested, we have inspected and appraised the above referenced property for the purpose of forming our opinion of market value. This is a summary appraisal report that describes the site, building improvements, methods of appraisal and data considered in reaching our value conclusion.

Based upon the data and analysis described herein, it is our opinion that the market value of the subject property as of May 21, 2012, of the fee simple estate was:

TWENTY THREE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS

($23,350,000)

This summary appraisal report does not take into any consideration the possible existence of asbestos, PCB transformers, or other toxic hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof. Should the client have concern over the existence of such substances on the property, the appraisers consider it imperative for the client to retain the services of a qualified independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the cost associated with any required or desirable treatment or removal thereof.

11 South LaSalle Street, Suite 3000, Chicago, Illinois 60603 312 · 541 · 1661 fax 312 · 541 · 1665

ATTACHMENT 2A

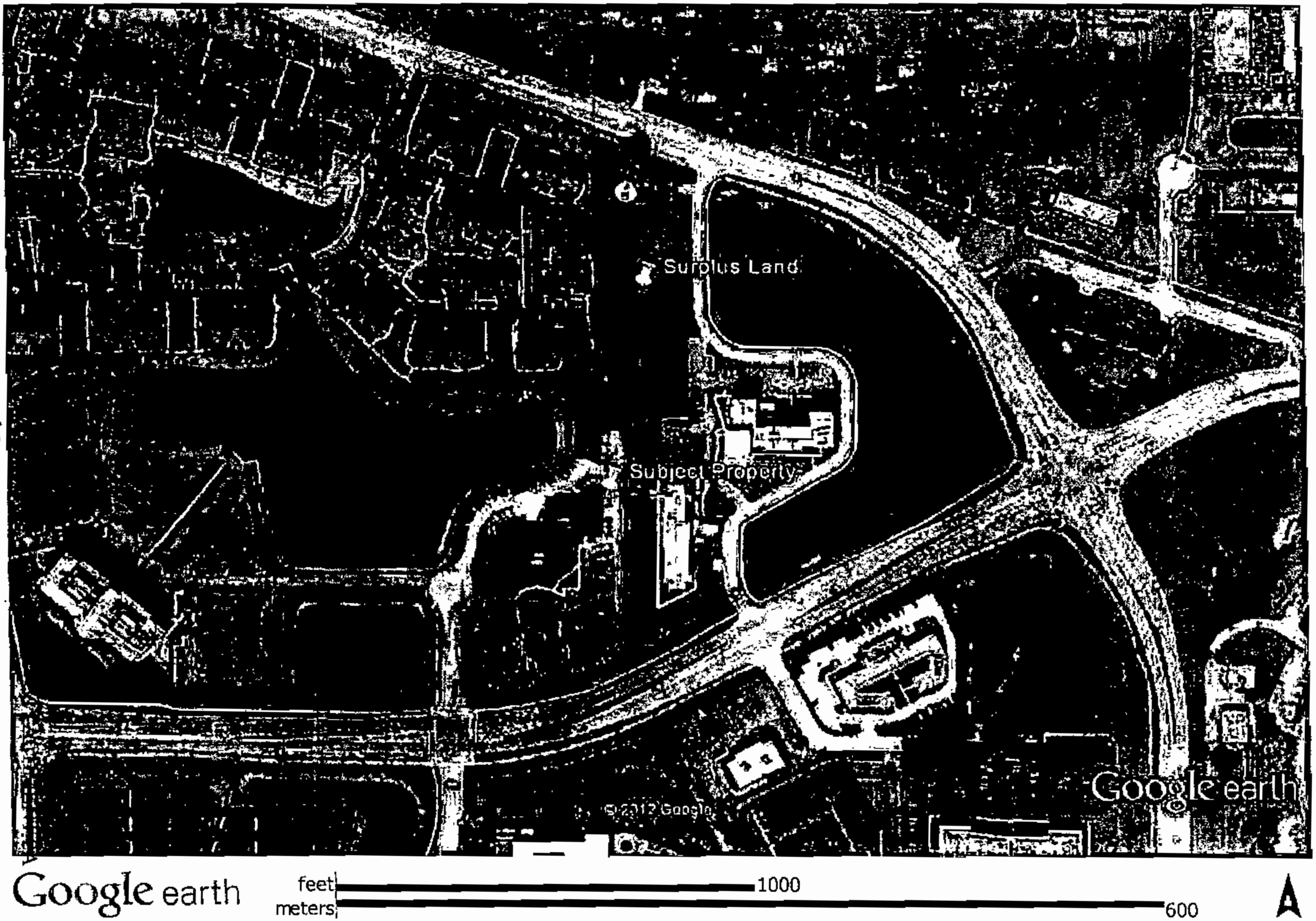
The value estimate contained herein is subject to the attached limiting conditions, certification and special assumptions. This summary appraisal report has been prepared in conformity with, and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute as well as the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

Respectfully submitted,
LaSalle Appraisal Group, Inc.

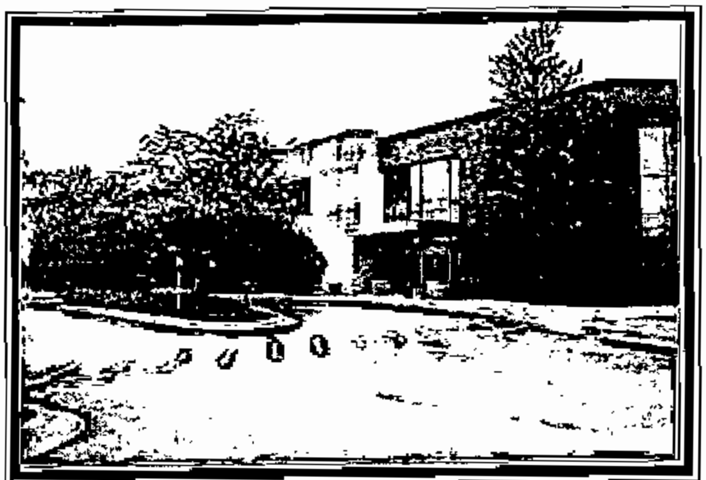
By: ______________________
Neil J. Linehan
State Certified General Real Estate Appraiser
License No. 553.002166
License Expiration Date: 9/30/13

By: ______________________
Joseph M. Ryan, MAI
State Certified General Real Estate Appraiser
License No. 553.0000864
License Expiration Date: 9/30/13

APR Z12-8894


Surplus Land
Subject Property
©2012 Google
Google earth
Google earth
feet
1000
meters
600

View of the Front or South elevation



Additional view of the Front or South elevation

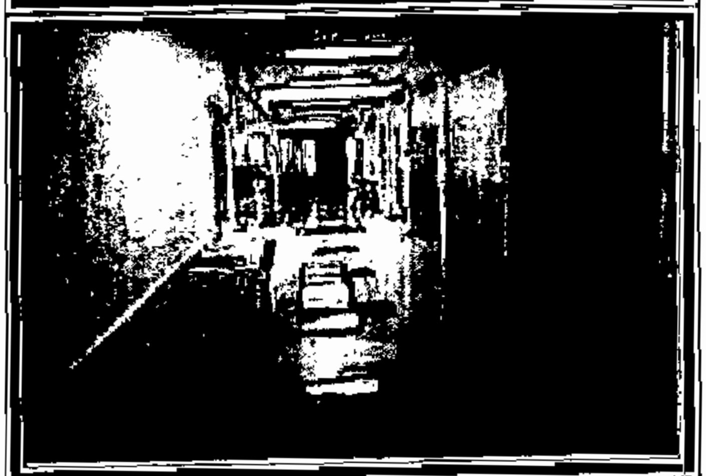
View of the Rear or North elevation

View of the Side or West elevation

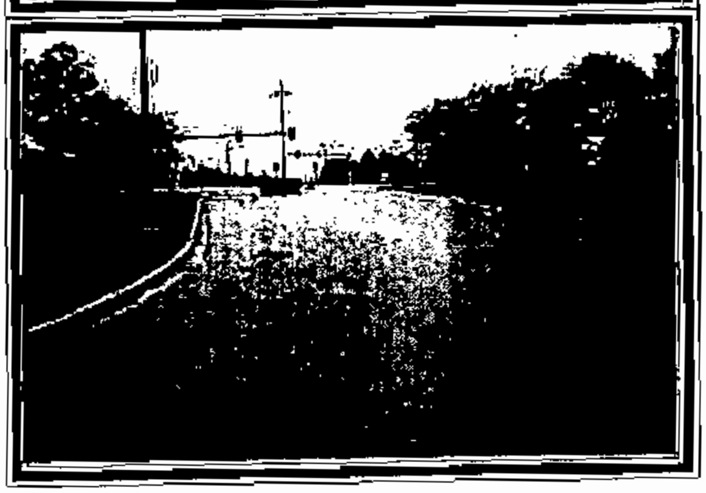
ATTACHMENT 2A

View of an Examination Room

View of a hallway in the Surgical Center



View looking South along Chase Court



ATTACHMENT 2A

Summary of the Salient Facts and Conclusions

Property Identification:	Estimate of the market value of the fee simple estate in the property commonly known as the Cornerstone Medical Building located at 27650 Ferry Road, Warrenville, Illinois. P.I.N.: 04-36-318-012 & 07-01-101-012/-018
Site:	The irregular shaped corner site contains a total land area of 230,238 square feet or 5.29 acres. Also, the site has 66,591 square feet or 1.53 acres of surplus land along the northern lot line. The land to building ratio is 3.64:1 (based on rentable building area) and the floor to area ratio is 0.27:1 (based on rentable building area).
Improvements:	The subject consists of a part one- and two-story, pre-cast concrete and masonry constructed medical office and surgical center building containing 63,191 square feet of net rentable area and 69,341 square feet of gross building area. The improvements were constructed in 2000, with a surgical center addition in 2005 and are in good condition.
Zoning:	S-D, Special Development District. A legal conforming use.
Highest and Best Use	
As Vacant:	For a commercial use.
As Improved:	Continuation of the present use.
Value Estimates:	

Sales Comparison Approach:	$23,365,000*
Income Approach:	$23,355,000*

Final Value Estimate:	$23,350,000

*Includes Surplus Land Value

Valuation Date:	May 21, 2012
Inspection Date:	May 21, 2012
Exposure Time:	Twelve Months

Purpose of the Appraisal

The purpose of the appraisal is to estimate the market value of the fee simple estate of the property as of May 21, 2012.

Intended Use of the Appraisal

The appraisal is intended to be used by the client only to provide a basis of market value for sale negotiation purposes.

Intended User of the Appraisal

The appraisal is intended to be used by Cain Brothers & Company, LLC. Ms. Elizabeth Kim ordered the appraisal.

Property Rights Appraised

The retrospective value estimated in this report is for the fee simple estate, a fee without limitation to any particular class of errors or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation. It assumes there are no encumbrances, encroachments, restrictions or liens except for normal utility, cable and/or ingress/egress easements if applicable.

Fee Simple Estate is defined as:

> Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, p. 78)

Scope of the Appraisal

The scope of this summary appraisal report is to conduct a physical inspection of the Cornerstone Medical Building and grounds, which have a common address of 27650 Ferry Road, Warrenville, Illinois, obtain demographic and economic information about the neighborhood, collect and analyze comparable data, apply appropriate valuation methodologies and develop a final value conclusion subject to the assumptions and limiting conditions included in the addenda of this report.

This summary appraisal report is intended to be an "appraisal assignment" and is prepared under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice. That is, the intention was that the appraisal service was performed in such a manner that the results of the analysis, opinion, or conclusion be that of a disinterested third party. The Sales Comparison and Income Approaches were utilized to estimate market value. For income producing properties such as the subject, the Cost Approach is typically not used by investors while purchasing these assets. Therefore, we did not use this approach in our analysis.

The appraisers relied on a personal inspection of the subject property, reviewing public information concerning the subject and adjacent neighboring properties, *Sidwell Maps, GIS Maps, Warrenville, Illinois Zoning Maps, the Naperville and Winfield Township Assessor's Office, the DuPage County Recorder of Deeds, the DuPage County Treasurer's Office and information provided by our client.*

Competency Provision

From our understanding of the assignment to be performed, which has been addressed in the Scope and Intended Use of this Appraisal, it is our opinion that we are fully competent to perform this appraisal, due to the fact that:

1. We have full knowledge and experience in the nature of this assignment.

2. All necessary and appropriate steps have been taken in order to complete this assignment completely.

3. There is no lack of knowledge or experience that would prohibit this assignment to be completed in a professional, competent manner, or that would render a biased or misleading opinion of value.

Market Value

Market Value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. The current definition of Market Value is stated as follows:

> The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, p. 122)

Fair Cash Value is defined by the Illinois Property Tax Code as:

> "… the amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and seller."(35ILCS2000/1-50)
>
> "… what the property would bring at a voluntary sale where the owner is ready, willing and able to sell but not compelled to do so, and the buyer is ready, willing and able to buy, but not forced to do so…"(44 Ill. 2d 428, 430, 256 NE 2d 334, 336 Springfield Marine Bank v. PTAB 1970)

For the purposes of this report we assume the definitions of market value and fair cash value to be synonymous. Exclusions from value are personal property, furniture, trade fixtures or equipment, intangible properties and inventories that are not real property.

Exposure Time

The Uniform Standards of Professional Appraisal Practice (USPAP) requires an estimate of exposure time. The current definition of *exposure time* is stated as follows:

> 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

(Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, p. 73)

Further, the current definition of *marketing time* is stated as follows:

> An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from *exposure time*, which is always presumed to precede the effective date of appraisal.

(Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, p. 121)

Exposure time is the estimated amount of time that the subject would have been offered on the market prior to a hypothetical sale at the estimated market value on the effective date of the appraisal. The estimate of exposure time should reflect past events in the local and national market. Also, exposure time should reflect an adequate and reasonable effort on the part of the hypothetical seller assuming a competitive and open market. Talks with local brokers and market participants have suggested that office buildings have been on the market for approximately twelve months prior to sale at market value. The subject property is a medical office and surgical center building that is in good condition. Therefore, we estimate an exposure time of twelve months.

Date of the Appraisal

The effective date of the appraisal is May 21, 2012. The interior and exterior of the building and site were inspected on May 21, 2012.

Legal Description

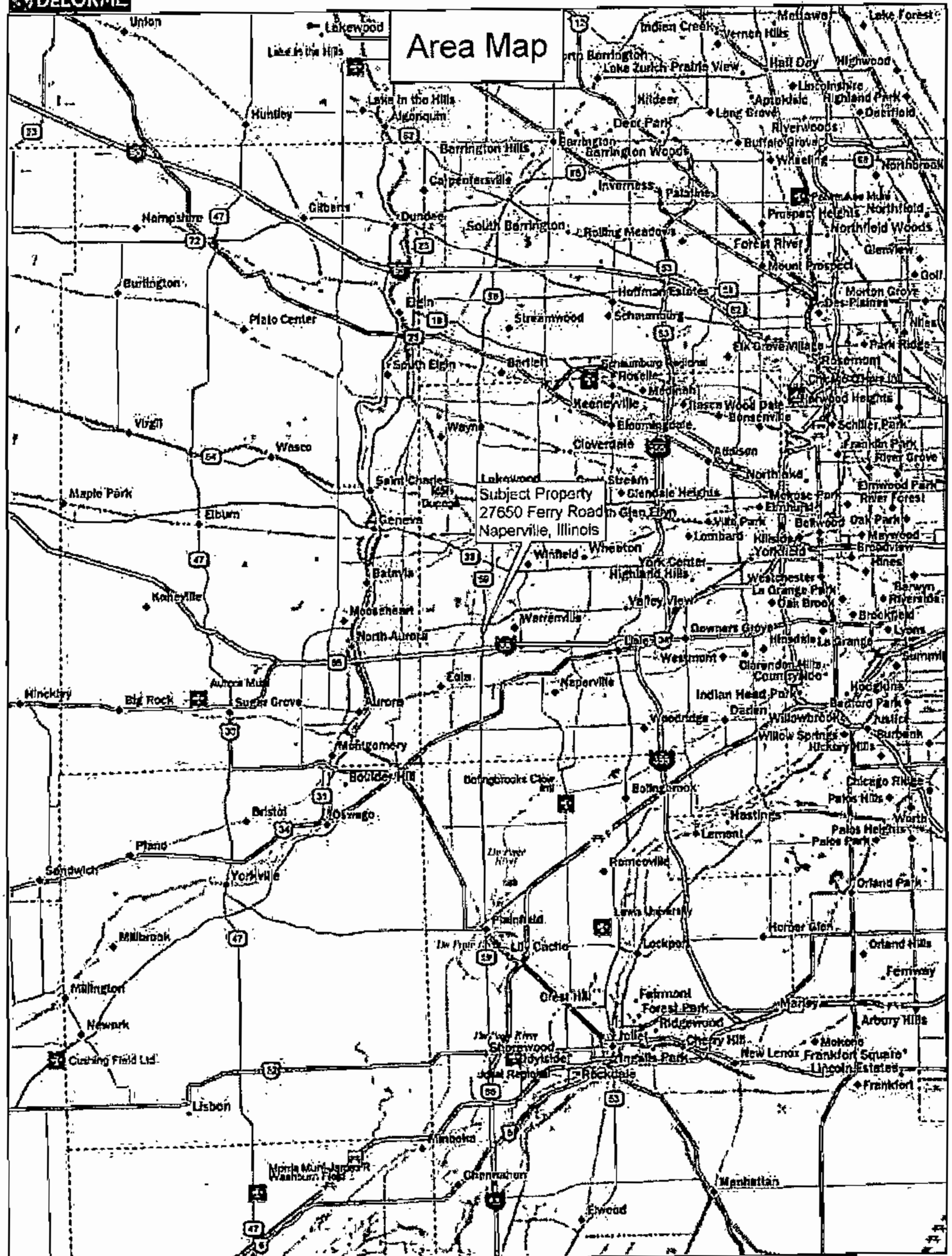
The subject's legal description is as follows: Lot 1 in Cantera Sub-Area "D" Re-subdivision No. 2 being a Subdivision in Part of the South Half of Section 36, Township 39 North, and the North Half of Section 1, Township 38 North, Range 9 East of the Third Principal Meridian, According to the Plat of Said Re-subdivision Recorded March 3, 2005 as Document R2006-043205, in DuPage County, Illinois. For purposes of this assignment, the subject property is described as having a common address of 27650 Ferry Road, Warrenville, Illinois and Property Index Numbers of 04-36-318-012 & 07-01-101-012/-018.

Introduction and Property History

The appraisers were not provided with a title insurance policy nor was a tract search performed. The subject has not transferred over the past three years. It was originally constructed as a 51,491 square foot medical office building in 2000, but an 11,700 square foot surgical center addition was completed in 2005.

The site has surplus land along the northern lot line that measures 66,591 square feet. This area is currently zoned for a 14,000 up to 18,000 square foot office building, but it can also be used for additional parking if the subject improvement is expanded. The parcel has frontage along MaeCliff Drive that is accessible via Warrenville Road or Ferry Road.

The subject was 100.0 percent leased as of the effective date of value. The strong local credit tenants have signed triple-net leases, thus they are responsible for their proportionate share of the real estate taxes, insurance, CAM and utility expenses. 75.0 percent of the property has signed leases through 2025; while the remaining spaces expire in 2015 (have two 5-year renewal options). Also, the leases have 2.0 percent annual rent escalations.



Scale 1 : 400,000

1" = 6.31 mi

Data Zoom 9-0

Data use subject to license.

2012 Metropolitan Area Review

The subject property is located within DuPage County, Illinois. DuPage County is one of eight counties located within the Chicago-Naperville-Joliet Metropolitan Statistical Area (MSA). The other counties within the MSA include: Cook, Kane, Grundy, DeKalb, Kendall, McHenry and Will Counties. Lake County, which was previously included in the MSA, is now part of the Lake County-Kenosha County Metropolitan Division, which includes Kenosha County in Wisconsin. DuPage County has a total land area of 336 square miles, which makes it the smallest county in the MSA. The Chicago MSA is also a part of the Chicago Combined Statistical Area (CSA) that includes the Chicago-Naperville-Joliet and the Lake County-Kenosha County MSA's as well as Jasper, Lake, LaPorte, Newton & Porter Counties in Indiana. This metro area is located 90 miles south of Milwaukee, Wisconsin, 185 miles northwest of Indianapolis, Indiana and 280 miles west of Detroit, Michigan.

Economic

In 2011, both the national and local economy were still entrenched in the recession that was a result of the housing crisis as well as the collapse of the commercial mortgage-backed securities (CMBS) market. By December of 2011, the national unemployment rate was 8.5 percent, the lowest level since March of 2009 and a reduction of 90 basis points since December of 2010. Overall, the economy added 200,000 jobs in December, fueled by job growth in the transportation, warehousing, retail trade, manufacturing and hospitality industries. Job growth in the private sector has been offset by job losses in the public sector, as more than 280,000 government jobs have been lost over the last year. Long term unemployment (those unemployed for 27 weeks or more) accounted for 42.5 percent of the unemployed in December of 2011. Locally, the December of 2011 unemployment rate for the Chicago Metropolitan Area was 9.3 percent, an increase of 70 basis points since December of 2010.

The following table summarizes the national monthly unemployment rates for the years 2001-2011:

Historical National Unemployment Rates – Bureau of Labor Statistics

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2001	4.2	4.2	4.3	4.4	4.3	4.5	4.6	4.9	5.0	5.3	5.5	5.7
2002	5.7	5.7	5.7	5.9	5.8	5.8	5.8	5.7	5.7	5.7	5.9	6.0
2003	5.8	5.9	5.9	6.0	6.1	6.3	6.2	6.1	6.1	6.0	5.8	5.7
2004	5.7	5.6	5.8	5.6	5.6	5.6	5.5	5.4	5.4	5.5	5.4	5.4
2005	5.3	5.4	5.2	5.2	5.1	5.0	5.0	4.9	5.0	5.0	5.0	4.9
2006	4.7	4.8	4.7	4.7	4.6	4.6	4.7	4.7	4.5	4.4	4.5	4.4
2007	4.6	4.5	4.4	4.5	4.4	4.6	4.7	4.6	4.7	4.7	4.7	5.0
2008	5.0	4.8	5.1	4.9	5.4	5.6	5.8	6.1	6.2	6.6	6.8	7.3
2009	7.8	8.2	8.6	8.9	9.4	9.5	9.5	9.7	9.8	10.1	9.9	9.9
2010	9.7	9.7	9.7	9.8	9.6	9.5	9.5	9.6	9.6	9.7	9.8	9.4
2011	9.1	9.0	8.9	9.0	9.0	9.1	9.1	9.1	9.0	8.9	8.7	8.5

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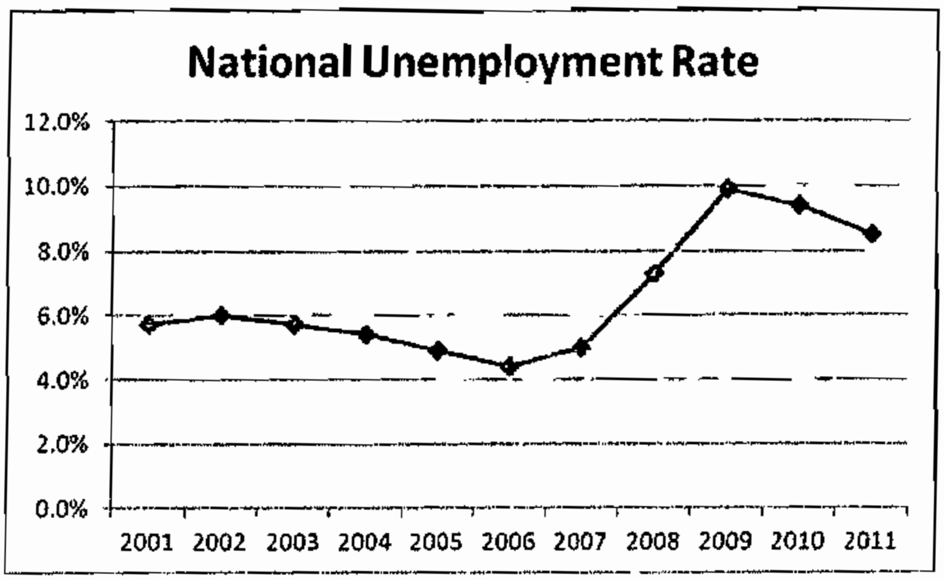

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The following table summarizes the Chicago-Joliet-Naperville MSA monthly unemployment rates for the years 2001-2011:

Chicago-Joliet-Naperville MSA Unemployment Rates – Illinois Dept. of Employment Security

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2001	5.5	5.4	5.7	5.5	5.2	5.8	5.6	5.6	5.5	5.5	6.0	6.2
2002	7.1	6.8	7.0	7.0	6.8	7.5	7.5	6.8	6.5	6.5	6.8	6.6
2003	7.3	7.1	7.1	6.7	6.7	7.8	7.4	7.2	6.9	6.3	6.5	6.2
2004	6.9	6.5	6.6	6.3	6.3	6.7	6.7	6.3	6.0	5.9	6.1	5.9
2005	6.5	6.7	6.3	6.4	6.3	6.7	6.4	5.7	5.7	5.1	5.2	5.2
2006	5.4	5.1	4.8	4.7	4.3	4.7	4.7	4.4	4.1	3.6	3.8	4.0
2007	5.0	4.8	4.4	4.7	4.7	5.4	5.4	5.0	4.9	4.7	4.8	5.2
2008	5.8	5.6	5.5	5.3	6.2	6.8	6.7	6.5	6.1	6.1	6.4	7.1
2009	8.3	9.0	9.4	9.7	10.3	10.9	10.7	10.1	10.4	10.4	10.3	10.7
2010	11.6	11.2	11.1	10.7	10.4	10.6	10.5	9.7	9.3	8.8	8.9	8.6
2011	9.4	9.0	8.7	8.7	9.8	10.4	10.5	10.4	9.8	9.7	9.8	9.3

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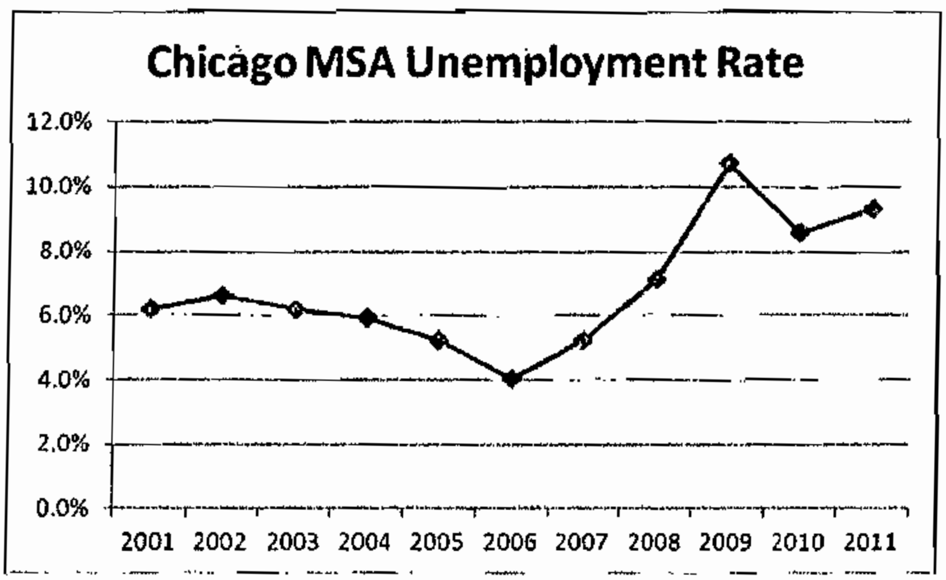

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The Chicago MSA saw a 2.0 percent increase in private employment or 59,375 jobs in 2011. The following table summarizes private sector employment (all industries) in the six northeast counties of Illinois for the years 2007-2011:

Private Sector Employment - Chicago MSA

	2011	2010	2009	2008	2007
Cook	2,037,597	2,004,132	2,068,502	2,176,935	2,194,338
DuPage	500,128	484,910	501,878	537,781	538,626
Lake	262,027	257,955	269,455	285,422	283,271
Kane	156,499	155,665	163,004	176,018	177,601
Will	161,330	155,494	154,307	160,771	154,665
McHenry	74,845	74,895	79,411	85,070	85,523
Total	3,192,426	3,133,051	3,236,557	3,421,970	3,434,030

Source: Illinois Department of Employment Security, Where Workers Work, 2011 edition

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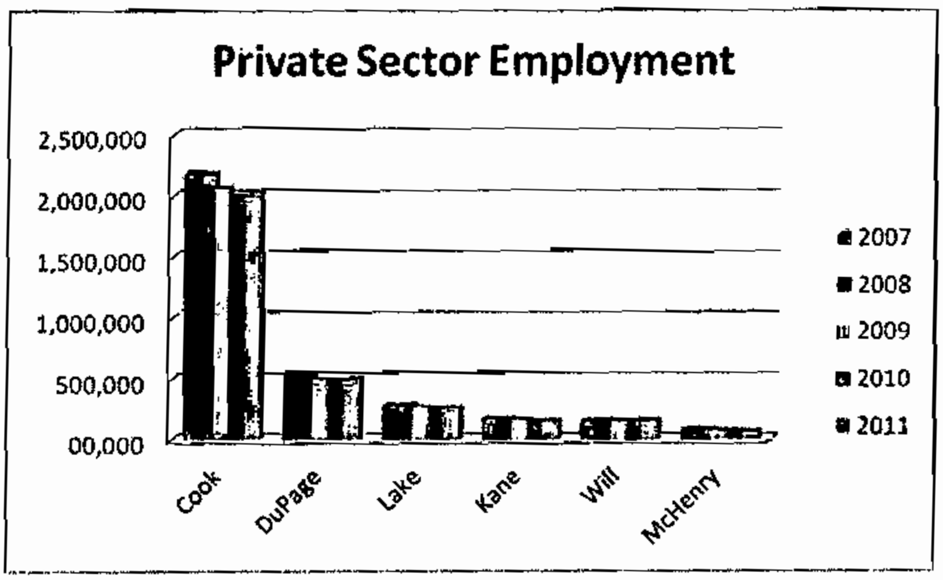

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The following table summarizes major employers in the Chicago MSA:

Major Employers - Chicago MSA

Rank	Company	City	Employees
1	Allstate Insurance Company	Northbrook	13,000
2	Abbott Laboratories	North Chicago	12,000
3	University of Illinois Chicago	Chicago	11,515
4	Allstate Corporation	Northbrook	10,000
5	University of Chicago	Chicago	8,534
6	Johnston R Bowman Health Center	Chicago	8,000
7	Loyola University Hospital	Maywood	8,000
8	Walgreen Co	Deerfield	6,100
9	John H. Stroger Hospital	Chicago	6,000
10	Cook County Hospital	Chicago	6,000
11	Sears Holdings Corp	Hoffman Estates	6,000
12	Sears Home & Bus Franchises	Hoffman Estates	6,000
13	Accenture Ltd	Chicago	5,000
14	CAN Financial Group	Chicago	5,000
15	Cook County Health Services	Chicago	5,000

Source: America's Career InfoNet, 2011

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The majority of the top employers are in the health, educational, retail and financial industries. This would reflect how the service industries have become more important to the area than the manufacturing and trade industries. This is true statewide as well; if we included the entire state in our list, Adjutant General in Springfield and State Farm Insurance in Bloomington would be second on the list with 13,000 employees, the University of Illinois in Champaign would be in sixth place with 11,056 employees.

Typical of an industrial city located in the rustbelt, the area's manufacturing sector suffered for much of the 1970's and 1980's from foreign competition and changes in technology. This was particularly true of the south side of Chicago which historically had been the area's center for manufacturing. Outlying suburbs have seen tremendous development of warehouse distribution centers, due to low tax rates and relatively low land values.

Environment

Due to its strategic geographic position, Chicago is one of the major transportation centers in the world. Historically, it has been a major hub of both railroad and the interstate highway system in the United States. Chicago is also the Midwest's largest trucking center with over 200 truck terminals. Chicago is also a hub in the inland waterway system which links the Atlantic Ocean with the Mississippi River via Lake Michigan and the Chicago River. There are four general cargo harbors that service the region.

Chicago also benefits from its central location in terms of air traffic. O'Hare International Airport is one of the world's busiest passenger and cargo facilities. Additionally, Chicago is also home to Midway Airport. Plans to develop a third major airport to be located in the southern suburbs are under review. This airport should spark additional revenue through nearby commercial, retail and hotel development in the area. However, there is controversy over whether the third airport should be built or not.

Within the Chicago MSA, excellent public transportation and highway systems serve commuters from all points within the city and from most of the outlying suburban communities. Most of this transportation system is geared toward getting commuters in and out of downtown Chicago and facilitating truck traffic east and west of the metropolitan area.

Chicago offers an extensive highway system, including the Stevenson Expressway (I-55), the Kennedy Expressway (I-90), the Dan Ryan Expressway (I-94), the Eisenhower Expressway (I-290), Interstate I-355, Interstate I-88 and the Tri-State Tollway (I-294). The expressway system is augmented by commuter rail and bus lines managed by the Chicago Transit Authority ("CTA") and the Metropolitan Rapid Transit Authority ("METRA"). Ten rail lines provide commuter connections from the Loop to Lake, McHenry, Kane, DuPage, and Will Counties. Within Chicago, the CTA maintains several rail lines to serve Chicago commuters.

Social

According to the U.S. Census Bureau, the 2011 Chicago MSA six-county population total reached 8.316 million residents (a 2.0 percent decline from 2010). The following table summarizes the population estimate figures for the Chicago MSA between 2008 and 2010 and the 2011 figures from the 2010 U.S. Census:

Population Estimates - Chicago MSA

	July 1, 2011	July 1, 2010	July 1, 2009	July 1, 2008
Cook County	5,194,675	5,310,767	5,287,037	5,256,705
Lake County	703,462	714,252	712,567	707,622
Will County	677,560	688,081	685,251	679,069
DuPage County	916,924	941,097	932,541	927,382
Kane County	515,269	515,292	511,892	504,057
McHenry County	308,760	320,133	318,342	316,630
Total	8,316,650	8,489,622	8,447,630	8,391,465

Source: Population Division, U.S. Census Bureau

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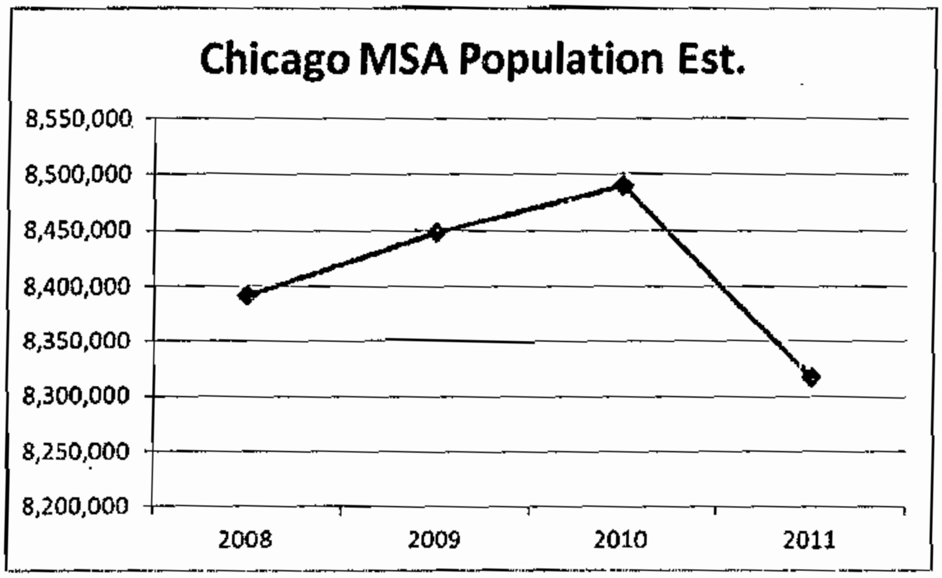

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The Northern Illinois Planning Commission has estimated that by 2030, the population for the six northeastern counties will be 10,050,000 residents, with Cook County remaining the largest county with 6.0 million residents. However, Will County will double in size, from 500,000 residents in 2000 to an estimated 1,070,000 residents in 2030. An additional 337,000 acres would be required for the increase in population, which would put additional burdens on the local transportation systems.

Government

Real estate assessments in Illinois are prepared yearly and are based on market value. In most counties, properties are assessed at 33.3 percent of market value. The market value estimates are prepared on a township level by elected assessors. These values are subject to review by a county level Supervisor of Assessments. Additionally, there is a Board of Review for tax appeals.

Property tax rates, or millage rates, are set on a county level by the County Clerk. The Treasurer's Office collects the tax for the underlying tax districts. These districts include the county, municipalities, schools, parks and other legally enabled districts. Cook County is unique in Illinois because the assessment ratios change based on property type. A multiplier is applied to the assessed value.

Summary and Conclusion

The United States entered into a deep recession in October 2008. Most economists agree that for the most part, the economy will not fully recover until the end of 2012 or 2013. The recession has affected all areas of real estate as well as the financial markets. According to the October 2011 S&P/Case-Schiller home price index, 19 of the top 20 housing markets experienced a price decline of 3.4 percent. Locally, the housing prices in the Chicago MSA dropped by 4.8 percent over the last year. It remains to be seen how Chicago, as well as the rest of the nation, will continue to overcome the current real estate crisis.

2012 Suburban Chicago Office Market Overview

The Chicago Office Market is divided into two general categories, "Downtown", or "Central Business District" and "Suburban". With 109,265,239 million square feet of rentable space, the Suburban Office Market area is one of the largest in the country. The Suburban Office Market is mostly situated in the far western submarket or East-West Tollway (38 percent), Northwest Suburbs submarket (26 percent) and North Suburban submarket (21 percent), while the smallest submarket is West Cook (1 percent).

Historically, the Suburban Office Market has had problems with high vacancy rates. By the end of year 2011, the Chicago Suburban Office Market had an overall vacancy rate of 22.9 percent, which was 20 basis points lower than 2010. There was a positive absorption of 103,351 square feet in the fourth quarter of 2011. Suburban landlords have been reluctant to renew or extend leases that may reduce cash flow and the overall value of their properties. Landlords have had to offer inducements of free rent or tenant improvements to attract or retain tenants. However, there are fewer tenants in the market and the low demand for space continues, which is proving to be costly for the landlords. Suburban tenants are negotiating for lower rates, as asking rates have fallen.

A positive sign that the office market is moving past the recession is that by December of 2011, the national unemployment rate was 8.5 percent, the lowest level since March of 2009 and a reduction of 90 basis points since December of 2010. Locally, the December of 2011 unemployment rate for the Chicago Metropolitan Area was 9.3 percent, an increase of 70 basis points since December of 2010.

Chicago's suburban office market experienced a strong fourth quarter of 2011, recording positive absorption, a decline in the total vacancy rate and an increase in asking rents for the first time since the third quarter of 2007.

Direct vacancy in the Suburban Market is 21.9 percent, decreasing 30 basis points from the third quarter. Also, it is only 10 basis points higher than the fourth quarter of 2010.

The following table summarizes the market conditions for the Chicago Suburban Office Market as of the Fourth Quarter of 2011, as well as for the Fourth Quarters of 2010, 2009 and 2008:

Office Market Statistics – Chicago MSA

Office Markets	Inventory (NRA)	Overall Vacancy Rates				2011 YTD Net Absorption
		4th Q 2011	4th Q 2010	4th Q 2009	4th Q 2008	
North Suburban	22,645,204	21.1%	20.4%	19.9%	16.6%	-225,487
Northwest Suburbs	28,092,191	26.6%	25.7%	27.0%	21.1%	-635,717
O'Hare	13,756,027	23.1%	23.6%	24.9%	24.2%	92,691
East-West Tollway	41,248,274	20.8%	22.9%	22.3%	19.4%	472,796
West Cook	1,098,104	35.3%	32.6%	33.5%	26.5%	-29,109
South Suburbs	2,425,439	24.6%	24.0%	24.3%	24.1%	-17,883
Suburban Summary	109,265,239	22.9%	23.3%	24.1%	20.1%	-342,709

Source: CB Richard Ellis 4th Quarter 2011 Survey

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It should be noted that the vacancy rate includes sublease vacancy as well. The overall sublease vacancy rate at the end of the 4th Quarter 2011 was 1.0 percent. The North Suburban and O'Hare markets having the highest sublease vacancy rates of 1.3 and 1.4 percent, respectively.

The following chart breaks down the suburban office market by submarket and office class:

	Rentable Area	Vacancy Rates			
		4th Quarter 2011	4th Quarter 2010	4th Quarter 2009	4th Quarter 2008
North Suburban					
Class A	8,363,672	16.5%	15.4%	22.3%	15.2%
Class B	9,643,431	22.8%	20.6%	17.5%	17.5%
Class C	4,638,101	25.9%	24.7%	14.4%	17.3%
Subtotal	*22,654,204*	*21.1%*	*20.4%*	*16.6%*	*16.6%*
Northwest Suburban					
Class A	14,701,759	24.5%	23.2%	28.6%	18.0%
Class B	7,355,800	26.8%	27.1%	27.2%	21.9%
Class C	6,034,632	31.6%	30.3%	14.5%	27.5%
Subtotal	*28,092,191*	*26.6%*	*25.7%*	*27.0%*	*21.1%*
O'Hare					
Class A	7,082,046	17.5%	19.8%	25.3%	20.3%
Class B	3,487,756	28.6%	27.5%	26.2%	28.1%
Class C	3,186,225	29.5%	27.7%	14.8%	28.2%
ubtotal	*13,756,027*	*23.1%*	*23.6%*	*24.95%*	*24.2%*
ast-West Tollway					
lass A	13,843,643	16.4%	20.3%	23.1%	18.0%
lass B	18,022,712	22.9%	23.7%	24.2%	19.4%
lass C	9,381,919	23.1%	25.4%	16.4%	22.0%
ubtotal	*41,248,274*	*20.8%*	*22.9%*	*22.3%*	*19.4%*
Vest Cook					
lass A	0	0.0%	0.0%	0.0%	0.0%
lass B	88,800	7.6%	9.3%	13.0%	13.0%
lass C	1,009,304	37.7%	34.7%	27.7%	27.7%
ubtotal	*1,098,104*	*35.3%*	*32.6%*	*26.5%*	*26.5%*
outh Suburbs					
lass A	468,053	31.1%	24.0%	32.1%	30.2%
lass B	1,081,980	24.8%	23.5%	27.1%	26.1%
lass C	875,406	20.9%	20.8%	20.4%	18.4%
ubtotal	*2,425,439*	*24.6%*	*24.0%*	*25.2%*	*24.1%*

ource: CB Richard Ellis 4th Quarter 2011 Survey

We have summarized the 2011 highlights of the suburban submarkets below:

North Suburban

The north suburban office market is typically considered to encompass the area south of Wisconsin, west of Lake Michigan and east of Interstate 294. This market has typically been one of the healthiest office submarkets. One of the major reasons for this is the abundance of major headquarters located in this region (Abbott Laboratories, Allstate, WW Grainger,) as well as the health of such areas as the Edens Corridor. Two properties sold in the fourth quarter of 2010. A 99,566 square foot class "A" facility in Deerfield's Parkway North Center. It was built in 2000 and is known as Ten Parkway North. The overall vacancy rate for this submarket was 21.1 percent, a reduction from 23.3 percent in the fourth quarter of 2010. Also, the asking gross rent was $22.58 per square foot in the fourth quarter of 2011.

Northwest Suburbs

The Northwest suburbs submarket typically consists of four submarkets, North DuPage (Roselle and Bloomingdale), Schaumburg (Schaumburg and Arlington Heights), Central Northwest (Barrington and Lake Zurich) and the Far Northwest (Elgin). Typically, most of the development has occurred within Schaumburg. The overall vacancy rate for this submarket was 26.6 percent, a slight increase from 25.7 percent in the fourth quarter of 2010. Also, the asking gross rent was $20.31 per square foot in the fourth quarter of 2011.

O'Hare

The O'Hare market surrounds O'Hare International Airport in Chicago and includes the cities of Rosemont and Elk Grove Village. It is a market which contains many older properties less suited to the demand from newer tenants. The overall vacancy rate for this submarket was 23.1 percent, a reduction from 23.6 percent in the fourth quarter of 2010. Also, the asking gross rent was $21.15 per square foot in the fourth quarter of 2011.

West Cook

The West Cook submarket typically includes the area extending west of Chicago's city limits on the east to the east side of I-294, from south of the O'Hare Market to the municipalities north of I-55. The overall vacancy rate for this submarket was 35.3 percent, an increase from 32.6 percent in the fourth quarter of 2010. Also, the asking gross rent was $18.23 per square foot in the fourth quarter of 2011.

East-West Tollway

The East-West Tollway market typically includes three submarkets, Oak Brook, (Oak Brook and Addison), Far West Suburbs (Naperville and Wheaton) and the Southwest Suburbs (Bolingbrook and Joliet). Oak Brook and the many corporate headquarters buildings in this area dominate this region. Most office development has taken place along the Interstate 88 corridor that extends out to the Naperville and Aurora areas of the Far West Suburbs. The overall vacancy rate for this submarket was 20.8 percent, a reduction from 22.9 percent in the fourth quarter of 2010. Also, the asking gross rent was $20.98 per square foot in the fourth quarter of 2011.

South Suburbs

The South Suburbs submarket is the second smallest office submarket in the Chicago Suburban MSA. This area includes every suburb south and west of the city of Chicago within Cook County. The overall vacancy rate for this submarket was 24.6 percent, a slight increase from 24.0 percent in the fourth quarter of 2010. Also, the asking gross rent was $15.24 per square foot in the fourth quarter of 2011.

Summary

The Chicago Office Market continues to lag behind the overall economy, as the economy has experienced a gradual recovery. Although office market owners will still try to bring in new tenants with new deals and concessions, it will be difficult to gage when the office market recovers. Although there are positive signs of a recovery, the suburban market faces a threat from the CBD district of Chicago, as companies are looking for a younger employment base. In addition, the supply-demand curve continues to remain in the "over-supply" position, as available space remains vacant for long periods of time.

Further, it is expected that new investment activity will occur, as office market participants see new opportunities to pick up properties at discounted prices. The "bid/ask" spread between buyers and sellers still exists, but deals are starting to get done as this gap begins to tighten.

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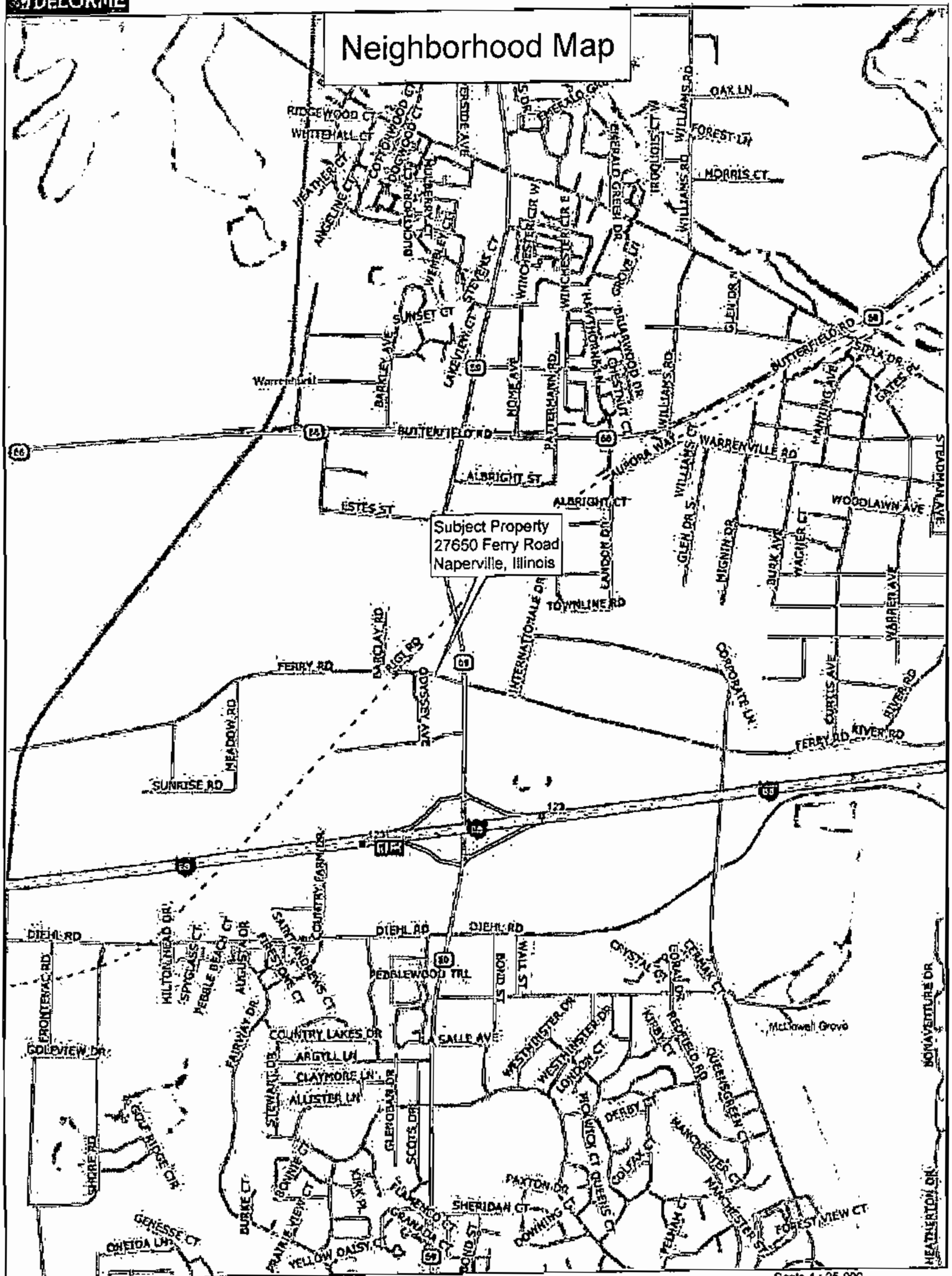
DeLorme Street Atlas USA® 2009



TN

MN (3.2°W)

Scale 1 : 25,000

ATTACHMENT 2A

1" = 2,083.3 ft

Data Zoom 13-0

Community Profile

A neighborhood is simply defined by the Dictionary of Real Estate Appraisal as "a group of complementary land uses." The subject property is located in Warrenville, Illinois. Social, economic, governmental and environmental forces influence the people and real estate in this neighborhood.

Located just 30 miles west of downtown Chicago, Warrenville is located in DuPage County. The city is bordered by Batavia and North Aurora to the west, Naperville and Interstate 88 to the south, Lisle to the east and Winfield and West Chicago to the north. Warrenville is 11.25 square miles with 48% residential land, 13% commercial land, 9% open space, 9% undeveloped area, and 18% tax-exempt land.

The following table summarizes the 2010 demographics for Warrenville, Illinois.

Demographics for Warrenville, Illinois (U.S. Census 2010)

Population	13,140
Population Density (11.25 Square Miles)	2,407/sqm
Families	3,209
Households	4,800
Median Home Value	$245,100
Median Rent	$1,275
Owner Occupied Housing	80.4%
Renter Occupied Housing	19.6%
Housing Units	5,125
Median Year Built	1981
Median Household Income	$76,458
Per Capita Income	$31,158
Average Age	36.5
Average Commute	26.0 min

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Warrenville's location at the Winfield Road interchange on I-88 connects to a network of County roads, which provide easy access to both homes and businesses. Warrenville's population of 13,140 allows the City to maintain that small-town feel and still have the advantage of drawing upon a diversified tax base to ease the financial burden off of residential property owners. While non-residential development continues to prosper, the City does not expect a significant increase in its residential population.

Wheaton Warrenville Community Unit School District 200 provides the quality education demanded by residents who appreciate the value of learning. It is committed to excellence in the process of preparing students to meet the educational challenges of the 21st century. Warrenville K-5 students attend either Johnson or Bower Elementary Schools in Warrenville. Students in grade 6-8 are bussed to Hubble Middle School in Wheaton, and high school students attend the 51-acre Wheaton Warrenville South High School campus just two miles east of Warrenville's center.

Nestled on a prairie landscape 25 miles west of downtown Chicago, College of DuPage (COD) is the Midwest's largest single campus community college. Established in 1967 the school serves most of DuPage County as well as parts of Cook and Will Counties. The college offers seven associate degree programs and many career options to its 30,000 students.

The Warrenville Public Library District completes the series of downtown civic buildings. Books, DVDs, music CDs, and audio books are among the more than 100,000 items available for checkout. Large print books and books in Spanish are also available. The library's friendly staff and professional librarians are available to assist residents in their quest for information. Free wireless Internet access is provided and library cardholders can use a number of computers to access the Internet, email, or office software.

Established in 1964, Central DuPage Hospital (CDH) has remained a medical pioneer in Chicago's western suburbs for more than 40 years. Located in nearby Winfield, under five miles from the community of Warrenville, the hospital has expanded from a 113-bed acute care medical center with 66 physicians to an extensive 361-bed full-service facility equipped with a nearly 800-person medical staff.

The following table summarizes the major local employers for Warrenville.

Major Local Employers

Employer	Product/Service	Employees
Phonak		550
Excelon		426
Liberty Mutual	Insurance	400
Target	Retail	260
McDonald's Restaurant	Fast Food	122
Member's United Credit Union	Credit Union	88
AECOM Environment		80
Family Foods	Grocery	74

Source: Illinois Department of Commerce and Community Affairs

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The city and developers came together to formulate the Cantera business hub that has currently helped put Warrenville on the map. Partnering with WDLP, Elmhurst-Chicago Stone Company, and Jones/Lang/LaSalle Partners, the city of Warrenville managed to create a mixed-use area. A major portion of the genius behind Cantera and its success derives from the highly productive TIF district established within Cantera. Special taxation within the area allowed revenue into a unique account shared in part with the developers of the area and benefiting the city with the rest. Warrenville thus enabled infrastructure growth within Cantera on behalf of the city while also making economic development affordable and attractive to developers.

Major Retail Areas

Name/Location	Type	SF	Year Built/Reno	Anchors
Cantera Commons **28361 West Diehl Road**	Community	218,533	2003	Super Target
Ferry Creek Place 35009 Route 59	Neighborhood	16,227	1989	Home Town Pantry
Ferry Creek Center **2South 781 State Route 59**	Neighborhood	27,000	1989	Goodyear Auto Service Center
Meadow Glen Shopping Center **3 South 071 Street Route 59**	Neighborhood	15,710	1989	N/A

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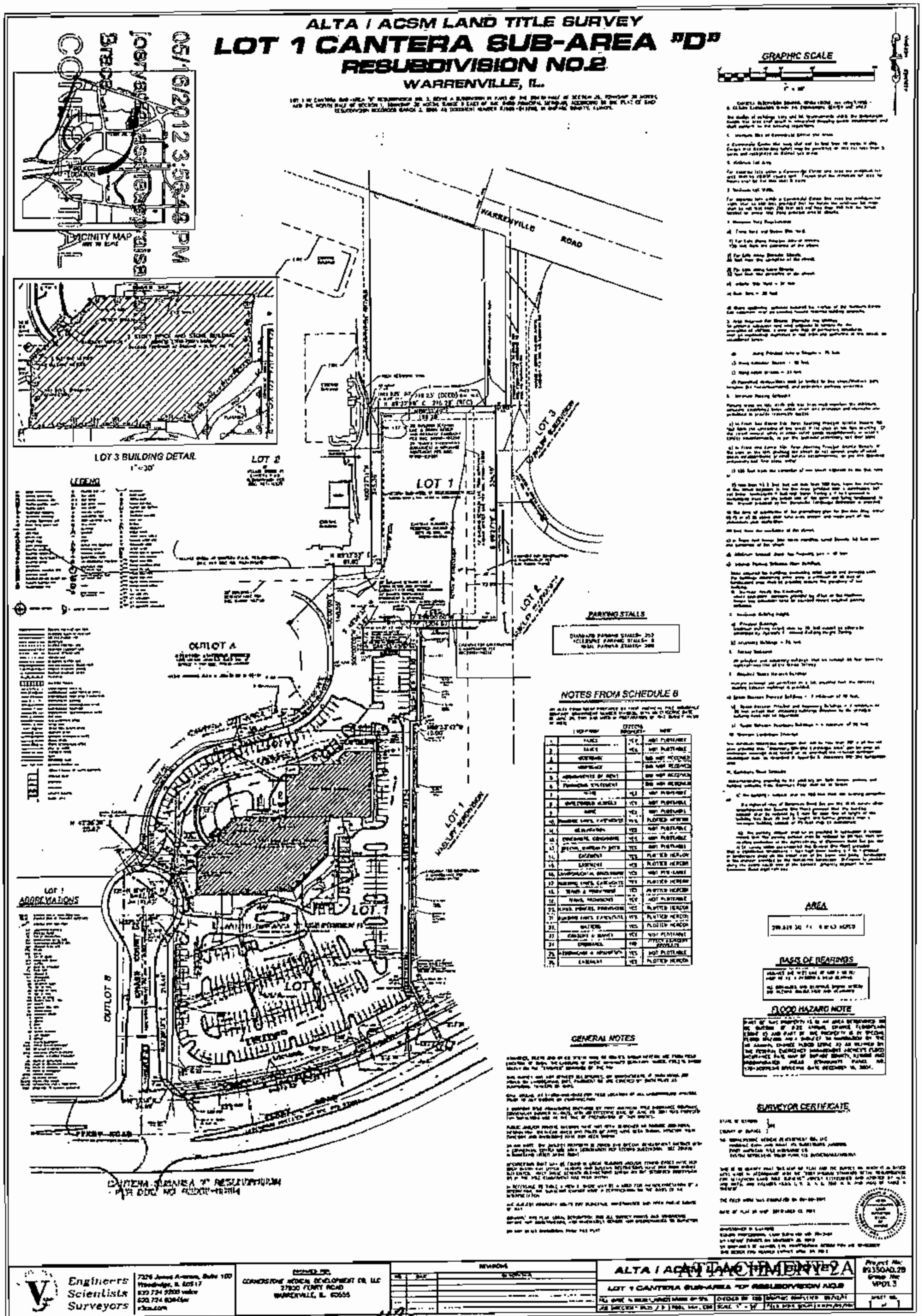
The Warrenville Park District provides the community with a wide variety of recreational programs, events and services. These include sports leagues for all ages, day camps during the summer and school breaks, sports camps, fitness programs, preschool programs, active adult programs, day trips, and birthday party services. The Warrenville Park District Recreation Center is home to many programs and the FitnessNOW center which provides state of the art cardiovascular and resistance equipment, 3 lane indoor track, Life Fitness Cross trainers, upright and recumbent bikes and treadmills.

County preserves surround Warrenville. The largest with 1,339 acres is Blackwell. With a small lake for boating and fishing, nine miles of hiking trails, a campground, shelters and picnic sites, a dog exercise area, winter tubing down Mt. Hoy, and plenty of parking, Blackwell is ideal for a day or overnight adventure. At the north end of Blackwell, off Mack Road, is McKee Marsh, a three mile hiking trail that provides outlooks for animal and bird watching

The subject property is located at 27650 Ferry Road, Warrenville, Illinois. Uses surrounding the subject include: office buildings to the south and west, residential uses and a Warrenville water tower to the north, Interstate 88 further to the south and a Hyatt Hotel to the east.

In conclusion, the value of real estate in the Chicago MSA has trended downward over the past few years. However, there are indicators that that this trend has begun to stabilize.



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WARRENVILLE, IL.
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VICINITY MAP
LOT 3 BUILDING DETAIL
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WARRENVILLE ROAD
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LOT 2
LOT 3
OUTLOT A
OUTLOT B
PARKING STALLS
NOTES FROM SCHEDULE B
GENERAL NOTES
AREA
BASIS OF BEARINGS
FLOOD HAZARD NOTE
SURVEYOR CERTIFICATE
LOT 1 ABBREVIATIONS
Engineers
Scientists
Surveyors
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27800 FERRY ROAD
WARRENVILLE, IL 60555
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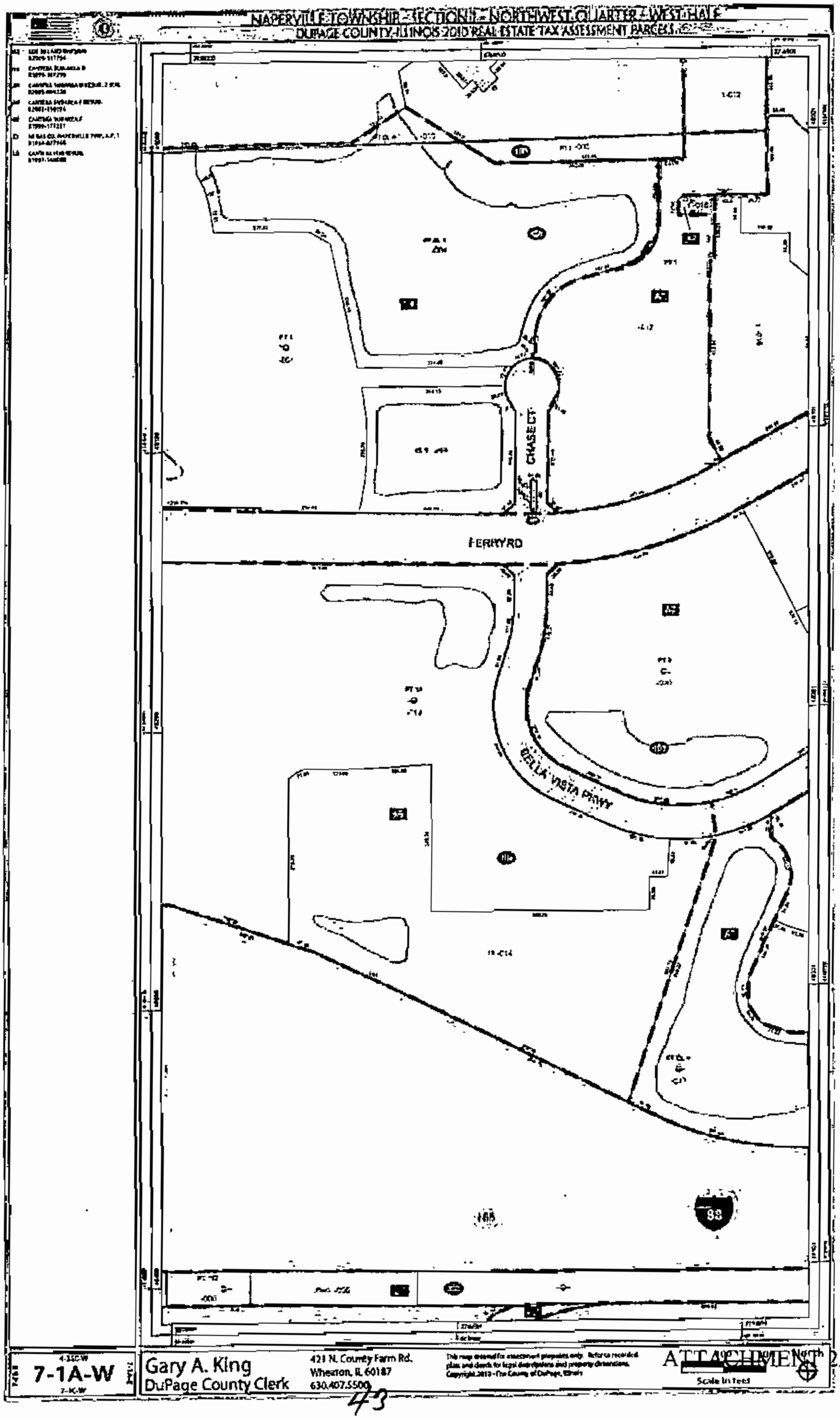


ATTACHMENT 2A

Site Description

Location

The subject site is located at the northeast corner of Ferry Road and Chase Court, with frontage along the west side of MaeCliff Drive, Warrenville, Illinois. The common address of the parcel is 27650 Ferry Road, Warrenville, Illinois.

Physical Characteristics

The irregular shaped corner site is generally level and at grade with Ferry Road and Chase Court, but well below the grade of MaeCliff Drive. The main parcel (07-01-101-012) has approximately 373.05 feet of frontage along the north side Ferry Road and approximately 423.2 feet of frontage along the east side of Chase Court. The surplus land parcel is a regular shaped interior lot that contains 66,591 square feet or 1.53 acres and has frontage along the west side of MaeCliff Drive, but well below the street grade. The main parcel is an irregular shaped corner site with a total land area of 230,238 square feet or 5.29 acres. The land to building ratio is 3.64:1 (based on rentable building area) and the floor to area ratio is 0.27:1 (based on rentable building area). The land size was provided via a plat of survey drawn by the Engineers Scientists Surveyors of Woodridge, Illinois in October of 2005.

Utilities

All public utilities, including water and sanitary sewer, natural gas, electricity and telephone service the site. Water main lines, sanitary sewer lines and connection pipes feed into the property. Electricity is provided by ComEd, natural gas service by Nicor and telephone service by AT&T. All utilities appear to be sufficient to support the subject.

Accessibility

The subject has good vehicular access via two curb cuts along Chase Court that are accessible at Ferry Road from the east and west. Ferry Road is a paved dedicated thoroughfare with two lanes of traffic in each direction, while the site has access to Interstate 88 via Winfield Road a few blocks to the southwest. The subject has 260 surface parking spaces and 20 interior spaces in the underground parking garage. Also, visibility is considered to be good for the subject. The surplus site is well below the grade of MaeCliff Drive, as the site would require significant land engineering to have street access and even with said land engineering the site would have little prominence and exposure to the fronting street.

Soil Stability

No soil boring test results were made available to the appraisers. For the purpose of this valuation, lacking any evidence to the contrary, the soil conditions were considered adequate for the support of the improvements situated thereupon. Also, there is a retention pond along the western lot line.

Conclusion

Access to the subject property is considered to be good and visibility is considered to be good as well. It has access to all utilities and it is level and at grade of the fronting streets. The overall utility of the site is considered to be good for medical office uses.

Excess land is defined as:

> Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately.

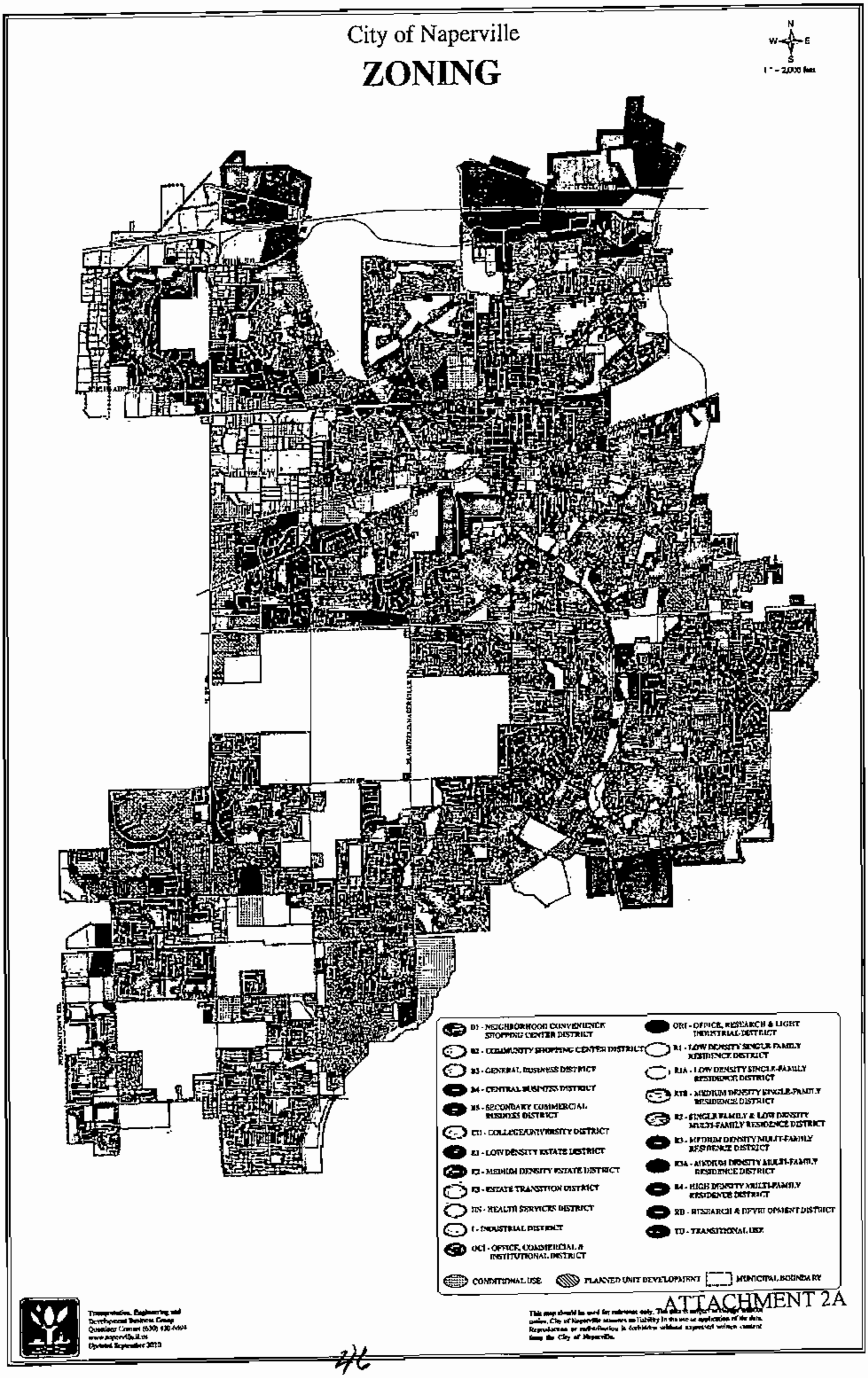
(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, p. 71)

Surplus land is defined as:

> Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, p. 191)

In our opinion, the land located at the north end of the subject site is considered to be surplus land. The site is well below the grade of MaeCliff Drive, as the site would require significant land engineering to have street access and even with said land engineering, the site would have little prominence and exposure to the fronting street.



ATTACHMENT 2A

The most economical and efficient use for future development would be an expansion of the main improvement.

Zoning

According to the *Warrenville, Illinois Zoning Ordinance*, the subject property is zoned S-D, Special Development District. This district was designed to accommodate flexible zoning for large parcels to be developed according to a single integrated plan for mixed residential, business and institutional uses. In general, the basic requirements of this zoning district include: a maximum building height of 60 feet, floor to area ratio of 0.5 and no minimum lot size. The complete zoning ordinance is lengthy and contains variations from these basic requirements under certain instances. According to our interpretation of the ordinance and applying it to the appraised property, the subject appears to represent a legal conforming use.

Real Estate Taxes

The appraised property is identified by Property Index Numbers: 04-36-318-012 & 07-01-101-012/-018. In 2011, the *Naperville Township Assessor's Office* classified parcels 07-01-101-012/-018 as commercial (Class C) and vacant commercial (Class S), which are assessed at 33.33 percent of market value. The *Winfield Township Assessor's Office* also classified parcel 04-36-318-012 as commercial (Class C), which is assessed at 33.33 percent of market value. Therefore, the following table summarizes the 2011 assessed values, 2011 tax rate, 2011 equalization rate and taxes due in 2012. The 2012 tax burden was 2.31 and 2.36 percent.

Real Estate Taxes – Cornerstone Medical Building 07-01-101-012/-018

Land	Building	Assessed Total	Assessment Ratio	Market Value
$619,150	$2,451,430	$3,070,580.00	33.33%	$9,212,661
			2011 Multiplier	1.0000
			2011 Tax Rate	6.9297%
			2012 Taxes	$212,781.98
			2012 Tax Burden	2.31%

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Real Estate Taxes – Cornerstone Medical Building 04-36-318-012

Land	Building	Assessed Total	Assessment Ratio	Market Value
$98,340	$0	$98,340.00	33.33%	$295,050
			2011 Multiplier	1.0000
			2011 Tax Rate	7.0727%
			2012 Taxes	$6,955.29
			2012 Tax Burden	2.36%

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*A sale of the property could significantly increase the property taxes.

Description of Improvements

The subject consists of a part one- and two-story, pre-cast concrete and masonry constructed medical office and surgical center building containing 63,191 square feet of net rentable area and 69,341 square feet of gross building area. The improvements were constructed in 2000, with a surgical center addition in 2005 and are in good condition. Our client provided the building size, which was verified via spot measurements.

Cornerstone Medical Building SF Breakdown

Medical Office	44,751 SF
Surgical Center	11,700 SF
Physical Therapy	5,175 SF
Storage	1,565 SF
Parking	6,150 SF
	69,341 SF

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The two main entrances located along the southern elevation lead into a lobby of the medical office space and the reception desk of the surgical center. The 1st floor of the medical office space has numerous patient rooms, an MRI room, waiting areas, washrooms, general offices and break rooms. The 2nd floor of the medical office space consists of individual offices, an open bullpen layout, a break room, washrooms and a conference room. The surgical center is built-out as 8 pre-op rooms, 4 post-op rooms, an imaging center and 2 break rooms. The full basement is utilized for physical therapy, storage space and parking.

Foundation and Floor

The improvement has poured reinforced concrete foundation walls and footings to grade with a reinforced concrete slab floors. The floors have a mixture of steel and concrete decking, while the MRI room has a copper lined floor, ceiling and walls.

Walls and Sash

The improvement has pre-cast concrete and masonry exterior walls. Interior load bearing walls are concrete and curtain walls are painted drywall. The window sash consists of double glazed thermal window sections set in aluminum frames. The windows are in good condition.

Roof

The subject has a metal deck roof with a rubber composition cover. The roof was reported to be in good condition, while this area was not inspected by the appraisers.

Systems

The subject is heated and cooled via extensive rooftop HVAC units distributed by ductwork. It is sprinklered and the power is adequate for the current tenants with 2 back-up generators on-site. The subject has 2 passenger elevators (2,500 pound capacity) and 2 interior stairwells.

Interior Build-Out

Interior finishes include: concrete flooring, carpeting or tile over concrete flooring, painted or wallpapered drywall, hung acoustic tile or drywall ceilings and fluorescent or incandescent recessed light fixtures. The doors vary from aluminum and glass (automatic or manual) to solid wood, glass or metal core.

Plumbing

The subject has an adequate amount of washrooms on each level.

Site Improvements

The portions of the site not covered by other improvements are asphalt or concrete paving and landscaping.

Physical Condition and Functional Utility

The subject improvement is in good condition given the age and utility of the property. The building improvements are in good condition and they do not require any major renovations or replacements as of the effective date of value.

Occupancy

The subject was 100.0 percent leased as of the effective date of value. The strong local credit tenants have signed triple-net leases, thus they are responsible for their proportionate share of the real estate taxes, insurance, CAM and utility expenses. 75.0 percent of the property has signed leases through 2025; while the remaining spaces expire in 2015 (have two 5-year renewal options). Also, the leases have 2.0 percent annual rent escalations.

Lease Summary - Cornerstone Medical Building

Tenant	Square Feet	%	Annual Net Rent	Rent PSF	Term	Esc.
OAD Surgery Center	11,700	18.52%	$441,684	$37.75	Thru 2025	2.00%
OAD Medical	32,887	52.04%	$838,776	$25.50	Thru 2025	2.00%
CDH Hospital	18,604	29.44%	$485,376	$26.09	Thru 2015 or 2025	2.00%
	63,191	100%	$1,765,836	$27.94		

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Highest and Best Use

The first step of the valuation process involves the determination of the property's highest and best use. The market values of land or a site and an improved property are both estimated under the assumption that potential purchasers will pay prices that reflect their analyses of the most profitable use of the land or the property improved.

Highest and Best Use is defined as:

> The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, p. 93)

The four criteria the highest and best use must meet are physical possibility, legal permissibility, financial feasibility, and maximum productivity.

Highest and best use identifies the most profitable, competitive use to which a property can be put. A property's highest and best use is determined by the competitive forces in the market in which the property is located. It may or may not reflect the current or proposed use.

Indirectly, highest and best use analysis addresses the following questions: Who would be the most probable buyer of the subject property (owner/user vs. investor, for example) and what would be the most probable marketing scenario (for example, would the property sell in its entirety to one buyer or would it most likely be sold off in portions to a number of buyers)?

The concept of highest and best use represents the premise upon which value is based and is the most fundamental and significant stage in the valuation process, as it is the basis of all subsequent procedures. The study of highest and best use is divided into two types:

* An analysis of the land or a site as though vacant

* An analysis of the property as improved

The analytical process entails four criteria, which are considered sequentially. The criteria are as follows:

Physically possible - those uses which are possible from a purely physical standpoint. Property uses that are within the realm of possibility, but are speculative in nature or otherwise improbable, are not considered.

Legally permissible - those legally permitted uses not limited by such factors as zoning, environmental or deed restrictions.

Financially feasible - a determination of which among those physically possible and legally permitted utilizations are expected to produce a positive return.

Maximally productive - a determination of which among those financially feasible uses will produce the highest rate of return or value is the highest and best use.

Highest and Best Use as Vacant

The first step is to determine the highest and best use of the site as if vacant.

Physically Possible - Factors affecting the development potential of a particular site may include such items as: size, shape, area, and topography. For example, parcels characterized by rough topography or poor soil conditions may make development costs prohibitive. As discussed in "Site Description" section, the parcel is irregular in shape and has 230,238 square feet of aggregate land area. The topography is level and all utilities are available. Access is considered to be good and visibility is considered to be good as well. Overall, the site was determined to have good utility.

The physical characteristics of the site lend to a variety of uses, ranging from single-family residential to industrial. Its size, shape, location, and open, mostly level topography would permit development of single- or multi-family residential housing (with subdivision potential), commercial (including retail or office) and industrial uses.

Legally Permitted Uses - The appraised property is located in S-D, Special Development District zoning classification. The permitted uses include a variety of commercial uses.

Feasible Uses - The subject is located along Ferry Road, Chase Court and MaeCliff Drive. Although a variety of uses are physically possible, legal uses are mainly limited to commercial development. The legal uses, development history and overall market trends indicate that a commercial use is the most probable and economically feasible utilization of the subject site.

Maximally Productive - The determination of the maximally productive use is typically achieved by considering the remaining financially feasible uses at this point in the analysis. The maximally productive use is that use which provides the highest rate or the highest land value, which is the site's highest and best use. The examination of the physically possible and legally permissible uses indicated that a commercial use was the most probable use for the site and such a use is considered financially feasible. Consequently, the highest and best use of the subject parcel is for commercial development that conforms to the surrounding improvements.

Highest and Best Use as Improved

In determining the highest and best use as improved, the previously stated criteria are used. The property's present use is examined in light of the present improvements on the site.

Physically Possible - The subject property is a medical office and surgical center building. It was originally designed for a multi-tenant use and is considered adequately designed for such a use. However, with suitable alterations, the subject improvements could be converted to an alternative use.

Legally Permitted Uses - The appraised property is located in an S-D, Special Development District zoning classification. The current use of the property is a legally permissible use and a change in zoning is considered unlikely.

Feasible Uses - Although an alternative use, such as a residential use is physically possible, such a change would require significant alteration to the property and would be speculative by nature. In addition to a change in use, the existing improvements could be torn down and replaced with a new building. However, as evidenced in the analysis of this report, the current improvements contribute to the overall value of the site and tearing down the improvements is not a feasible option.

Maximally Productive - The determination of the maximally productive use is typically achieved by considering the remaining financially feasible uses at this point in the analysis. The maximally productive use is that use which provides the highest rate or the highest land value, which is the site's highest and best use. The examination of the physically possible and legally permissible uses indicated that the current medical office and surgical center use was the most probable use for the site, and such a use is considered financially feasible. Consequently, the highest and best use of the subject property as improved is for the continued use as a medical office and surgical center building.

Valuation Methodology

The three recognized approaches used to estimate market value are the Cost, Sales Comparison and the Income Capitalization Approaches.

The Cost Approach provides an estimate of value based upon the assumption that an informed buyer would not pay more for a particular property than the cost of purchasing land and constructing improvements with similar utility. The estimated value of the land, as if vacant, is added to the reproduction or replacement cost new, less the accrued depreciation of the improvements, to arrive at an indication of value. This approach is particularly useful when the subject property represents the highest and best use of the land, and the amount of accrued depreciation is measurable from the market.

The Sales Comparison Approach is based on the assumption that the typically informed buyer would not pay more for a particular property than the cost of purchasing similar properties with the same utility as the subject. The comparable sales are adjusted to the subject to arrive at an indication of value. Adjustments are made for differences in property rights conveyed, market financing terms, the condition of sale, market conditions (time), locational differences, and other physical characteristics. This approach is very reliable when there is an active market that provides a sufficient number of recent sales.

The Income Capitalization Approach is based on the assumption that a typically informed buyer would not pay more for a property than the anticipated present worth of future benefits derived from the ownership. This approach requires an estimate of the net potential income of the subject by comparing it with the operations of similar properties. The estimated net income is then capitalized into an estimate of value through an appropriate capitalization method. The reliability of this approach is determined by the adequacy of the market data.

A final conclusion of value is derived by the reconciliation of the indications of value by the Sales Comparison and Income Approaches.

Sales Comparison Approach

The Sales Comparison Approach is based on the principle of substitution and involves a direct comparison between the property being appraised and similar properties that have recently sold in order to derive a market value indication. This approach represents an interpretation of the actions of buyers, sellers, and investors, which holds that a prudent person will not pay more to buy a property than it will cost to acquire a comparable substitute property with the same utility. The price paid for a property is usually the result of an extensive shopping process in which available alternatives are compared based upon the buyer's purchase criteria. When a sufficient number of similar property sales have occurred, the resulting pattern usually provides a good indication of market value.

The reliability of the Sales Comparison Approach is dependent upon the degree of comparability of each sale with the appraised property; the date of the sale in relation to the date of the appraisal, taking into account market changes during the interim; and consideration of any unusual conditions affecting price or terms of the sale.

When developing a value indication, it is important to use a unit of comparison commonly accepted by buyers and sellers in the local marketplace. For office market participants, the most applicable unit of comparison is the price per square foot of gross building or net rentable area.

The process used in the sales comparison approach is described as follows.

* The market must be researched to identify similar properties for which pertinent sales data are available and establish a unit of comparison. The unit of comparison should be one that is readily accepted by the active market participants.

* The next step is to quantify the prices paid with regard to terms of financing, motivating forces, and whether or not the sale is bona fide in nature.

* If the properties are considered applicable in the analysis, then it is necessary to compare each comparable property's important attributes to the

corresponding attributes of the subject property, under the general categories of property rights conveyed, financing terms, conditions of sale, market conditions (time), location, and other physical characteristics.

* Following the comparisons outlined in the previous paragraph, it is then necessary to consider all dissimilarities and their probable effect on the price of each comparable sale. Adjustments made to the comparable properties are supported from the market data presented.

* Finally, an opinion of value is formulated by reviewing the adjusted unit prices of the comparable sale properties and considering all factors which lead to an opinion of value for the subject property.

On the following pages, we have included sales of both medical office buildings and free-standing surgical centers. We expanded our search throughout the Chicago MSA for medical office building sales and on a national scale for surgical center sales. The appropriate adjustments were recognized in this approach.

We have also included commercial land sales in order to provide an estimate of the market value of the surplus land along the northern lot line.

Sales Comparison Approach – Land Sales

Land Sale One

Address	2185 West Roosevelt Road
City, State	Wheaton, Illinois
Pin #	05-18-311-037
Sale Date	June 2009
Grantor	Standard Bank and Trust #19205
Grantor	EJP Wheaton, LLC
Sale Price	$650,000
Document #	R2009-109865
Description	This property consists of a regular shaped corner parcel with approximately 159.32 feet of frontage along the west side of County Farm Road and approximately 162.11 feet of frontage along the north side of West Roosevelt Road. The site was developed with a 2,597 square foot Chase Bank Branch.
Land Area	24,960 Square Feet/0.57 Acres
Unit Price	$26.04 Per Square Foot
Zoning	C-5
Verification	The sale was verified through public records, including the real estate transfer declaration.

Land Sale Two

Address	1356 North Route 59
City, State	Naperville, Illinois
Pin #	07-10-314-002
Sale Date	June 2010
Grantor	Quality Properties Asset Management Co.
Grantor	Mark Reckling
Sale Price	$680,000
Document #	R2010-076922
Description	This property consists of a regular shaped interior parcel with approximately 193.06 feet of frontage along the east side of Route 59 and approximately 167.14 feet of depth. The site is currently vacant.
Land Area	32,234 Square Feet/0.74 Acres
Unit Price	$21.10 Per Square Foot
Zoning	B-2
Verification	The sale was verified through public records, including the real estate transfer declaration.

Land Sale Three

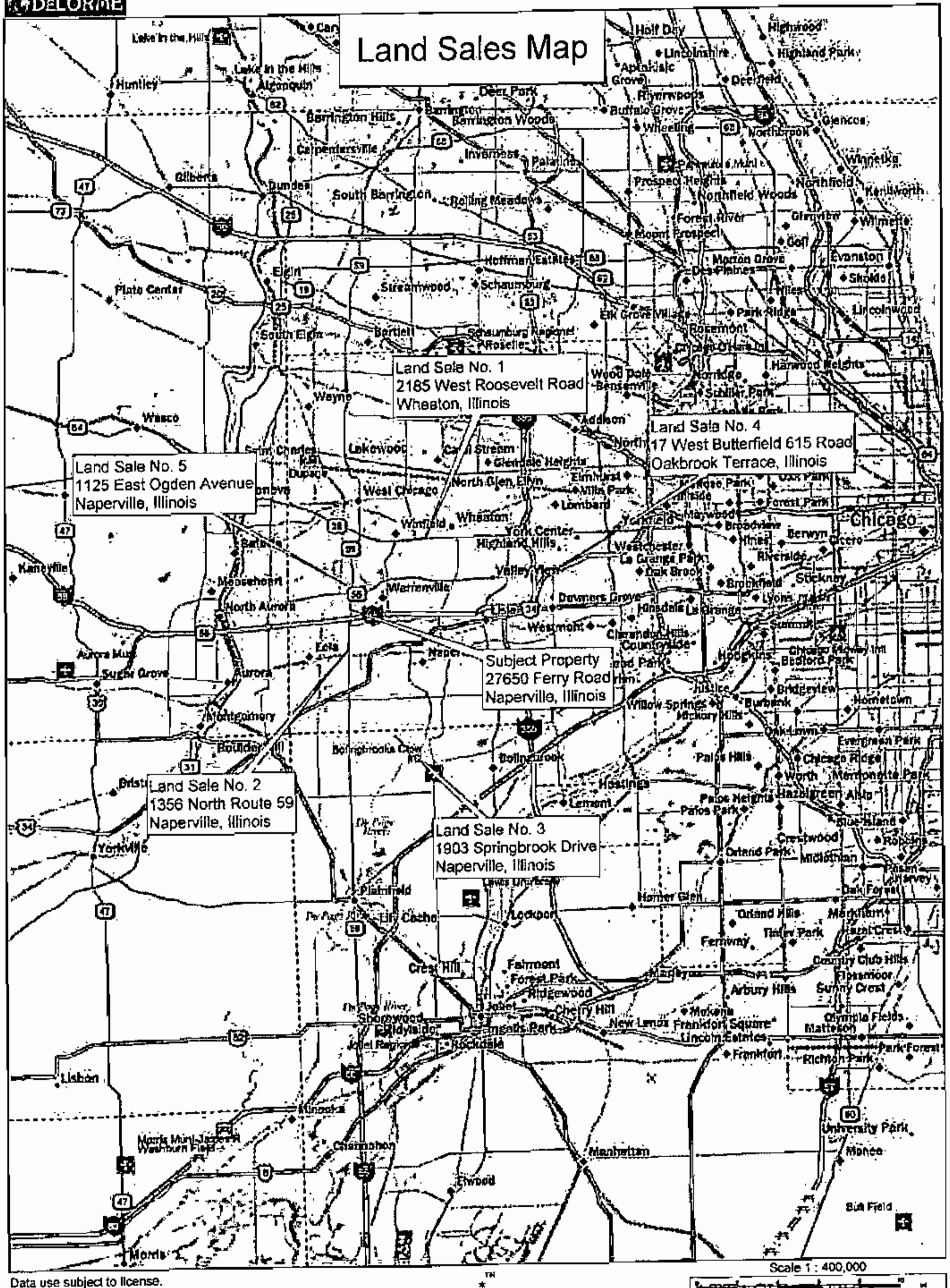
Address	1903 Springbrook Square
City, State	Naperville, Illinois
Pin #	07-34-300-027
Sale Date	June 2010
Grantor	Bushnell Land Development, LLC
Grantor	Christian Chase, Ltd.
Sale Price	$468,000
Document #	R2010-093434
Description	This property consists of a regular shaped interior parcel with approximately 148.07 feet of frontage along Springbrook Square and approximately 129.86 feet of depth. The site is currently vacant.
Land Area	20,483 Square Feet/0.47 Acres
Unit Price	$22.85 Per Square Foot
Zoning	B-2
Verification	The sale was verified through public records, including the real estate transfer declaration.

Land Sale Four

Address	17 West 615 Butterfield Road
City, State	Oakbrook Terrace, Illinois
Pin #	06-22-301-064
Sale Date	December 2010
Grantor	BP Products North America, Inc.
Grantor	Angel Associates, LP
Sale Price	$675,000
Document #	R2011-007765
Description	This property consists of a regular shaped corner parcel with 200.0 feet of frontage along the south side of Butterfield Road and 288.02 feet of frontage along the west side of Midwest Road. The site is currently vacant.
Land Area	40,158 Square Feet/0.92 Acres
Unit Price	$16.81 Per Square Foot
Zoning	C
Verification	The sale was verified through public records, including the real estate transfer declaration. The appraisers also contacted the seller's broker.

Land Sale Five

Address	1125 East Ogden Avenue
City, State	Naperville, Illinois
Pin #	08-08-102-015
Sale Date	April 2012
Grantor	Illini Financial Credit Union
Grantor	CFT Developments, LLC
Sale Price	$795,000
Document #	R2012-052669
Description	This property consists of an irregular shaped corner parcel with frontage along the north side of Ogden Avenue and frontage along the east side of East Avenue. The site is currently vacant.
Land Area	26,136 Square Feet/0.60 Acres
Unit Price	$30.42 Per Square Foot
Zoning	B-3
Verification	The sale was verified through public records, including the real estate transfer declaration.


Land Sales Map
Land Sale No. 1
2185 West Roosevelt Road
Wheaton, Illinois
Land Sale No. 4
17 West Butterfield 615 Road
Oakbrook Terrace, Illinois
Land Sale No. 5
1125 East Ogden Avenue
Naperville, Illinois
Subject Property
27650 Ferry Road
Naperville, Illinois
Land Sale No. 2
1356 North Route 59
Naperville, Illinois
Land Sale No. 3
1903 Springbrook Drive
Naperville, Illinois
Chicago
Scale 1 : 400,000
1" = 6.31 mi
Data Zoom 9-0

Land Sales Adjustment Grid - Cornerstone Medical Building

Sale No.	Location	Sale Date	Sale Price	Size-SF	Zoning	Price Per SF
1	2185 West Roosevelt Road Wheaton, Illinois	June 2009	$650,000	24,960	C-5	$26.04
2	1356 North Route 59 Naperville, Illinois	June 2010	$680,000	32,234	B-2	$21.10
3	1903 Springbrook Square Naperville, Illinois	June 2010	$468,000	20,483	B-2	$22.85
4	17 West 615 Butterfield Road Oakbrook Terrace, Illinois	December 2010	$675,000	40,158	C	$16.81
5	1125 East Ogden Avenue Naperville, Illinois	April 2012	$795,000	26,136	B-3	$30.42
	Subject					
	27650 Ferry Road Warrenville, Illinois	May 21, 2012 (App. date)	–	66,591 (surplus land)	S-D, Special Development District	–

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Land Sales Analysis

The preceding land comparables reflect a unit price range from $16.81 to $30.42 per square foot. The parcels range in size from 20,483 up to 40,158 square feet and the sales had transaction dates between June 2009 and April 2012.

It is necessary to adjust the land sales to compare equivalently with the subject property. The sales are compared based on a price per square foot as a unit of comparison because it is the typical and most common unit of comparison used by buyers and sellers in the local market. The sales were analyzed and compared based on the elements of comparison of property rights conveyed, financing terms, conditions of sale, market conditions (date of sale), location, utility, zoning and physical conditions. Following is an analysis of the most significant features of the subject property and the comparable sales.

Property Rights

All of the sale transactions encompassed the fee-simple estate. Therefore, no adjustments are required for property rights.

Financing Terms

This adjustment refers to favorable or unfavorable financing used in the purchase of a property. The sales were conventional insofar as the seller received cash or a cash equivalent and did not extend non-market financing arrangements. Therefore, no adjustments are required for financing terms.

Conditions of Sale

The conditions of sale adjustment reflect the motivations of the buyer and seller. When conditions are not typical, i.e. a sale between related properties or a foreclosure sale, sale prices may be higher or lower than those of normal market conditions. All of the sales were "arm's-length" transactions. Therefore, no adjustments are required for conditions of sale.

Market Conditions

The effective date of the appraisal is May 21, 2012, while the comparable sales took place between June 2009 and April 2012. The value of real estate in the Chicago MSA has trended downward over the past few years. However, there are indicators that that this trend has begun to stabilize. All of the Sales sold with similar market conditions as the effective date of value, thus no adjustments are required.

Location

The subject property is located in Warrenville, Illinois, or DuPage County. All of the Sales are located in similar areas as the subject; however, the subject's lack of prominence, exposure and direct access to a fronting street results in downward adjustments for the Sales.

Size

For commercial land, smaller sites tend to sell for more on a per square foot basis than larger ones. Thus, all other features being equal, parcels significantly smaller than the subject require downward adjustments and parcels significantly larger require upward adjustments. The parcels range in size from 20,483 up to 40,158 square feet. The surplus land portion of the subject site measures 66,591 square feet. All of the Sales required downward adjustments for their smaller lot sizes.

Utility

The surplus site is a regular shaped interior lot with poor access and visibility. All of the Sales required downward adjustments for their superior utility.

Zoning

According to the *Warrenville, Illinois Zoning Ordinance*, the subject property is zoned S-D, Special Development District. All of the Sales have similar zoning classifications, thus no adjustments are required.

Adjustments

No other adjustments were considered necessary. The following paragraphs summarize the individual adjustments to the comparable sales.

Land Sale No. 1 is located at 2185 West Roosevelt Road in Wheaton, Illinois. It is a regular shaped 24,960 square foot parcel zoned C-5. The sale took place in June 2009 for $650,000 or $26.04 per square foot. Sale One required downward adjustments for its superior location, its smaller lot size and its superior utility. Overall, a downward adjustment is required.

Land Sale No. 2 is a regularly shaped 32,234 square foot parcel located at 1356 North Route 59 in Naperville, Illinois. It is zoned B-2. The sale date was in June 2010 with a sale price of $680,000 or $21.10 per square foot. Sale Two required downward adjustments for its superior location, its smaller lot size and its superior utility. Overall, a downward adjustment is required.

Land Sale No. 3 took place in June 2010. It is a regularly shaped 20,483 square foot parcel. It is located at 1903 Springbrook Square in Naperville, Illinois and is zoned B-2. The price was $468,000 or $22.85 per square foot. Sale Three required downward adjustments for its superior location, its smaller lot size and its superior utility. Overall, a downward adjustment is required.

Land Sale No. 4 is located at 17 West 615 Butterfield Road in Oakbrook Terrace, Illinois. It is a regularly shaped 40,158 square foot parcel zoned C. The sale took place in December 2010 for $675,000 or $16.81 per square foot. Sale Four required downward adjustments for its superior location, its smaller lot size and its superior utility. Overall, a downward adjustment is required.

Land Sale No. 5 is an irregular shaped 26,136 square foot parcel located at 1125 East Ogden Avenue in Naperville, Illinois. It is zoned B-3. The sale price was $795,000 or $30.42 per square foot. Sale Five required downward adjustments for its superior location, its smaller lot size and its superior utility. Overall, a downward adjustment is required.

Land Value Summary

We have summarized our adjustments below: (-) indicates a negative unit adjustment; (+) indicates a positive unit adjustment; and (o) indicates that no adjustment is required.

Land Sales Adjustment Grid - Cornerstone Medical Building

Comp #	SF Price	Prop. Rights	Fin.	Cond. of Sale	Mkt. Cond.	Loc.	Size	Utility	Zoning	Overall
1	$26.04	o	o	o	o	-	-	-	o	-
2	$21.10	o	o	o	o	-	-	-	o	-
3	$22.85	o	o	o	o	-	-	-	o	-
4	$16.81	o	o	o	o	-	-	-	o	-
5	$30.42	o	o	o	o	-	-	-	o	-

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The surplus land portion of the subject site measures 66,591 square feet. Considering the sales and our respective adjustments, it is our opinion that the surplus land portion of the site is most reasonably represented from a value standpoint at $10.00 per square foot. This parcel is situated at a lower grade than the main access street, has limited access and it can only be efficiently developed in conjunction with the main parcel. The following table summarizes the value conclusion for the surplus land portion of the site.

Market Value Conclusion of the Surplus Land - Cornerstone Medical Building

Site Area	SF Value	Indicated Value
66,591 SF	$10.00	$665,910
Rounded		$665,000

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The indicated market value of the surplus land portion of site is $665,000 rounded.

Medical Office Buildings

Comparable Sale One

Name	St. Alexius Medical Center
Address	1555 Barrington Road
City and State	Hoffman Estates, Illinois
Pin #	07-07-100-022/-023, 07-07-300-025/-027
Sale Date	December 2009
Grantor	NEXCORE/RREEF DOB III, LLC
Grantee	VTR DOB III MOB, LLC
Sale Price	$21,483,425
Document #	0934533073
Description	This comparable is a four-story, multi-tenant medical office building that is in good condition. It contains 119,600 square feet and 310 surface spaces.
Land Area	1,867,848 Square Feet or 42.88 Acres
Year Built	2005
Building Area	119,600 Square Feet
Land to Building Ratio	15.62:1
Unit Price	$179.63 Per Square Foot
Comments	The sale was verified by the real estate transfer declaration. It was 100.0 percent leased at the time of sale and sold with an 8.20 percent capitalization rate. This comparable is located on the St. Alexius Medical Center Campus.

Comparable Sale Two

Name	Alexius Brothers MOB
Address	800 Biesterfield Road
City and State	Elk Grove Village, Illinois
Pin #	08-32-100-015
Sale Date	December 2009
Grantor	NEXCORE/RREEF EBERLE, LLC
Grantee	VTR EBERLE MOB, LLC
Sale Price	$17,750,000
Document #	0934533076
Description	This comparable is a five-story, multi-tenant medical office building that is in good condition. It contains 69,400 square feet and has ample parking on-site.
Land Area	365,468 Square Feet or 8.39 Acres
Year Built	2005
Building Area	69,400 Square Feet
Land to Building Ratio	5.27:1
Unit Price	$255.76 Per Square Foot
Comments	The sale was verified by the real estate transfer declaration. It was 100.0 percent leased at the time of sale and sold with an 8.20 percent capitalization rate. This comparable is located on the Alexian Hospital Campus.

Comparable Sale Three

Address	1450 Busch Parkway
City and State	Buffalo Grove, Illinois
Pin #	15-26-306-008
Sale Date	September 2010
Grantor	1450 Busch Parkway, LLC
Grantee	SNH Medical Office Properties Trust
Sale Price	$18,400,000
Document #	6650033
Description	This comparable is a one-story, multi-tenant medical office building that is in good condition. It contains 64,860 square feet and has ample parking on-site.
Land Area	277,477 Square Feet or 6.37 Acres
Year Built	2008
Building Area	64,860 Square Feet
Land to Building Ratio	4.28:1
Unit Price	$283.69 Per Square Foot
Comments	The sale was verified by the real estate transfer declaration. It was 85.0 percent leased at the time of sale and sold with an 8.10 percent capitalization rate. This comparable is anchored by Affinity Healthcare with 7-years remaining on their lease.

Comparable Sale Four

Name	Oak Lawn Medical Center
Address	10837 South Cicero Avenue
City and State	Oak Lawn, Illinois
Pin #	24-15-307-009/-010/-011
Sale Date	June 2010
Grantor	OLMC Associates, LLC
Grantee	OLMC Partners, LLC
Sale Price	$8,725,000
Document #	1017529077
Description	This comparable is a three-story, multi-tenant medical office building that is in good condition. It contains 27,900 square feet. Amenities include: 1 elevator and 100 on-site parking spaces.
Land Area	42,190 Square Feet or 0.97 Acres
Year Built	2007
Building Area	27,900 Square Feet
Land to Building Ratio	1.51:1
Unit Price	$312.72 Per Square Foot
Comments	The sale was verified by the real estate transfer declaration. It was 100.0 percent leased at the time of sale, on the market for 6 months and sold with a 7.90 percent capitalization rate. This comparable is anchored by Mid America Cardiovascular Group.

Comparable Sale Five

Name	Loyola University Medical Center
Address	6800 North Frontage Road
City and State	Burr Ridge, Illinois
Pin #	18-30-100-009
Sale Date	January 2012
Grantor	Burr Ridge Medical Center II, LLC
Grantee	Duke Realty Limited Partnership
Sale Price	$47,750,000
Document #	1201716043
Description	This comparable is a three-story, multi-tenant medical office building that is in good condition. It contains 105,575 square feet. Amenities include: 2 elevators, an atrium, on-site management and 416 on-site parking spaces.
Land Area	301,435 Square Feet or 6.92 Acres
Year Built	2010
Building Area	105,575 Square Feet
Land to Building Ratio	2.86:1
Unit Price	$452.29 Per Square Foot
Comments	The sale was verified by the real estate transfer declaration. It was 100.0 percent leased at the time of sale to Loyola Medical and sold with a 6.64 percent capitalization rate

Surgical Center Buildings

Comparable Sale Six

Name	Suburban Surgery Center of DuPage
Address	1580 West Lake Street
City and State	Addison, Illinois
Pin #	03-18-407-024
Sale Date	February 2009
Grantor	Northeast DuPage Surgery Center, LLC
Grantee	1580 West Lake Street, LLC
Sale Price	$5,322,327
Document #	R2009-029747
Description	This comparable is a one- and part two-story, surgical center building that is in good condition. It contains 14,070 square feet and 150 parking spaces.
Land Area	130,680 Square Feet or 3.0 Acres
Year Built	2002
Building Area	14,070 Square Feet
Land to Building Ratio	9.29:1
Unit Price	$378.27 Per Square Foot
Comments	The sale was verified by the real estate transfer declaration. It was 100.0 percent leased at the time of sale and sold with a 7.53 percent capitalization rate.

Comparable Sale Seven

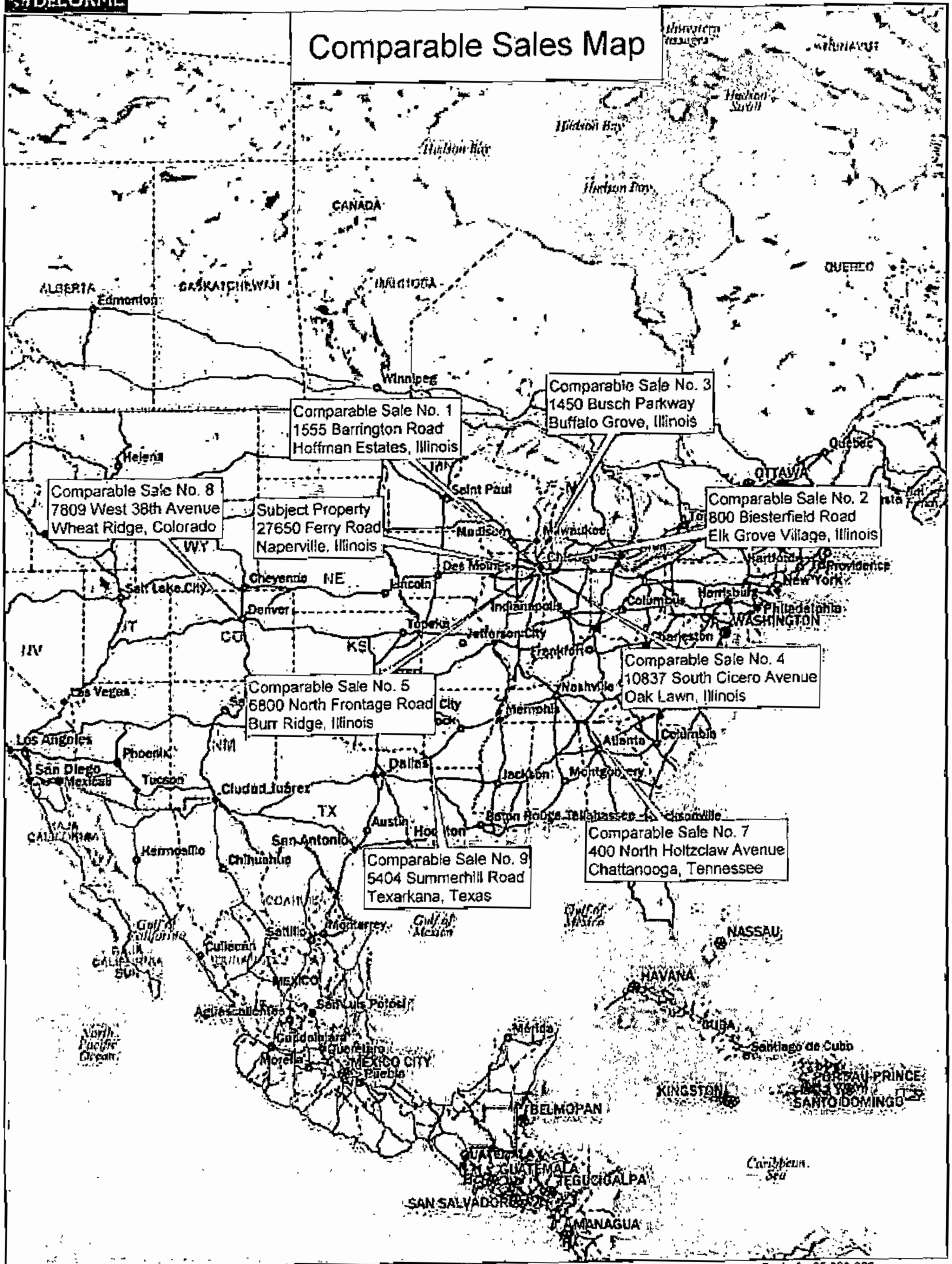
Name	Chattanooga Surgery Center
Address	400 North Holtzclaw Avenue
City and State	Chattanooga, TN
Pin #	146B-P-004
Sale Date	October 2009
Grantor	Chattanooga Surgery Properties, LP
Grantee	NCLA Associates, LLC
Sale Price	$2,550,000
Document #	N/A
Description	This comparable is a one-story, surgical center building that is in average condition. It contains 12,880 square feet and 64 parking spaces.
Land Area	73,181 Square Feet or 1.68 Acres
Year Built	1987/Renovated in 1998
Building Area	12,880 Square Feet
Land to Building Ratio	5.68:1
Unit Price	$197.98 Per Square Foot
Comments	The sale was verified by public records. It was 100.0 percent leased at the time of sale with multiple tenant renewal options and sold with a 10.06 percent capitalization rate. This comparable is located within 1.5 miles of 4 hospitals.

Comparable Sale Eight

Name	Clear Creek Surgery Center
Address	7809 West 38th Avenue
City and State	Wheat Ridge, CO
Pin #	39-233-21-029
Sale Date	April 2010
Grantor	Clear Creek MOB, LLC
Grantee	SNH Clear Creek Properties, LLC
Sale Price	$4,450,000
Document #	N/A
Description	This comparable is a one-story, surgical center building that is in good condition. It contains 14,695 square feet and 60 parking spaces.
Land Area	51,487 Square Feet or 1.18 Acres
Year Built	2004
Building Area	14,695 Square Feet
Land to Building Ratio	3.50:1
Unit Price	$302.82 Per Square Foot
Comments	The sale was verified by public records. It was 100.0 percent leased at the time of sale to a long-term tenant and sold with an 8.49 percent capitalization rate. This comparable is located within 2 blocks of a hospital.

Comparable Sale Nine

Name	Texarkana Surgery Center
Address	5404 Summerhill Road
City and State	Texarkana, TX
Pin #	N/A
Sale Date	April 2011
Grantor	Westminster Texarkana, LP
Grantee	American Realty Capital Healthcare
Sale Price	$4,500,000
Document #	N/A
Description	This comparable is a one-story, surgical center building that is in good condition. It contains 17,500 square feet and ample on-site parking.
Land Area	145,490 Square Feet or 3.34 Acres
Year Built	1995
Building Area	17,500 Square Feet
Land to Building Ratio	8.31:1
Unit Price	$257.14 Per Square Foot
Comments	The sale was verified by public records. It was 100.0 percent leased at the time of sale to a long-term tenant and sold with a 9.42 percent capitalization rate.



ATTACHMENT 2A

#	Location	Sale Price	Sale Date	Bldg. Area-SF	Age/Renv.	L/B Ratio	Land Area-SF	Unit Sale Price
MOB 1	1555 Barrington Road Hoffman Estates, Illinois	$21,483,425	December 2009	119,600	2005	15.62:1	1,867,848	$179.63
MOB 2	800 Biesterfield Road Elk Grove Village, Illinois	$17,750,000	December 2009	69,400	2005	5.27:1	365,468	$255.76
MOB 3	1450 Busch Parkway Buffalo Grove, Illinois	$18,400,000	September 2010	64,860	2008	4.28:1	277,477	$283.69
MOB 4	10837 South Cicero Avenue Oak Lawn, Illinois	$8,725,000	June 2010	27,900	2007	1.51:1	42,190	$312.72
MOB 5	6800 North Frontage Road Burr Ridge, Illinois	$47,750,000	January 2012	105,575	2010	2.86:1	301,435	$452.29
SC 6	1580 West Lake Street Addison, Illinois	$5,322,327	February 2009	14,070	2002	9.29:1	130,680	$378.27
SC 7	400 North Holtzclaw Avenue Chattanooga, Tennessee	$2,550,000	October 2009	12,880	1987/renv. 1998	5.68:1	73,181	$197.98
SC 8	7809 West 38th Avenue Wheat Ridge, Colorado	$4,450,000	April 2010	14,695	2004	3.50:1	51,487	$302.82
SC 9	5404 Summerhill Road Texarkana, Texas	$4,500,000	April 2011	17,500	1995	8.31:1	145,490	$257.14
	Subject							
	27650 Ferry Road Warrenville, Illinois	–	May 21, 2012 (App. date)	63,191	2000, with a surgical center addition in 2005	3.64:1	230,238	–

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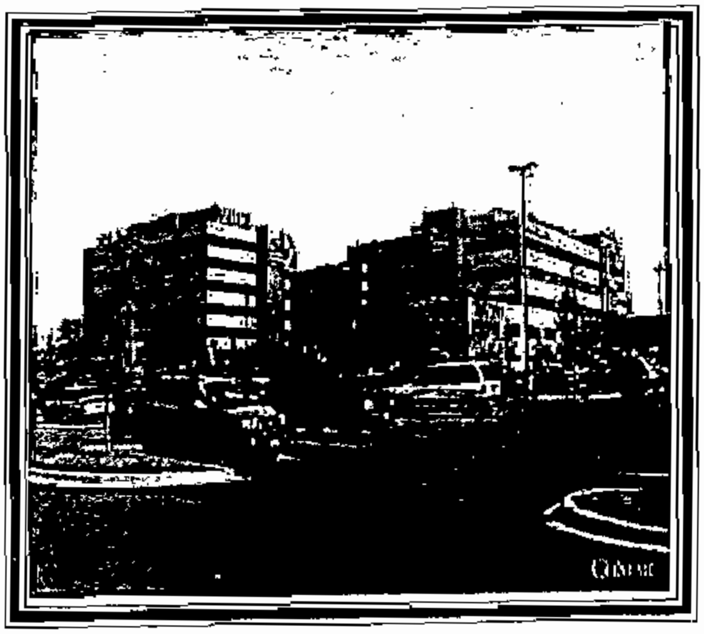
C.S. 1



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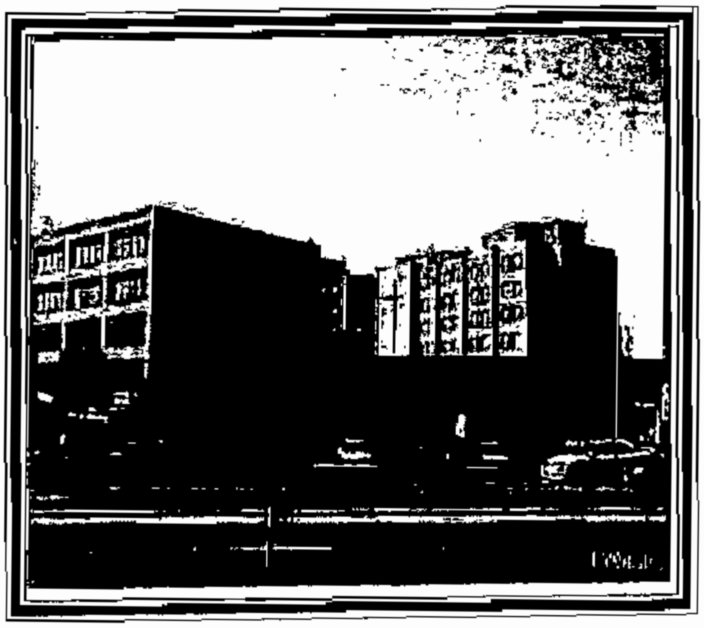

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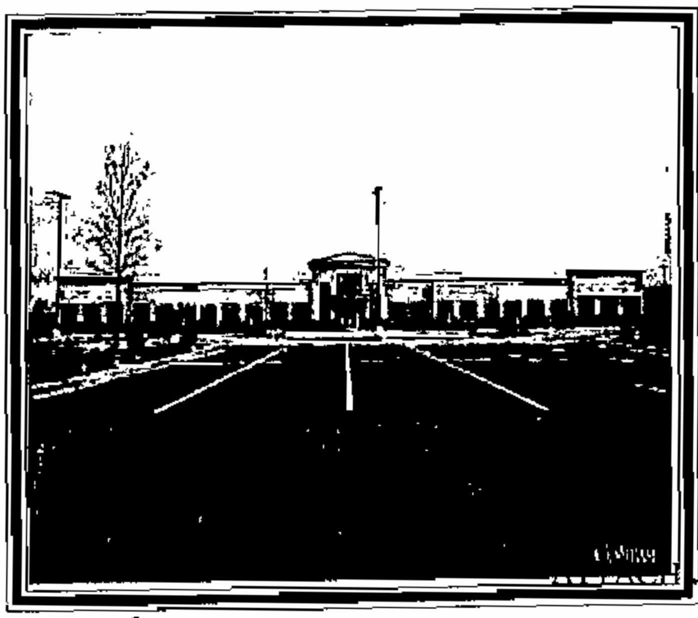

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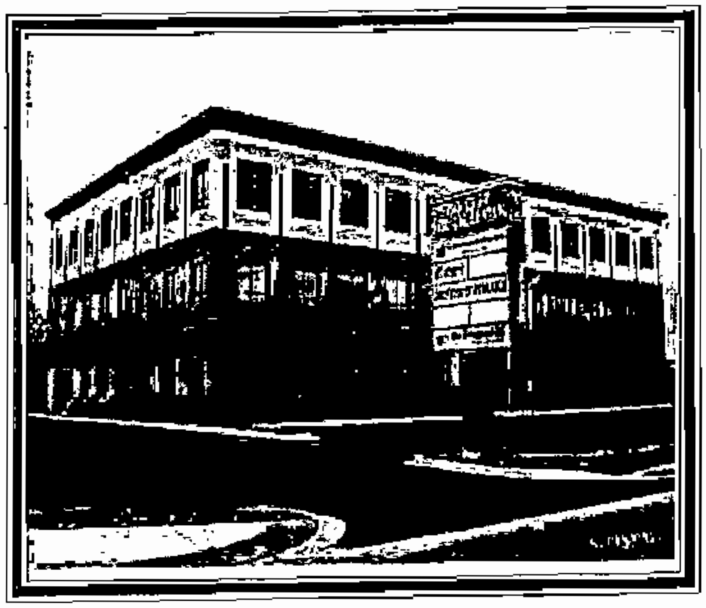
C.S. 4



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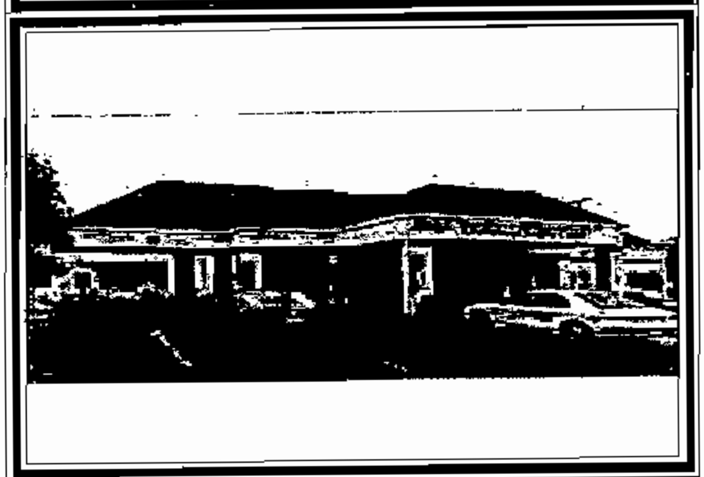
ATTACHMENT 2A

C.S. 6

C.S. 7



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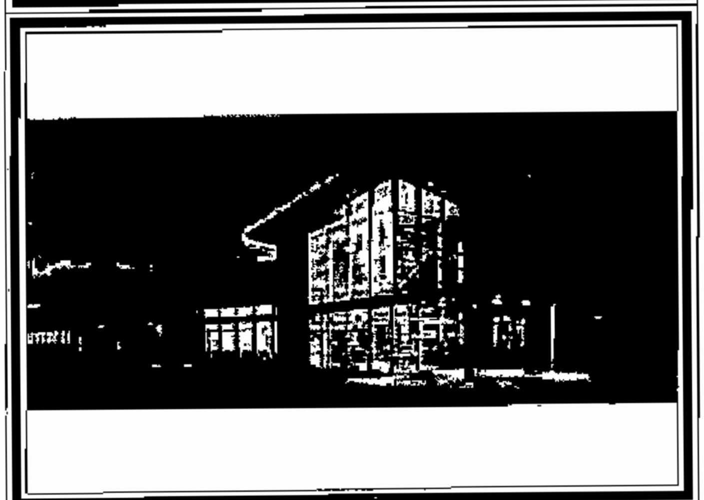

C.S. 9

ATTACHMENT 2A

Improved Sales Analysis

The preceding improved sales reflect on an unadjusted basis, a unit price range from $179.63 up to $452.29 per square foot for the medical office buildings; and $197.98 up to $378.27 per square foot for the surgical center buildings. The sales had transaction dates between February 2009 and January 2012. The properties range in building size from 27,900 to 119,600 square feet for the medical office buildings and from 12,880 up to 17,500 square feet for the surgical center buildings; and were constructed between 2005 and 2010 for the medical office buildings and between 1987 and 2004 for the surgical center buildings. All sales transactions, unless otherwise noted, were reported to be conventionally financed or all cash to the seller.

As previously stated, an analysis must be made of the individual characteristics of the comparable sales as they relate to the subject property. These characteristics are equated with the appraised property in the form of adjustments for property rights, financing, conditions of sale, market conditions (time), location, size, occupancy and other physical characteristics. On the following pages is a discussion of the individual characteristics of each of the comparable properties as compared to the subject.

Property Rights

While many of the comparables were "leased-fee" sales, the properties were leased at or near economic rent levels that would be considered fee-simple. Therefore, no adjustments are required for property rights.

Financing Terms

This adjustment refers to favorable or unfavorable financing used in the purchase of a property. The sales were conventional insofar as the seller received cash or a cash equivalent and did not extend non-market financing arrangements. Therefore, no adjustments are required for financing terms.

Conditions of Sale

The conditions of sale adjustment reflect the motivations of the buyer and seller. When conditions are not typical, i.e. a sale between related properties or a foreclosure sale, sale prices may be higher or lower than those of normal market conditions. All of the sales were "arm's-length" transactions. Thus, no adjustments are required for conditions of sale.

Market Conditions

The effective date of the appraisal is May 21, 2012, while the comparable sales took place between February 2009 and January 2012. The value of real estate in the Chicago MSA has trended downward over the past few years. However, there are indicators that that this trend has begun to stabilize. All of the Sales sold with similar market conditions as the effective date of value, thus no adjustments are required.

Location

The subject property is located in Warrenville, Illinois in DuPage County. Sales Seven through Nine required upward adjustments for their inferior locations out of state, while Sales One through Five required upward adjustments for their inferior locations in Cook and Lake Counties.

Land to Building Ratio

The land to building ratio for the subject property is 3.64:1 (based on rentable building area). The Sales have land to building ratios ranging from 1.51:1 to 15.62:1. Sale One required a downward adjustment for its superior land to building ratio, while Sales Four and Five required upward adjustments for their inferior land to building ratios.

Building Size

The sale comparables range in size between 27,900 and 119,600 square feet for the medical office buildings and from 12,880 up to 17,500 square feet for the surgical center buildings. The subject property has 51,491 square feet of medical office space and 11,700 square feet of surgical center space. Sales One and Five required upward adjustments for their larger building sizes, while Sale Four required a downward adjustment for its smaller building size.

Age and Condition

The subject property was built in 2000, with a surgical center addition in 2005, while the comparable sales were built between 2005 and 2010 for the medical office buildings and between 1987 and 2004 for the surgical center buildings. Sales Seven and Nine required upward adjustments for their advanced dates of construction.

Occupancy

As of the effective date of value, the subject had an occupancy rate of 100.0 percent. Most of the Sales were 100.0 percent leased at the time of sale, except for Sale Three which had an occupancy ratio of 85.0 percent. Thus, no adjustments are required for occupancy.

Quality/Layout

Office buildings are constructed to differing levels of quality finishes, amenities and layout. The subject property is a good quality building with a standard medical office and surgical center layout. All of the Sales have similar qualities and amenities as the subject, thus no adjustments are required.

Adjustments

On the following pages is a discussion of the individual characteristics of each of the comparable sale properties as compared to the subject.

C. S. No. 1 is located at 1555 Barrington Road in Hoffman Estates, Illinois. It is an 119,600 square foot medical office building constructed in 2005. The site has an area of 1,867,848 square feet. The property sold in December 2009 for $21,483,425 or $179.63 per square foot. Sale One required a downward adjustment for its superior land to building ratio. Also, upward adjustments are required for its inferior location and its larger building size. Overall, an upward adjustment is required.

C.S. No. 2 is a 69,400 square foot medical office building that sold in December 2009 for $17,750,000 or $255.76 per square foot. The improvements were constructed in 2005. It is located at 800 Biesterfield Road in Elk Grove Village, Illinois, while the site area is 365,468 square feet. Sale Two required an upward adjustment for its inferior location. Overall, an upward adjustment is required.

C.S. No. 3 sold in September 2010 for $18,400,000 or $283.69 per square foot. The improvement consists of a 64,860 square foot medical office building constructed in 2008 and is located at 1450 Busch Parkway in Buffalo Grove, Illinois. The site area is 277,477 square feet. Sale Three required an upward adjustment for its inferior location. Overall, an upward adjustment is required.

C. S. No. 4 is a 27,900 square foot medical office building that is located at 10837 South Cicero Avenue in Oak Lawn, Illinois. It was built in 2007 and the site area is 42,190 square feet. The sale took place in June 2010 for $8,725,000 or $312.72 per square foot. Sale Four required a downward adjustment for its smaller building size. Also, upward adjustments are required for its inferior location and its inferior land to building ratio. Overall, an upward adjustment is required.

C. S. No. 5 is a 105,575 square foot medical office building that is located at 6800 North Frontage Road in Burr Ridge, Illinois. It was built in 2010 and the site area is 301,435 square feet. The sale took place in January 2012 for $47,750,000 or $452.29 per square foot. Sale Five required upward adjustments for its inferior location, its inferior land to building ratio and its larger building size. Overall, an upward adjustment is required.

C. S. No. 6 is a 14,070 square foot surgical center building that is located at 1580 West Lake Street in Addison, Illinois. It was built in 2002 and the site area is 130,680 square feet. The sale took place in February 2009 for $5,322,327 or $378.27 per square foot. Sale Six not require any adjustments.

C. S. No. 7 is a 12,880 square foot surgical center building that is located at 400 North Holtzclaw Avenue in Chattanooga, Tennessee. It was built in 1987/renv. In 1998 and the site area is 73,181 square feet. The sale took place in October 2009 for $2,550,000 or $197.98 per square foot. Sale Seven required upward adjustments for its inferior location and its advanced date of construction. Overall, an upward adjustment is required.

C. S. No. 8 is a 14,695 square foot surgical center building that is located at 7809 West 38th Avenue in Wheat Ridge, Colorado. It was built in 2004 and the site area is 51,487 square feet. The sale took place in April 2010 for $4,450,000 or $302.82 per square foot. Sale Eight required an upward adjustment for its inferior location. Overall, an upward adjustment is required.

C. S. No. 9 is a 17,500 square foot surgical center building that is located at 5404 Summerhill Road in Texarkana, Texas. It was built in 1995 and the site area is 145,490 square feet. The sale took place in April 2011 for $4,500,000 or $257.14 per square foot. Sale Nine required upward adjustments for its inferior location and its advanced date of construction. Overall, an upward adjustment is required.

We have summarized our adjustments below: (-) indicates a negative unit adjustment; (+) indicates a positive unit adjustment; and (o) indicates that no adjustment is required.

Improved Sales Adjustment Grid - Cornerstone Medical Building

#	SF Price	Prop. Rights	Fin.	Cond. of Sale	Mkt. Cond.	Loc.	L/B Ratio	Size	Age	Occ.	Lay/ Qual.	Total
1	$179.63	o	o	o	o	+	-	+	o	o	o	+
2	$255.76	o	o	o	o	+	o	o	o	o	o	+
3	$283.69	o	o	o	o	+	o	o	o	o	o	+
4	$312.72	o	o	o	o	+	+	-	o	o	o	+
5	$452.29	o	o	o	o	+	+	+	o	o	o	+
6	$378.27	o	o	o	o	o	o	o	o	o	o	o
7	$197.98	o	o	o	o	+	o	o	+	o	o	+
8	$302.82	o	o	o	o	+	o	o	o	o	o	+
9	$257.14	o	o	o	o	+	o	o	+	o	o	+

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After analyzing the sale data and weighing those factors considered pertinent to the subject, it is our opinion that an indicated unit value toward the higher end of the range at $350.00 per square foot for the medical office space and $400.00 per square foot for the surgical center space, represents a reasonable estimate of market value for the subject property.

Summary of Market Value - Cornerstone Medical Building – Medical Office Space

Unit Value	Total SF	Market Value
$350.00	51,491	$18,021,850

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Summary of Market Value - Cornerstone Medical Building – Surgical Center Space

Unit Value	Total SF	Market Value
$400.00	11,700	$4,680,000

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Market Value Conclusion of the Surplus Land - Cornerstone Medical Building

Site Area	SF Value	Indicated Value
66,591 SF	$10.00	$665,910
Rounded		$665,000

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The combined market value indicated by the Sales Comparison Approach is $23,366,850 or $23,365,000, rounded.

Income Approach

Investment properties are typically valued according to their income-producing capabilities. The income approach reflects the process of measuring or estimating the future benefits, and capitalizing these benefits into an indication of value as of the valuation date. Typically, income-producing properties are purchased for investment purposes. The investor is interested in the earning capacity of the property, and views this as the critical element affecting value. Investors who purchase income-producing properties are essentially trading current funds for the right to receive future benefits. The potential benefits measured are typically the net income or the cash flow that the property is capable of producing under existing market conditions. Therefore, the income capitalization approach requires the capitalization of the expected future income stream by the appropriate method in order to derive a value indication.

This approach involves the following sequence of analytical steps:

* Determine the current market rent for the subject property and determine an estimate of the potential gross income.

* Analyze vacancy levels for the subject and competitive properties. An allowance for vacancy and collection loss is based on this analysis, and in light of trends in supply and demand, a deduction of this amount from the potential gross income estimate is used to derive an effective gross income (EGI) estimate.

* Analyze operating and fixed expenses for the subject and competitive properties and determine an estimate of expenses based on the indicated trend.

* Select a capitalization method and appropriate rates necessary to attract investment capital, in light of the quality, quantity, and durability of the income stream.

* Derive a value indication by application of the necessary computation and reconciliation between methods if more than one is used.

Contract Rent

The definition of Contract Rent is:

> "The rent specified by a given lease arrangement; although a given contract rent may equate to Market Rent, in practice they may differ substantially, particularly for older leases with fixed rental terms."

(Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, pg. 244.)

The subject was 100.0 percent leased as of the effective date of value. The strong local credit tenants have signed triple-net leases, thus they are responsible for their proportionate share of the real estate taxes, insurance, CAM and utility expenses. 75.0 percent of the property has signed leases through 2025; while the remaining spaces expire in 2015 (have two 5-year renewal options). Also, the leases have 2.0 percent annual rent escalations.

Lease Summary - Cornerstone Medical Building

Tenant	Square Feet	%	Annual Net Rent	Rent PSF	Term	Esc.
OAD Surgery Center	11,700	18.52%	$441,684	$37.75	Thru 2025	2.00%
OAD Medical	32,887	52.04%	$838,776	$25.50	Thru 2025	2.00%
CDH Hospital	18,604	29.44%	$485,376	$26.09	Thru 2015 or 2025	2.00%
	63,191	100%	$1,765,836	$27.94		

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Effective Rent

The definition of Effective Rent is:

> The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs).

(Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, pg. 65)

Rent Definitions

A Gross Lease is defined as:

> A lease in which the landlord receives a stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full service lease.
>
> (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, pg. 91)

A Modified Gross Lease is defined as:

> A lease in which the landlord receives a stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of the expenses varies among modified gross leases, expense responsibility must be specified.
>
> (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, pg. 127)

A Net Lease is defined as:

> A lease in which the landlord passes all expenses to the tenant.
>
> (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, pg. 134)

In the Chicago MSA, the typical modified gross lease is where the landlord is responsible for the base (first) year common area maintenance (CAM) and real estate taxes, and the tenant is responsible for any increase in those expenses over the base year. Lease structures like rental rates, are based on supply and demand. When demand is low, leases are structured on a gross lease or modified gross lease basis; which favors the tenant. When supply is low, leases are written on a net lease basis; which favors the landlord.

Market Rent

The definition of Market Rent is:

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

(Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, pgs. 121-122)

The following five medical office properties and three surgical center properties are comparable to the subject property.

Rent Comparable One - MOB

Address:	1259 Rickert Drive Naperville, Illinois
Property Description:	This is a two-story multi-tenant medical office building that is in good condition. It has a net rentable area of 34,953 square feet and was built in 2004. Amenities include: an elevator, janitorial service and ample parking.
Lease Terms:	A total of 954 square feet of space is available at \$24.00 per square foot on a net basis. Also, the lease term and rental concessions are negotiable.
Source:	LaSalle Appraisal Group Internal Files

Rent Comparable Two - MOB

Address:	620 North River Road Naperville, Illinois
Property Description:	This is a one-story multi-tenant medical office building that is in good condition. It has a net rentable area of 13,950 square feet and was built in 2008. Amenities include: signage and ample parking.
Lease Terms:	A total of 1,899 square feet of space is available at \$23.00 per square foot on a net basis. Also, the lease term and rental concessions are negotiable.
Source:	LaSalle Appraisal Group Internal Files

Rent Comparable Three - MOB

Address:	6840 Main Street Downers Grove, Illinois
Property Description:	This is a two-story multi-tenant medical office building that is in good condition. It has a net rentable area of 35,011 square feet and was built in 2008. Amenities include: signage and ample parking.
Lease Terms:	A total of 13,104 square feet (divisible) of space is available at \$22.50 up to \$23.75 per square foot on a net basis. Also, the lease term and rental concessions are negotiable.
Source:	LaSalle Appraisal Group Internal Files

Rent Comparable Four - MOB

Address:	1110-1124 West Schick Road Bartlett, Illinois
Property Description:	This is a one-story multi-tenant medical office building that is in good condition. It has a net rentable area of 22,000 square feet and was built in 2007.
Lease Terms:	A total of 6,120 square feet (divisible) of space is available at \$24.00 per square foot on a net basis. Also, the lease term and rental concessions are negotiable.
Source:	LaSalle Appraisal Group Internal Files

Rent Comparable Five - MOB

Address: 230 East Ogden Avenue
Hinsdale, Illinois

Property Description: This is a two-story multi-tenant medical office building that is in good condition. It has a net rentable area of 13,352 square feet and was built in 2011. Amenities include: signage and ample parking.

Lease Terms: A total of 6,600 square feet (divisible) of space is available at $26.00 per square foot on a net basis. Also, the lease term and rental concessions are negotiable.

Source: LaSalle Appraisal Group Internal Files

SURGICAL CENTER COMPARABLES

Rent Comparable Six - SC

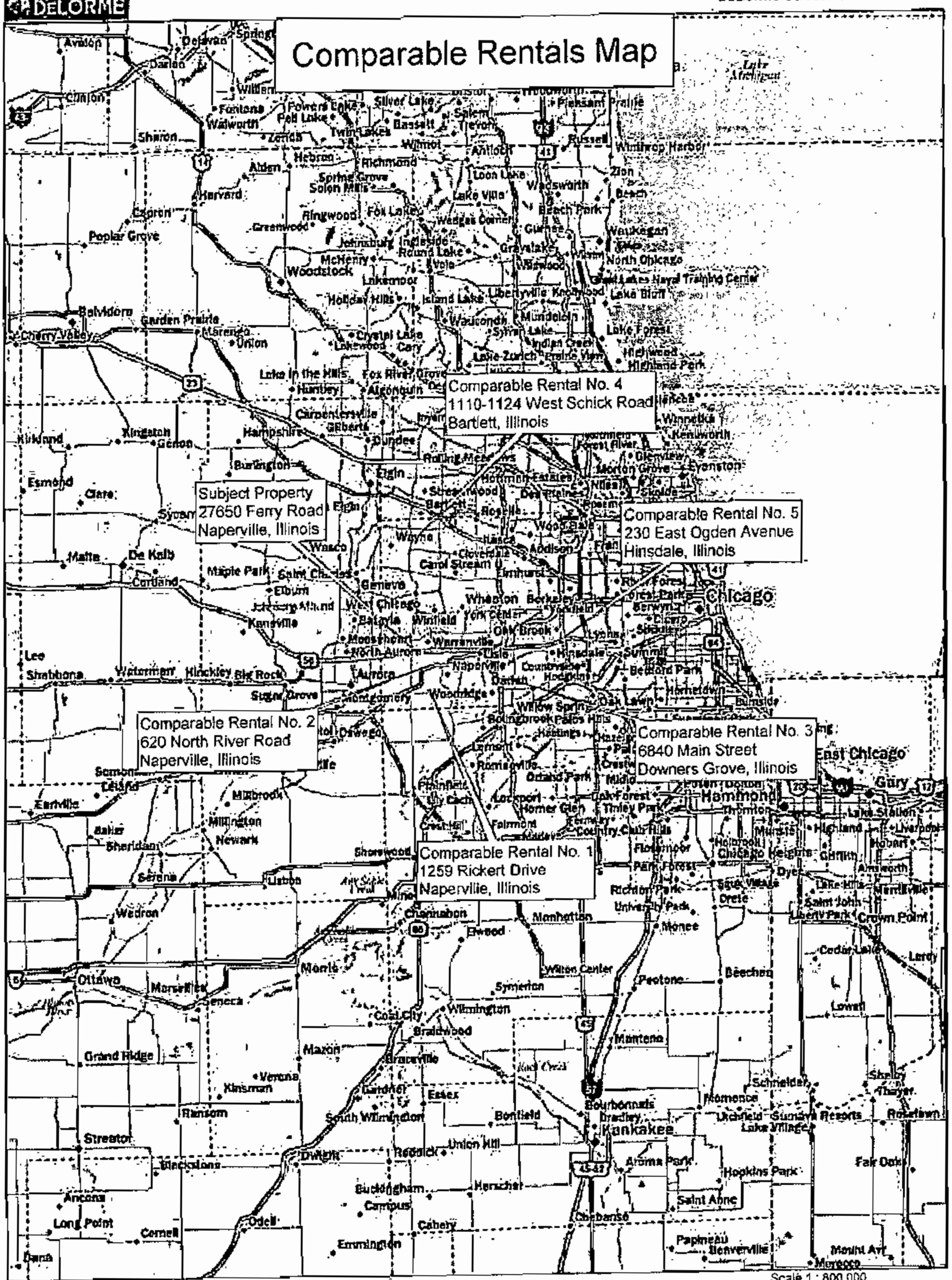
Location:	9050 West 81st Street Justice, Illinois
Property Description:	This is a surgical center building that is in average condition. It has a net rentable area of 45,554 square feet and was built in 1974.
Leasing:	A total of 7,337 square feet of space is leased at $30.00 per square foot on a net basis. The 7-year term began in 2010 with 3.0 percent annual rent escalations.
Source:	LaSalle Appraisal Group Internal Records

Rent Comparable Seven - SC

Location:	Confidential Indianapolis, Indiana
Property Description:	This is a surgical center building that is in good condition. It has a net rentable area of 77,602 square feet and was built in 2010.
Leasing:	This comparable is leased at $34.55 per square foot on a net basis. The 15-year term began in 2010 with 1.5 percent annual rent escalations.
Source:	LaSalle Appraisal Group Internal Records

Rent Comparable Eight - SC

Location:	Confidential St. Louis, Missouri
Property Description:	This is a surgical center building that is in good condition. It has a net rentable area of 21,823 square feet and was built in 2004.
Leasing:	This comparable is leased at $41.20 per square foot on a net basis. The 12-year term began in 2008 with 2.0 percent annual rent escalations.
Source:	LaSalle Appraisal Group Internal Records



Scale 1 : 800,000

1" = 12.63 mi

Data Zoom 8-0

ATTACHMENT 2A

Analysis of the Comparable Medical Office Rentals

The office rentals considered most comparable to the subject property are summarized on the preceding pages and in the following table.

Medical Office Space Comparable Summary Grid - Cornerstone Medical Building

#	Location	Lease Date	SF Size	SF Rate	Term
1	1259 Rickert Drive Naperville, Illinois	Asking (-)	954	$24.00	Net
2	620 North River Road Naperville, Illinois	Asking (-)	1,899	$23.00	Net
3	6840 Main Street Downers Grove, Illinois	Asking (-)	13,104 (divisible)	$22.50-23.75	Net
4	1110-1124 West Schick Road Bartlett, Illinois	Asking (-)	6,120 (divisible)	$24.00	Net
5	230 East Ogden Avenue Hinsdale, Illinois	Asking (-)	6,600 (divisible)	$26.00	Net
	Subject 27650 Ferry Road Warrenville, Illinois	--	51,491	--	--

LaSalle Appraisal Group, Inc.

The actual achieved rents for the subject property would likely be lower than the table listed above, as these listing rates are typically negotiated downward. The rental properties represent a unit rental range between $22.50 and $26.00 per square foot of building area, land included. The market rent estimate for the subject property is based on a net basis, with the tenant paying all of the operating expenses.

Rental No. 1 is located at 1259 Rickert Drive in Naperville, Illinois. It currently has 954 square feet available for lease at $24.00 per square foot on a net basis. Rental One required a downward adjustment for its asking status. Also, an upward adjustment is required for its inferior location. It is similar to the subject in terms of age/quality, size, access and visibility. Overall, an upward adjustment is required.

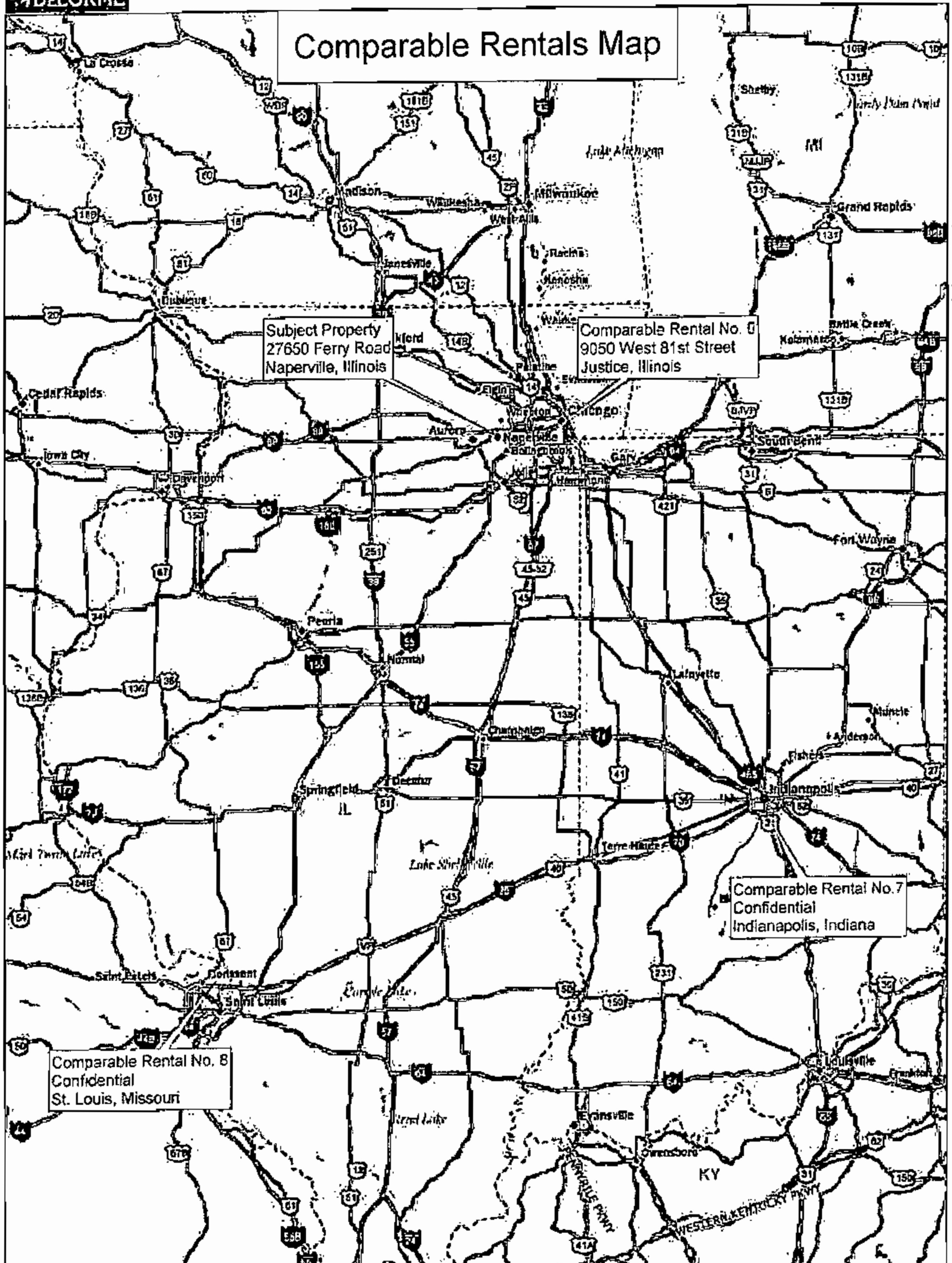
Rental No. 2 is located at 620 North River Road in Naperville, Illinois. It currently has 1,899 square feet available for lease at $23.00 per square foot on a net basis. Rental Two required a downward adjustment for its asking status. Also, an upward adjustment is required for its inferior location. It is similar to the subject in terms of age/quality, size, access and visibility. Overall, an upward adjustment is required.

Rental No. 3 is located at 6840 Main Street in Downers Grove, Illinois. It currently has 13,104 (divisible) square feet available for lease at $22.50-23.75 per square foot on a net basis. Rental Three required a downward adjustment for its asking status. Also, an upward adjustment is required for its inferior location. It is similar to the subject in terms of age/quality, size, access and visibility. Overall, an upward adjustment is required.

Rental No. 4 is located at 1110-1124 West Schick Road in Bartlett, Illinois. It currently has 6,120 (divisible) square feet available for lease at $24.00 per square foot on a net basis. Rental Four required a downward adjustment for its asking status. Also, an upward adjustment is required for its inferior location. It is similar to the subject in terms of age/quality, size, access and visibility. Overall, an upward adjustment is required.

Rental No. 5 is located at 230 East Ogden Avenue in Hinsdale, Illinois. It currently has 6,600 (divisible) square feet available for lease at $26.00 per square foot on a net basis. Rental Five required a downward adjustment for its asking status. It is similar to the subject in terms of age/quality, size, access, location and visibility. Overall, a downward adjustment is required.

We have summarized our adjustments below: (-) indicates a negative unit adjustment; (+) indicates a positive unit adjustment; and (o) indicates that no adjustment is required.



Scale 1 : 3,200,000

ATTACHMENT 2A

1" = 50.51 mi Data Zoom 6-0

Medical Office Space Comparable Adjustment Grid - Cornerstone Medical Building

#	Rental Rate	Lease Date	Building Layout	Loc.	Quality/ Age	Size	Overall
1	$24.00	Asking (-)	o	+	o	o	+
2	$23.00	Asking (-)	o	+	o	o	+
3	$22.50-23.75	Asking (-)	o	+	o	o	+
4	$24.00	Asking (-)	o	+	o	o	+
5	$26.00	Asking (-)	o	o	o	o	-

LaSalle Appraisal Group, Inc.

Analysis of the Comparable Surgical Center Rentals

The retail rentals considered most comparable to the subject property are summarized on the preceding pages and in the following table.

Surgical Center Space Comparable Summary Grid - Cornerstone Medical Building

#	Location	Lease Date	SF Size	SF Rate	Term
6	9050 West 81st Street Justice, Illinois	Lease (o)	7,337	$30.00	Net
7	Confidential Indianapolis, Indiana	Lease (o)	77,602	$34.55	Net
8	Confidential St. Louis, Missouri	Lease (o)	21,823	$41.20	Net
	Subject 27650 Ferry Road Warrenville, Illinois	--	11,700	--	--

LaSalle Appraisal Group, Inc.

The rental properties represent a unit rental range between $30.00 and $41.20 per square foot of building area, land included. The market rent estimate for the subject property is based on a net basis, with the tenant paying all of the operating expenses.

Rental No. 6 is located at 9050 West 81st Street in Justice, Illinois. It is a 7,337 square foot surgical center space leased at $30.00 per square foot on a net basis. Rental Six required upward adjustments for its inferior location and its inferior date of construction. It is similar to the subject in terms of size and access. Overall, an upward adjustment is required.

Rental No. 7 is located in Indianapolis, Indiana. It is a 77,602 square foot surgical center space leased at $34.55 per square foot on a net basis. Rental Seven required upward adjustments for its inferior location and its larger size. It is similar to the subject in terms of access and age. Overall, an upward adjustment is required.

Rental No. 8 is located in St. Louis, Missouri. It is a 21,823 square foot surgical center space leased at $41.20 per square foot on a net basis. Rental Eight required upward adjustments for its inferior location and its larger size. It is similar to the subject in terms of access and age. Overall, an upward adjustment is required.

We have summarized our adjustments below: (-) indicates a negative unit adjustment; (+) indicates a positive unit adjustment; and (o) indicates that no adjustment is required.

Surgical Center Space Comparable Adjustment Grid - Cornerstone Medical Building

#	Rental Rate	Lease Date	Location	Age	Size	Access	Overall
6	$30.00	Lease (o)	+	+	o	o	+
7	$34.55	Lease (o)	+	o	+	o	+
8	$41.20	Lease (o)	+	o	+	o	+

LaSalle Appraisal Group, Inc.

Conclusion of the Medical Office and Surgical Center Market Rent Estimate

The comparable medical office rental properties indicated an adjusted net rental range between $22.50 and $26.00 per square foot, while the surgical center spaces varied from $30.00 and $41.20 per square foot on a net basis. The subject's contract rents vary from $25.50 up to $26.09 per square foot on net basis for the medical office space and $37.75 per square foot on a net basis for the surgical center space. Considering the comparables and the subject's leases, it is concluded that the best unit indicator for the subject property is $26.00 per square foot on a net basis for the medical office space and $37.50 per square foot on a net basis for the surgical center space.

Potential Gross Income

The following table summarizes our estimate of the potential gross income.

Potential Gross Income - Cornerstone Medical Building

Medical Office Space	51,491 SF	**Surgical Center Space**	11,700 SF
Rent PSF	$26.00		$37.50
PGI	$1,338,766		$438,750
Total Potential Gross Income			$1,777,516

LaSalle Appraisal Group, Inc.

Vacancy and Collection Loss

As stated in the Office Overview section of the report, the overall vacancy rate for the Chicago MSA Suburban Market was 22.9 percent in the 4th quarter of 2011, 20 basis points lower than the 4th quarter of 2010. Specifically, the East-West Tollway submarket vacancy rate decreased to 20.8 percent in the 4th quarter of 2011, from 22.9 percent in the 4th quarter of 2010. The subject was 100.0 percent leased as of the effective date of value. The purpose of this appraisal is to estimate the stabilized market value of the subject property.

We have concluded that a 5.0 percent vacancy and collection loss is best representative of the conditions for a property like the subject as of the effective date of the appraisal. This stabilized figure is justified because 75.0 percent of the property has signed leases through 2025; while the remaining spaces expire in 2015 (have two 5-year renewal options).

Other Income

Other income includes: miscellaneous income, late fees and parking income. We have stabilized other income at $1,500.

Effective Gross Income

The following table summarizes the effective gross income for the subject property:

Effective Gross Income - Cornerstone Medical Building

		Total	PSF
Potential Gross Income		$1,777,516	$28.13
Vacancy and Collection Loss @	5.00%	$88,876	$1.41
Effective Gross Income		$1,688,640	$26.72
Other Income		$1,500	$0.02
Effective Gross Income		$1,690,140	$26.75

LaSalle Appraisal Group, Inc.

Operating Expenses

The market rent estimate for the subject property was based on a net basis with the tenant paying all of the operating expenses. The landlord is typically only responsible for the following expenses: management fees and reserves. These items must be estimated and subtracted from the effective gross income to produce an estimate of the net operating income.

In order to more accurately estimate operating expenses, we also relied upon the median operating expenses in the market. The figures were taken from the "2011 Income/Expense Analysis for Suburban Chicago Office Buildings" report published by IREM.

Management Fees

This expense covers the costs to hire an outside company to manage the building. The IREM median management fee expense was $0.60 per square foot. We stabilized this expense at $0.47 per square foot, based on benchmark data.

Replacement Reserves

Replacement reserves are funds which are typically held to pay for the repair or replacement of building components which have shorter lives than the economic life of the building. According to the *Realtyrates.com* Investor Survey (2nd Quarter 2012), replacement reserves for office properties vary from $0.26 per square foot up to $0.70 per square foot, while they typically are $0.50 per square foot. We will therefore use $0.24 per square foot, based on benchmark data.

Net Operating Income

Based on the estimated potential gross income, the vacancy and collection loss allowance for anticipated rent loss and all expenses to be paid by the owner, the following stabilized annual income and expense statement for the appraised property provides an estimate of the net operating income.

Net Operating Income - Cornerstone Medical Building

		Total	PSF
Potential Gross Income		$1,777,516	$28.13
Vacancy and Collection Loss @	5.00%	$88,876	$1.41
Effective Gross Income		$1,688,640	$26.72
Other Income		$1,500	$0.02
Effective Gross Income		$1,690,140	$26.75
Operating Expenses			
Management Fees	$30,000		$0.47
Reserves	$15,000		$0.24
Total Operating Expenses		$45,000	$0.71
Net Operating Income		$1,645,140	

LaSalle Appraisal Group, Inc.

Income Capitalization

Direct capitalization is a method used to covert a single year's estimate of income into a value indication. The income rates used in direct capitalization include the overall capitalization rate, the mortgage capitalization rate, the equity dividend rate, the land capitalization rate, and the building capitalization rate. In this instance, the method (income rate) that best exemplifies the reactions of the most probable prudent purchaser-investor in the marketplace is the overall capitalization rate. The direct capitalization formula applicable to this type of valuation is:

$$\text{Value} = \frac{\text{Net Operating Income}}{\text{Overall Capitalization Rate}}$$

Based on a thorough analysis of market activity for competitive properties, two techniques to estimate an overall capitalization rate were deemed to be most appropriate: direct market comparison and the band of investment (mortgage and equity).

Direct Capitalization Technique

The direct capitalization (or market comparison) technique involves the extraction of an overall rate from recent sales of competitive properties. The overall rate is calculated by dividing a sale property's net income by its sale price. Therefore, provided that comparable data are available, the extracted rate is a direct reflection of the reactions of buyers and sellers in the market, and it accounts for the return on and of the investment. Direct market comparison is probably the simplest and most justifiable method of selecting an overall rate, provided comparable market data available can satisfy the following conditions:

* Locational and physical characteristics similar to the appraised property.

* Occurrence of sales in market conditions similar to those affecting the appraised property.

* Similar buyer motivations, terms of sale, and financing.

* Income streams with similar quantity, quality, and durability characteristics.

The most reliable method of deriving a capitalization rate is from the market. The comparable Sale's capitalization rates varied from a low of 6.64 percent rate to a high of 10.06 percent. We have also expanded our search to include national surveys of institutional investors in order to gauge an appropriate rate of return for the subject property. The following table summarizes the survey results for medical office properties:

Overall Capitalization Rates - Cornerstone Medical Building

	Minimum	Average	Maximum
Office – Medical	6.18%	9.23%	13.46%

Source: Realty Rates Investor Survey; 2nd Quarter 2012

LaSalle Appraisal Group, Inc.

We feel that an overall rate of 7.25 percent for the subject property would be applicable due to the subject's tenant make-up, condition, location and investment grade. This was considered applicable on May 21, 2012 and this capitalization method was considered in conjunction with the Mortgage-Equity technique.

Band of Investment Technique

Also known as the mortgage equity technique, this is another method used in deriving an overall capitalization rate to be applied to the subject property's annual net operating income estimate. The technique recognizes that most properties are purchased with equity capital, and in consideration of this, the return on investment component of the overall capitalization rate must satisfy the market return requirements of each capital position, that is, the debt and equity returns. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk at which they will make funds available. Similarly, equity investors must anticipate receiving a competitive yield commensurate with perceived risks or they will divert their investment funds elsewhere.

To develop a rate via the band of investment technique, both the mortgage and equity components are blended to yield a weighted average. The mortgage constant is the capitalization rate for the debt position. The mortgage constant represents the ratio of annual debt service to the mortgage loan principal amount. The equity component of the blended capitalization rate is commonly referred to as the equity dividend rate. This rate is the ratio between a single year's pre-tax cash flow to the equity investment. The following summarizes the formula:

$$R_o = (M)\,R_m + (1 - M)\,R_e$$

where

R_o = Overall Capitalization Rate
M = Percentage Debt
R_m = Mortgage Constant
(1-M) = Equity Ratio
R_e = Equity Capitalization Rate

We referred to the investor survey *RealtyRates.com* as a guideline to current activity in the medical office investment market to assist in determining loan to value ratio, mortgage constants and equity dividend rates. The following table presents the findings of the survey:

Band of Investment Components - Cornerstone Medical Building

	Minimum	Average	Maximum
Mortgage	65%	58%	50%
Equity	35%	43%	50%
Mortgage Constants	5.44%	7.92%	11.39%
Equity Dividend Rates	8.49%	12.29%	16.94%
Interest Rates	3.57%	5.73%	7.89%
Overall Capitalization Rates	6.50%	9.78%	14.17%

Source: Realty Rates Investor Survey; 2nd Quarter 2012

LaSalle Appraisal Group, Inc.

As of the effective date of value, commercial interest rates were typically based on a "safe" factor, which can be based on the Ten-Year Treasury Notes. As of May 21, 2012, interest rates for Ten-Year Treasury Notes were 1.74 percent. According to *RealtyRates.com,* the typical basis spread for medical office properties ranged from 160 and 592 points, with the average being 376 points. The resulting commercial interest rates range between 3.34 and 7.66 percent. Loan terms are commonly for twenty-five years, although they can fall to ten- or fifteen-year terms. We have used a 3.75 percent interest rate, with a 25-year amortization term and a 70.0 percent loan to value ratio, which results in a mortgage constant of 6.17 percent.

In the opinion of the appraisers a 10.00 percent return on invested capital would be required to attract potential investors. With competing investments such as the stock market experiencing lower returns, investors have lowered their expectations for real estate investment. Based on the foregoing, the overall capitalization rate derived from the band of investment technique is as follows:

Band of Investment - Cornerstone Medical Building

	Factor	Percent	Component
Mortgage	6.17%	70%	4.32%
Equity	10.00%	30%	3.00%
Total			7.32%

LaSalle Appraisal Group, Inc.

Correlation of the Overall Rates

The direct capitalization and band of investment method of deriving overall rates resulted in similar rate conclusions. The direct capitalization technique resulted in a 7.25 percent overall capitalization rate while the band of investment method resulted in a 7.32 percent overall capitalization rate.

The direct capitalization technique is the method of choice when ample and reliable data are available. The capitalization rate was based on published surveys and the comparable sales. The band of investment technique was used as a support of the direct capitalization technique in deriving an overall rate applicable to the subject property. Therefore, we have concluded that a 7.25 percent overall capitalization rate best reflects investors' criteria for the subject property.

Conclusion

Capitalizing the subject's estimated annual net operating income by the 7.25 percent overall rate indicates the following market value conclusion via the Income Approach:

Conclusion of the Income Approach - Cornerstone Medical Building

		Total	PSF
Potential Gross Income		$1,777,516	$28.13
Vacancy and Collection Loss @	5.00%	$88,876	$1.41
Effective Gross Income		$1,688,640	$26.72
Other Income		$1,500	$0.02
Effective Gross Income		$1,690,140	$26.75
Operating Expenses			
Management Fees	$30,000		$0.47
Reserves	$15,000		$0.24
Total Operating Expenses		$45,000	$0.71
Net Operating Income		$1,645,140	
Capitalization Rate		7.25%	
Indicated Market Value		$22,691,589	$359.10
Rounded		$22,690,000	$359.07
Add Surplus Land Value		$665,000	
Total Market Value		$23,355,000	$369.59

LaSalle Appraisal Group, Inc.

The market value conclusion via the Income Approach is $23,355,000, rounded.

Debt Coverage Ratio Analysis - Cornerstone Medical Building

DCR Analysis @ 70% LTV, 25-Yr Term & 3.75% Interest Rate	
Mortgage	$16,348,500
Annual Debt Service	$1,008,633
NOI	$1,645,140
DCR	1.63%
Realty Rates DCR Range	1.45%-1.60%

LaSalle Appraisal Group, Inc.

The stabilized DCR is just above the range desired by investors in the *RealtyRates.com* survey.

Reconciliation and Final Value Estimate

In this section of the report, consideration is given to value conclusions in the three approaches to value to arrive at a final estimate of market value. Among items weighted in the reconciliation are the methodologies used in each approach and the reliability, quality, quantity and consistency of the data used. The Sales Comparison and Income Approaches indicate the following value conclusions:

Sales Comparison Approach:	$23,365,000
Income Approach:	$23,355,000

The subject consists of a part one- and two-story, pre-cast concrete and masonry constructed medical office and surgical center building containing 63,191 square feet of net rentable area. It was deemed to be in overall good condition. The building is situated on a 230,238 square foot irregular shaped corner site, along commercial thoroughfares in Warrenville, Illinois.

The Cost Approach provides an estimate of value based upon the assumption that an informed buyer would not pay more for a particular property than the cost of purchasing land and constructing improvements with similar utility. The estimated value of the land, as if vacant, is added to the reproduction or replacement cost new, less the accrued depreciation of the improvements, to arrive at an indication of value. This approach is particularly useful when the subject property represents the highest and best use of the land, and the amount of accrued depreciation is measurable from the market. However, for income producing properties such as the subject, this approach is typically not used by investors while purchasing these assets. Therefore, we did not use this approach to estimate the value of the property.

In the Sales Comparison Approach, sales with similar property characteristics similar to those of the subject were analyzed. The reliability of the Sales Comparison Approach is dependent upon the degree of comparability of each sale with the appraised property, the date of the sale in relation to the effective date of the appraisal and consideration of any unusual conditions affecting price or terms of the sale. The sales used in this approach were compared based on the aforementioned factors and market-derived adjustments were made. The sale comparables, for the most part, were similar in most respects to the subject property and the information was considered to be highly reliable. Overall, this approach was given primary consideration in the final analysis.

The Income Approach to value was based upon the estimation of the gross potential income for the subject property and making appropriate deductions for vacancy and collection loss, and other typical expenses found in the local marketplace. After the appropriate deductions are made, the resulting net operating income is converted to a value estimate by applying a market-derived capitalization rate. The overall capitalization rate was derived by the comparison of two separate methods -- direct market comparison and the band of investment. The two methods used to derive a capitalization rate resulted in overall rates which were comparatively close to one another. The rate chosen, however, was based primarily on the direct market comparison method. While the rental information in the Income Approach was considered to be reliable and the most comparable to the subject in the marketplace, adjustments were necessary to compare equivalently with the subject. This approach was given secondary consideration in the final analysis.

After considering all the data and logic described herein, and giving full consideration to the strengths and weaknesses in each approach, a final indication of value can be determined. Therefore, it is our opinion that the market value of the subject property in fee simple estate as of May 21, 2012 and subject to the attached Assumptions and Limiting Conditions and Certification was:

TWENTY THREE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS

($23,350,000)

ADDENDA

JOSEPH M. RYAN, MAI

Professional Experience

President (1991-Present)
LASALLE APPRAISAL GROUP
Is a Chicago, Illinois real estate appraisal, analysis, and consulting firm. Joseph M. Ryan, MAI, founded LaSalle Appraisal Group, Inc. in 1991 as a commercial real estate appraisal firm. Our client base typically consists of attorneys, tax consultants, lenders, corporations and governments with a wide variety of end uses for the appraisal reports. LaSalle Appraisal Group also offers consulting services in cases where an appraisal is not appropriate or not needed. Some consulting assignments we have recently completed include expert testimony as to damages caused by external factors, expert witness in zoning hearings, and reviewing of appraisals submitted for litigation or financing.

Independent Fee Appraiser (1987-1991)
VESTOR REALTY CONSULTANTS
Appraisal assignments included a variety of residential, commercial, industrial, and special purpose type properties.

Independent Fee Appraiser (1985-1987)
BUCANIEC & CO., Chicago, Illinois
Appraisal assignments included a variety of commercial, industrial, and special purpose type properties.

Director of Technical Review Department (1980-1985)
COOK COUNTY ASSESSOR'S OFFICE
Responsibilities included setting and maintaining assessment parameter for commercial/industrial properties. Served as deputy commission of Cook County Board of Tax Appeals to the Hon. Harry Semrow

Education

AMERICAN INSTITUTE OF REAL ESTATE
Appraisers Course 1A-Basic Appraisal Principals, Methods and Techniques; Course 1B–Capitalization Theory and Techniques; Course 2-1, Case Studies in Real Estate Valuation; Course 2-2, Valuation Analysis and Report Writing

ILLINOIS PROPERTY ASSESSMENT INSTITUTE
Course B 100-Basic Assessment Practices; Course I-Fundamentals of Real Property Appraisal; Course II-Income Approach to Valuation; Course III-Development and Writing of Narrative Appraisal Reports; Course 302 -Mass Appraisal of Income Producing Property

Bachelor of Arts, 1976
QUINCY COLLEGE, **Quincy, Illinois**

Professional Affiliations

Member, Appraisal Institute, MAI #9518.
Illinois License #553.000864   Michigan License #1201004672   Indiana License #CG40400419

Other

Served as member of Speaker's Bureau representing Assessor Thomas C. Hynes, before community/business groups throughout Cook County. Lecture on the valuation of federally subsidized housing at 50th Annual Convention of the International Association of Assessing Officers.

Appraisal Experience—Property Types Appraised

- ***Industrial Properties***
  - Single Tenant
  - Multi Tenant
- ***Department Stores***
  - Illinois
  - Michigan
  - Indiana
- ***Branch Banks***
  - Cook County
  - DuPage County
  - Lake County
  - Kane County
  - Will County
- ***Office Buildings***
  - Single Tenant
  - Multi Tenant
  - Medical
- ***Corporate Headquarters***
  - Cook County
  - Lake County
- ***Hotels***
  - Illinois
  - Wisconsin
  - Florida
- ***Auto Dealerships***
- ***Mixed Use Properties***
- ***Gasoline Service Stations***
- ***Health Clubs***
  - Tennis Clubs
  - Gymnasiums
- ***Apartment Buildings***
  - High Rises Chicago
  - Suburban Complexes
  - Illinois, Minnesota, California
  - Subsidized Section 42
- ***Bowling Alleys***
- ***Golf Courses***
- ***Nursing Homes***
  - Skilled Care
  - Assisted Living
- ***Bulk Oil Storage Terminals***
  - Exxon Mobil
  - Shell
  - BP
  - Marathon
- ***Parking Garages*** – 11 states
- ***Mobile Home Parks***
  - Florida
  - Georgia
  - Texas
- ***Leasehold Properties***
  - U of I Apartment Buildings
  - Housing at Scott AFB
- ***Special Use Properties***
  - Religious Facilities
  - Telephone Switching Stations
  - NFL Team Headquarters
  - Easements
- ***Expert Witness***
  - Zoning
  - Property Tax
  - Eminent Domain

Sample Properties Appraised

Large Industrial

All Steel Inc.	-	Aurora, IL
Lyon Metal	-	Aurora, IL
Hoffer Plastics	-	Carpentersville, IL
Calumet Business Center	-	Chicago, IL
Borg Warner	-	Bellwood, IL
Lands End HQ & Dist.Whse.	-	Dodgeville WI
Barr Company	-	Niles, IL
W.W. Grainger Distribution Centers	-	Michigan, Indiana, Ohio, Illinois, Kansas City, Greenville, SC
Ashland Oil Co.	-	Chicagoland Area
FDL Foods	-	Dubuque, IA/Rochelle, IL
Eagle Foods	-	Rock Island, IL
Sunbeam Park	-	Chicago, IL
National Gypsum	-	Renneslear, Indiana
Burlington Industry Hosiery Mills	-	North and South Carolina
Gillette Warehouse	-	St. Paul, MN
Johnson Wax	-	Kenosha, WI
First Safety	-	Janesville, WI
Distribution Warehouse	-	Ontario, CA

Office Buildings

Chicago Board of Trade	-	Chicago, IL
33 North LaSalle Street	-	Chicago, IL
225 North Michigan Avenue	-	Chicago, IL
Time-Life Building	-	Chicago, IL
120 South LaSalle Street	-	Chicago, IL
181 West Madison Street	-	Chicago, IL
200 West Madison Street	-	Chicago, IL
Rookery Building	-	Chicago, IL
Westbrook Corp. Center	-	Lisle, IL
Unisys Center	-	Lombard, IL
200 North LaSalle Street	-	Chicago, IL
IBM Plaza	-	Chicago, IL
BancOne	-	Rockford, IL
221 North LaSalle	-	Chicago, IL
One Century Plaza	-	Chicago, IL
AT&T Building	-	Chicago, IL
US Gypsum Building	-	Chicago, IL
11 South LaSalle	-	Chicago, IL
Baxter Healthcare Headquarters	-	Deerfield, IL
Grainger Headquarters	-	Lake Forest, IL

Hospitality

Marriott Courtyards	-	Chicagoland Area
Marriott Suites	-	O'Hare, Elk Grove and Downtown
Marriott O'Hare Hotel	-	O'Hare
Howard Johnson's	-	O'Hare, IL
Hotel Nikko	-	Chicago, IL
Swisshotel	-	Chicago, IL
Holiday Inn City Centre	-	Chicago, IL
Holiday Inn Wolf Point	-	Chicago, IL
Executive House	-	Chicago, IL
Ramada Inn	-	Rockford, IL
Holiday Inn	-	Janesville, Wisconsin
Crowne Plaza	-	Springfield, IL

Multi-Family

McClurg Court	-	Chicago, IL
Gregory Place	-	Champaign, IL
Lakeside Square	-	Chicago, IL
Wingate Apartments	-	Indianapolis, IN
Presidential Towers	-	Chicago, IL
Pointe Apartments	-	Des Plaines, IL
Grand-Ohio Apartments	-	Chicago, IL
440 North Wabash	-	Chicago, IL
Belden Center	-	Chicago, IL
Ghiribaldi Square	-	Chicago, IL
Arbor Lakes	-	Naperville, IL
Savannah Trace	-	Schaumburg, IL
Apartment Portfolio 20 Bldgs.	-	Chicago, Minneapolis & Orange County CA
Randall Hill Apartments	-	Crystal Lake, IL
Section 42 Apartments	-	Springfield, Champaign, Decatur, & Fox Lake, IL

Retail/Commercial

Lord and Taylor Stores	-	Woodfield, Northbrook, Fox Valley Malls
Macy's Stores	-	Midwest
K Mart Stores	-	Chicagoland Area
WalMart/Sam's Clubs	-	Chicagoland Area
Warehouse Club	-	Chicagoland Area
Sears Stores	-	Illinois & Michigan
Cub Foods	-	Chicagoland Area
IKEA	-	Schaumburg, IL

Shopping Centers

One Schaumburg Place	-	Schaumburg, IL
Bricktown Mall	-	Chicago, IL
North Pier Terminal	-	Chicago, IL
Ravinia Center	-	Highland Park, IL

Golf Courses

Turnberry Country Club	-	Lakewood, IL
Ridge Country Club	-	Chicago, IL
Odyssey Golf Club	-	Tinley Park, IL
Beverly Country Club	-	Chicago, IL
North Shore Country Club	-	Glenview, IL
Antioch Golf Club and surrounding development	-	Antioch, IL
Hilldale Golf Club	-	Hoffman Estates, IL
The Rail Golf Course	-	Springfield, IL
Cog Hill Golf Club	-	Lemont, IL
LaGrange Country Club	-	LaGrange, IL
Crystal Tree Country Club	-	Orland Park, IL

Special Use

World Music Theatre	-	Tinley Park, IL
Sportsman's Park Race Track	-	Cicero, IL
Chicago Motor Speedway	-	Cicero, IL
Shell Oil Storage Terminal	-	Des Plaines, IL
Mobil Oil Storage Terminal	-	Des Plaines & Mokena, IL
Marathon Oil Storage Terminal	-	Des Plaines, IL
BP Amoco Oil Storage Terminal	-	Des Plaines & Mokena, IL
Keystone Pipeline Project	-	Madison, Bond, Fayette, & Marion Counties
Lake Head Pipeline	-	Northern Illinois
Ameritech Switching Stations	-	Chicagoland
Halas Hall	-	Lake Forest, IL
Luftansa Cargo Facility	-	O'Hare Airport
Airplane Hangars	-	Midway Airport, Lansing Airport
Ultimate Sports Dome	-	Oswego, IL
Dominican Priory	-	River Forest, IL

Parking Garages

Chicago, IL	-	Providence, RI
Boston, MA	-	Baltimore, MD
Philadelphia, PA	-	Pittsburg, PA
Charlotte, NC	-	Milwaukee, WI
San Diego, CA	-	Hartford, CT
Los Angeles, CA	-	Atlanta, GA

Banks

Citibanks	-	Chicagoland Area
Harris Banks	-	Chicagoland Area
Great Lakes Banks	-	Chicagoland Area
Corus Banks	-	Chicagoland Area
Austin Bank of Chicago	-	Chicagoland Area
American Charted Banks	-	Chicagoland Area

Health Care

Fairfax Nursing Home	-	Berwyn, IL
Warren Barr Pavillion	-	Chicago, IL
Sunset House	-	Burbank, IL
Fairmont Nursing Home	-	Oak Park, IL
Concord Nursing Home	-	Oak Lawn, IL
Briar Place Nursing Home	-	Indian Head Park, IL
Lexington Health Care Center	-	Wheeling, IL
Fairview Nursing Home	-	LaGrange, IL
Lexington Health Care Center	-	LaGrange, IL
Colonial Manor Nursing Home	-	LaGrange, IL
Oak Lawn Pavillion	-	Oak Lawn, IL
Forest Hospital	-	Des Plaines, IL
Geneva Care Center	-	Geneva, IL
Peace Memorial Nursing Home	-	Evergreen Park, IL
Pineview Nursing Home	-	St. Charles, IL
Heartland Health Care Center	-	Homewood, IL
Edgewater Nursing Center	-	Chicago, IL
Margaret Manor Home	-	Chicago, IL
Lexington Health Care Center	-	Streamwood, IL
Lexington Health Care Center	-	Schaumburg, IL
Church Creek Senior Living Center	-	Arlington Heights, IL
Hampton Plaza Nursing Center	-	Niles, IL
McAllister Nursing Home	-	Tinley Park, IL
Lexington Health Care Center	-	Chicago Ridge, IL
Prairie Manor Nursing Home	-	Chicago Heights, IL
Buckingham Pavilion Nursing	-	Chicago, IL
Margaret Manor Home North	-	Chicago, IL

Mobile Home Parks

Kings Manor	-	Largo, FL
Shadow Hills	-	Orlando, FL
Sunset Palms	-	Pinellas Park, FL
Suburban Woods	-	Union City, GA
Shadowood	-	Acworth, GA
Creekside	-	Dallas, TX

Expert Witness

Illinois Property Tax Appeal Board
Cook, DuPage, Will and Lake County Circuit Court
Federal Bankruptcy Court
Chicago Zoning Board of Appeals
Illinois Commerce Commission

ASSUMPTIONS AND LIMITING CONDITIONS

1. The value estimated in this report is for the "As Is" Market Value, in fee simple subject to existing leases and assumes that there are no encumbrances, encroachments, restrictions or liens except for normal utility easements.

2. No responsibility is assumed by the appraiser for matters legal in nature, nor is any opinion on the title, which is assumed to be good and marketable, rendered herewith. This appraisal assumes good title, held in fee simple except where specified, as well as responsible ownership and competent management. If a legal description or property index numbers were furnished, they are assumed to be correct. Any unknown liens or encumbrances that may exist have been disregarded, and the property has been appraised as though no delinquency in the payment of ad valorem taxes or special assessments exists.

3. The physical condition of improvements as described herein was based upon a visual inspection, or if proposed construction, from architectural drawings and/or specifications if provided with this assignment. Electrical, heating, cooling, plumbing, sewer, mechanical equipment and water supply were not specifically tested and were assumed to be in good working order and adequate unless otherwise stated.

4. While we observed no evidence of unsuitable soil conditions, we did not make an engineering study of the soil composition or bearing capacity. It is assumed that soil and subsoil conditions are stable. The appraisal is of the surface rights only and no analysis has been made of the value of sub-surface rights, if any.

5. We assume that all data provided by the client is correct and not misrepresented. Land and building areas were taken from the plat of survey, if provided. Otherwise, these areas were derived from field measurements or public records.

6. We specifically assume that the property is not operated in violation of any applicable codes, ordinances, statues or other government regulations. We further assume that the property is held under responsible ownership and is competently managed and is available for its highest and best use.

7. We assume that there are no hidden or unexpected conditions of the property which would adversely affect its value. No offer has been made to determine the impact of possible energy shortages or the effect on this project of present or

future federal, state or local legislation, including any environmental or ecological matters or interpretation thereof.

8. In this assignment, the existence of potentially hazardous material used in the construction or maintenance of the improvements, such as the presence of urea formaldehyde foam insulation, asbestos, and/or existence of toxic waste or random which may or may not be present on the property has not been considered. We, as appraisers, are not qualified for or charged with the responsibility to detect such substances. We urge that if desired, the client retains experts in these fields.

9. This appraisal is based on the condition of the local and national economies, the purchasing power of the dollar, and financing rates prevailing at the effective date of the value estimate.

10. Information contained in this report relating to the subject's occupancy levels, rental and operating expenses were based upon comparable market data and benchmark statistics. It is assumed that the property will be competently managed and operated.

11. In our review and analysis, we have relied upon and assumed accuracy and completeness of the data and conditions described in detail in this report. The opinion of value expressed herein is a result of and subject to this information which has been secured from sources believed to be reliable. However, the appraiser is unable to accept any liability as to their validity.

12. The services provided by LaSalle Appraisal Group, Inc. were performed in accordance with recognized professional appraisal standards. We have acted as an independent contractor. We have assumed the accuracy of all data provided to us, in some cases, without independent verification. Although it is not our normal practice, we reserve the right to use subcontractors. All files, workpaper or documents developed during the course of the assignment shall be our property. We will retain this data for at least 5 years.

13. The appraiser herein, by reason of this appraisal, shall not be rallied to give testimony or attendance in court or at any governmental hearing with reference to the property in question, except as agreed upon.

14. The value estimated is for the entire property, considered as single unit of ownership and use. The approaches utilized are guides to the appraiser in forming a final value estimate, and should not be considered as individual representations of market value, or used to indicate the value of any part of the property. If our value conclusion reported is for part of a larger holding, or is for a partial or fractional interest, it should not be combined with other interests or portions of the property in order to derive the value of the unencumbered fee simple interest, as a whole.

15. Our appraisal is valid only for the purpose(s) for which it is stated herein. The usc and distribution of this appraisal report is subject to the By Laws and Regulation of the Appraisal Institute. Without our prior written consent, selected portions of this report shall not be distributed to third parties, nor shall any part of this report be disseminated to the general public through advertising or other media. You agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to use, and our report. These conditions can only be modified in writing by both parties.

16. Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LaSalle Appraisal Group has not made a specific survey and analysis of this property to determine whether or not it is in compliance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since LaSalle Appraisal Group, Inc. does not have specific information relating to this issue, nor is LaSalle Appraisal Group, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.

17. Client will indemnify, hold harmless or defend LaSalle Appraisal Group, Inc., for all costs, expenses, fees, judgments, claims and liabilities which may arise out of, or result from, the use of this appraisal for any other intent, than the express purpose for which it was written.

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have( ) - have not(✓) performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice.*
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

Joseph M. Ryan, MAI
State Certified General Real Estate Appraiser
License No. 553.000864

NEIL J. LINEHAN

Education: Bachelor of Arts in Economics from the University of Illinois-Urbana-Champaign, 2005.

Professional: Appraisal Institute

General Appraiser Income Approach Part I
General Appraiser Income Approach Part II
General Appraiser Sales Comparison Approach
General Appraiser Report Writing and Case Studies
General Appraiser Site Valuation and Cost Approach
General Appraiser Market Analysis and Highest & Best Use
Real Estate Finance Statistics and Valuation Modeling
Basic Appraisal Procedures
Basic Appraisal Principles
Standards of Professional Practice-15 hour USPAP

Illinois Property Assessment Institute

Basic Assessment Practices
Income Approach to Market Value
Fundamentals of Real Property Appraisal
Standards of Professional Practice-15 hour USPAP

Present — Staff appraiser for LaSalle Appraisal Group, Inc. Chicago, Illinois, a real estate analysis and consulting firm.

10/06-9/09 — Staff appraiser with JSO Valuation Group, Ltd. Evanston, Illinois, a real estate analysis and consulting firm.

09/05-09/06 — Analyst with the Cook County Assessor's Office, Chicago, Illinois.

Experience: Performed narrative appraisal assignments of commercial, office, industrial, multi-family, and special use properties for ad valorem taxation purposes, estate purposes, and mortgage financing.

Professional Affiliations:

Appraisal Institute - Associate Member
Certified Illinois Assessing Officer (C.I.A.O)
University of Illinois Alumni Association

CERTIFICATION

I certify that to the best of my knowledge and belief....

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analysis, opinions and conclusions were developed and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice.*
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

Neil J. Linehan
Associate Appraiser

NARRATIVE DESCRIPTION

CDH-Delnor Health System dba Cadence Health ("Cadence"), the parent of Central DuPage Hospital and Delnor Hospital, intends to acquire, through a number of concurrent transactions, OAD Orthopaedics Ltd., commonly known as Orthopaedic Associates of DuPage ("OAD"), and real assets associated with OAD. These assets include an IDPH-licensed ambulatory surgery treatment center ("ASTC") in Warrenville, the medical office building in which the ASTC is located, a medical office building in Naperville, and a medical office building in Wheaton. The practice, the ASTC and each of the medical office buildings are owned and controlled by separate legal entities.

A technical assistance conference was conducted with IDPH staff on June 29, 2012, at which time it was determined that Cadence's acquisition of the ASTC is within the jurisdiction of the IHFSRB because the ASTC is a licensed health care facility, and that Cadence's acquisition of the Warrenville medical office building is under the jurisdiction of the IHFSRB because the value of the medical office building exceeds the capital expenditure threshold. It was also determined through the technical assistance process that the acquisition of the practice itself, and the acquisition of the Naperville and Wheaton medical office buildings do not require IHFSRB approval, as the capital expenditure does not exceed the agency's threshold.

This Certificate of Exemption application addresses the acquisition of the Warrenville medical office building, located at 27650 Ferry Road, in Winfield, Illinois, and qualifies for review as a COE by virtue of Cadence's bond rating.

Cornerstone Medical Development Company is named as an applicant by virtue of its position as current owner of the building, and CDH-Delnor Health System is being named as an applicant, as the acquiring entity.

File Number 5217-963-7

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

CDH-DELNOR HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 03, 1980, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, 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* 16TH *day of* JULY *A.D.* 2012 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1219801816

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

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

File Number 0019418-2

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

CORNERSTONE MEDICAL DEVELOPMENT COMPANY, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON MAY 22, 1998, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 16TH *day of* JULY *A.D.* 2012 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1219801770

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

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

REAL ESTATE PURCHASE AGREEMENT

This REAL ESTATE PURCHASE AGREEMENT is made and entered into this 31st day of July, 2012 (the "Effective Date"), by and among CDH-Delnor Health System, Inc., d/b/a Cadence Health (the "Purchaser"), an Illinois not-for-profit corporation, Cornerstone Medical Development Company, L.L.C., an Illinois limited liability company ("Seller"), and each of the individual owners of Seller (as shown on the signature page hereof, the "Owners") (Seller, along with the Owners, the "Seller Parties").

RECITALS

A. Seller is the owner of the Purchased Assets (defined in Section 2.1) and fee simple owner of the Real Property (defined in Section 1.63).

B. Pursuant to an even-dated Asset Purchase Agreement by and among Purchaser, OAD Orthopaedics, Ltd., an Illinois corporation ("OAD"), DuPage Orthopaedic Surgery Center, LLC, an Illinois limited liability company ("DOSC"), and the owners of OAD and DOSC (the "APA"), Purchaser, as APA purchaser and certain APA seller parties, who are Affiliates of the Seller have agreed to buy and sell the Practice and ASC (as such terms are defined in the APA), a transaction which is conditioned upon the concurrent closing of transactions contemplated by this Agreement and which is a condition to the consummation of the transaction contemplated by this Agreement.

C. Owners own all of the issued and outstanding ownership and economic interest in Seller.

D. Seller desires to sell and Purchaser desires to purchase, the Purchased Assets upon and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the terms and conditions and the representations and warranties herein contained, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by execution, the Parties agree as follows:

ARTICLE I.
DEFINITIONS

For the purposes of this Agreement and in addition to the capitalized terms elsewhere defined herein, the following terms shall have the indicated meanings:

1.1 "Act" has the meaning set forth in Section 8.2(e).

1.2 "Affiliate" means, with respect to any Person, a Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the first Person.

1.3 "Agreement" means this Real Estate Purchase Agreement (including any exhibits, attachments and schedules hereto) as it may be amended, supplemented or restated from time to time in accordance with its terms.

1.4 "Allocation" has the meaning set forth in Section 3.3.

1.5 "Assignment and Assumption Agreement" means that certain Assignment and Assumption Agreement by and between Purchaser and Seller substantially in the form attached hereto as Exhibit A.

1.6 "Assumed Contracts" has the meaning set forth in Section 2.1(b).

1.7 "Assumed Liabilities" has the meaning set forth in Section 2.3.

1.8 "APA" is defined in Preamble B.

1.9 "Bankruptcy and Equity Exception" is defined in Section 5.4.

1.10 "Bill of Sale" means that certain Bill of Sale in the form attached as Exhibit B.

1.11 "Broker Amount" has the meaning set forth in Section 3.2(b).

1.12 "Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks located in Chicago, Illinois are authorized or required by Law to close.

1.13 "Closing" means the consummation of the sale and purchase of the Purchased Assets and the Transactions.

1.14 "Closing Date" means the date on which the Closing (as defined in the APA) of the transactions contemplated by the APA occurs, or such other date as the Parties may mutually agree in writing.

1.15 "Closing Escrow" is defined in Section 4.1.

1.16 "Code" means the Internal Revenue Code of 1986, as amended.

1.17 "Contracts" means all agreements or arrangements, oral or written, which constitute contracts under applicable Law (excluding the Leases and recorded documents evidencing the Permitted Title Exceptions) in any way relating to the Purchased Assets or any part thereof.

1.18 "Control" (including the terms "Controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person (whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise) and shall be deemed to exist upon the authority to exercise more than 50% of the voting power in the election of directors, trustees or managers of such Person (or other Person or body performing similar functions).

1.19 "Debt Relieved" is defined in Section 3.2(a).

1.20 "Deed" means that certain recordable Special Warranty Deed in the form attached as Exhibit C to be delivered by Seller to Purchaser at the Closing conveying the Real Property to Purchaser (or to Purchaser's designee), subject only to the Permitted Title Exceptions.

1.21 "Department" has the meaning set forth in Section 8.2(e).

1.22 "DOSC" is defined in Preamble B.

1.23 "Effective Date" means the date written at the top of this Agreement, which date shall be inserted by Seller and shall be the date on which Seller accepts, executes and delivers this Agreement to Purchaser.

1.24 "Environmental Laws" means all applicable Laws relating to: (a) the protection of the environment, or to any emission, discharge, generation, processing, storage, holding, abatement, Release, threatened Release or transportation of any Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), and the Occupational Safety and Health Act; (b) the reporting, licensing, permitting, investigation or remediation of Releases or threatened Releases of Hazardous Substances into the air, surface water, groundwater or land; and (c) the manufacture, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport or handling of Hazardous Substances.

1.25 "Environmental Permits" means any applicable consent, certificate, license or other approval, or any waiver of any of the foregoing, required under any Environmental Laws and necessary for the conduct of the businesses and operations of Seller at the Real Property, as currently conducted.

1.26 "Environmental Study" is defined in Section 8.2(d).

1.27 "Escrowee" means Chicago Title Insurance Company, Chicago, Illinois.

1.28 "Excluded Assets" is defined in Section 2.2.

1.29 "Excluded Liability" is defined in Section 2.4.

1.30 "Gap Undertaking" is defined in Section 4.5(d).

1.31 "Governmental Entity" means any United States federal, state or local government or subdivision thereof, or governmental, judicial, legislative, executive, administrative or regulatory authority, agency, commission or court.

1.32 "Hazardous Substances" means any substance that: (a) is or contains asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum or petroleum-derived substances or waste; (b) requires investigation, removal or remediation pursuant to any Environmental Laws; (c) is defined, listed or identified as a "hazardous waste" or "hazardous substance" pursuant to any Environmental Laws; (d) is regulated medical waste; or (e) is classified as toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated pursuant to any Environmental Laws, but excludes office and janitorial supplies properly and safely maintained.

1.33 "Improvements" is defined in Section 1.63 .

1.34 "Indemnified Party" has the meaning set forth in Section 9.7.

1.35 "Indemnifying Party" has the meaning set forth in Section 9.7.

1.36 "Intangible Property" means all goodwill associated with the Seller's ownership and operation of the Purchased Assets.

1.37 "IRS" means the Internal Revenue Service.

1.38 "Knowledge", "Known", "Knowingly", "to the Knowledge of" or any variant thereof, (a) with respect to Seller, means and refers to the actual knowledge of Dr. Lenard LaBelle, Dr. Richard Thomas and Dr. David Mochel, after due inquiry, and (b) with respect to the Purchaser, means and refers to the actual knowledge of the officers of the Purchaser, after due inquiry.

1.39 "Land" is defined in Section 1.63.

1.40 "Law" or "Laws" means all federal, state and local statutes, common law, laws, ordinances, regulations, rules, resolutions, orders, decrees, determinations, writs and injunctions of any Governmental Entity.

1.41 "Leases" means all space leases and tenancies (including subleases), licenses and concessionaires in or about the Real Property identified and described in the attached Schedule 1.41.

1.42 "Licenses and Permits" has the meaning given to it in Section 5.11(a).

1.43 "Lien" means any lien, mortgage, pledge, charge, option, encumbrance or other security interest.

1.44 "Loss" and "Losses" have the meanings given to them in Section 9.2.

1.45 "Material Adverse Effect" means:

(a) With respect to Seller, any effect that is materially adverse to the market value of the Purchased Assets.

(b) With respect to the Purchaser, a material adverse effect on the condition (financial or otherwise), properties, business or results of operations of the Purchaser that could reasonably be expected to result in an inability of the Purchaser to perform its obligations under this Agreement.

(c) Notwithstanding anything to the contrary, none of the following shall be taken into account whether there is a "Material Adverse Effect": (i) changes due to or caused by the announcement of the Transactions or seasonal changes; (ii) general business, industry or economic conditions, including such conditions related to the business of Seller or the Purchaser, as the case may be, that do not disproportionately affect Seller or any Owner or the Purchaser, as the case may be; (iii) local, regional, national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack, to the extent they do not disproportionately affect Seller or the Purchaser, as the case may be; (iv) changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index) to the extent they do not disproportionately affect Seller or the Purchaser, as the case may be; (v) changes in accounting rules, including GAAP; (vi) changes in Laws; (vii) the taking of any action contemplated by this Agreement; (viii) any matter disclosed in the disclosure schedules hereto; (ix) any actions or omissions by, or taken at the direction or request of, Purchaser or any of its Affiliates; (x) disclosure on the updated Title Commitment delivered pursuant to Section 8.8 of exceptions to title other than the Permitted Title Exceptions and matters which Seller has agreed to insure over at Closing (which such exceptions are to be dealt with as provided in Section 8.8 without regard to this definition); (xi) disclosure on any update of the Survey prior to the Closing of any new material encroachments or violation or any material exceptions to title or matters indicating possible rights of third parties other than the Permitted Title Exceptions not disclosed on the Survey prior to the Effective Date (which such exceptions are to be dealt with as provided in Section 8.9 without regard to this definition); (xii) the destruction or damage or all or any material portion of the Real Property (which such events are to be dealt with as provided in Section 8.14 without regard to this definition) and (xiii) any Taking (which is to be dealt with as provided in Section 8.14 without regard to this definition).

1.46 "Notice to Tenants" shall have the meaning set forth in Section 4.3(b)(vii).

1.47 "OAD" has the meaning set forth in Preamble B.

1.48 "Outside Date" shall mean the "Outside Date" as defined in the APA.

1.49 "Owners" has the meaning set forth in the first paragraph of this Agreement.

1.50 "Party" or "Parties" means a party to this Agreement and the parties to this Agreement, respectively.

1.51 "Payoff Letters" has the meaning set forth in Section 4.3(b)(viii).

1.52 "Permitted Liens" means (a) Liens for Taxes, assessments or other claims by a Governmental Entity not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings; (b) statutory Liens of landlords and mechanics', materialmen's, carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course; (c) such other encroachments and imperfections in title, charges, restrictions or Liens that do not materially detract from or diminish the value of or materially interfere with the present use of the properties they affect; (d) Liens that will be released prior to or as of the Closing; and (e) Liens created by or through the Purchaser.

1.53 "Permitted Title Exceptions" means the matters listed in and described on the attached Schedule 1.53, Permitted Liens, the Leases and any other matters which Purchaser shall approve in writing or as otherwise provided in this Agreement.

1.54 "Person" means any natural person, firm, partnership, association, corporation, company, limited liability company, trust or other entity, including a court or tribunal or a governmental or political subdivision or an agency or instrumentality thereof.

1.55 "Personal Property" means all machinery, equipment, fixtures, furnishings, books and records and other tangible and intangible personal property owned by Seller and used in connection with the operation or maintenance of the Real Property or any part thereof and all replacements, additions or accessories thereto that are identified and described in Schedule 1.55.

1.56 "Purchase Price" shall be the amount paid by the Purchaser for the Purchased Assets, as described more fully in Section 3.1.

1.57 "Purchase Price Reductions" has the meaning set forth in Section 3.2(d).

1.58 "Purchased Assets" has the meaning set forth in Section 2.1.

1.59 "Purchaser" has the meaning set forth in the first paragraph of this Agreement.

1.60 "Purchaser Indemnified Parties" has the meaning set forth in Section 9.2.

1.61 "Real Estate Entities" means, collectively, Cornerstone Medical Development Company, LLC, an Illinois limited liability company, South Naperville Associated Partners, LLC, an Illinois limited liability company, South Naperville Associated Partners II, LLC and Danada Orthopedic Partnership, an Illinois general partnership and the land trust through which it owns its property.

1.62 "Real Estate Purchase Agreements" shall mean those three (3) certain Real Estate Purchase Agreements between the Purchaser and the Real Estate Entities relating to the real property specified in the APA.

1.63 "Real Property" means (i) that parcel of land consisting of approximately 296,829 square feet and all privileges, rights, easements, hereditaments, and appurtenances thereto belonging; and all right, title and interest of Seller in and to any streets, alleys, passages and other rights of way included therein or adjacent thereto (before or after the vacation thereof) all as legally described on Schedule 1.63 (collectively, the "Land") and (ii) one brick and stone medical office building containing approximately 69,341 rentable square feet having the address of 27650 Ferry Road, Warrenville, Illinois 60555, together with all improvements thereon or therein (including all replacements or additions thereto between the Effective Date and the Closing Date) and to the extent that they exist on, in or about the Land as of the Effective Date, all systems, facilities, fixtures, machinery, equipment and conduits to provide fire protection, uninterrupted power supply, security, heat, exhaust, ventilation, air conditioning, electrical power, light, plumbing, refrigeration, communications (including, voice, internet and cable), gas, sewer and water thereto (including all replacements or additions thereto between the Effective Date and the Closing Date) (collectively, the "Improvements").

1.64 "Real Property Leases" has the meaning set forth in Section 5.7(a).

1.65 "Release" means any releasing, disposing, discharging, injecting, spilling, leaking, pumping, dumping, emitting, escaping, emptying, seeping, dispersal, leeching, migration, transporting, placing and the like, including without limitation the moving of any materials through, into or upon, any land, soil, surface water, ground water or air, or otherwise entering into the environment.

1.66 "Remedial Action" means all actions required pursuant to Environmental Laws necessary to: (a) clean up, remove, treat or in any other way remediate any Hazardous Substances; (b) prevent the release of Hazardous Substances so that they do not migrate or endanger or threaten to endanger public health or welfare or the environment; or (c) perform studies, investigations and care related to any such Hazardous Substances.

1.67 "Representative" has the meaning set forth in Section 11.4.

1.68 "Retention Period" has the meaning set forth in Section 8.12.

1.69 "Schedule Correction has the meaning set forth in Section 8.5(b).

1.70 "Schedule Update" has the meaning set forth in Section 8.5(b).

1.71 "Section 9.02(d)" has the meaning set forth in Section 8.2(e).

1.72 "Section 1445A" is defined in Section 4.3(b)(xii)

1.73 "Seller" has the meaning set forth in the first paragraph of this Agreement.

1.74 "Seller Indemnified Parties" has the meaning set forth in Section 9.4.

1.75 "Seller Parties" has the meaning set forth in the first paragraph of this Agreement.

1.76 "Specified Representations" means (a) with respect to Section 4.4(a)(ii) and Section 4.4(a)(iii): Section 5.1 (Organization), Section 5.2 (Authorization), Section 5.4 (Binding Obligation), Section 5.6(a) (Title to Purchased Assets), Section 5.7(c) (Real Property), Section 5.9 (Litigation), Section 5.11 (Licenses), Section 5.13 (Employee Matters), Section 6.1 (Authorization) and Section 6.3 (Binding Obligation), and (b) with respect to Section 4.4(b)(ii) and Section 4.4(b)(iii): Section 7.1 (Organization), Section 7.2 (Authorization), Section 7.4 (Binding Obligation) and Section 7.7 (Solvency; Financial Capacity).

1.77 "Survey" means a current survey of the Real Property prepared by a surveyor licensed by the State of Illinois and certified to Purchaser, the Title Insurer and such other parties as Purchaser shall designate prepared in accordance with the current Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys and include the following Table A items 1, 2, 3, 4,(sq. ft. to nearest 1/100th), 6(b), 7(a), (b)(1); 8, 9, 11(a), 14, 16, 18 and 20(a).

1.78 "Surviving Provisions" has the meaning set forth in Section 10.2(a).

1.79 "Taking" has the meaning set forth in Section 8.14(b).

1.80 "Tax" means any income, receipts, value-added, transfer, registration, business, franchise, profits, capital withholding, payroll, employment, property or customs tax, duty, governmental fee or other like assessment or charge, together with any interest or penalty on any of the foregoing imposed by any Governmental Entity.

1.81 "Tax Clearance Evidence" has the meaning set forth in Section 8.2(e).

1.82 "Tax Escrow Agent" has the meaning set forth in Section 8.2(e).

1.83 "Tax Escrow Agreement" has the meaning set forth in Section 8.2(e).

1.84 "Tax Escrow Amount" has the meaning set forth in Section 8.2(e).

1.85 "Tax Return" means any report, return, document, declaration or any other information or filing required to be supplied to any Governmental Entity with respect to Taxes.

1.86 "Tenant Estoppels" has the meaning set forth in Section 4.3(b)(vii).

1.87 "Third Party Claim" has the meaning set forth in Section 9.7.

1.88 "Title and Survey Charges" has the meaning set forth in Section 3.2(c).

1.89 "Title Commitment" means a commitment in effect as of the Effective Date for an ALTA Form Owner's Title Insurance Policy (2006) for the Real Property issued by the Title Insurer in the full amount of the Purchase Price, covering title to the Real Property, showing Seller as owner of the Real Property in fee simple.

1.90 "Title Insurer" means Chicago Title Insurance Company.

1.91 "Title Policy" is defined in Section 8.8.

1.92 "Transaction Agreements" means the Deed, Assignment and Assumption Agreement, the Bill of Sale, and any other agreements, Contracts, certificates, schedules, exhibits or documents executed or delivered in connection with the Transactions, as such agreements may from time to time be amended, supplemented or restated by the Parties hereto or thereto.

1.93 "Transactions" means the transactions contemplated by this Agreement and the Transaction Agreements.

ARTICLE II.
PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Assets. Subject to the terms and conditions of this Agreement and except for Excluded Assets, effective as of the Closing, Seller shall sell, transfer, convey, assign and deliver to the Purchaser (or to its designee), and the Purchaser (or its designee) shall purchase, acquire, receive and accept from Seller all of its respective right, title and interest in, to and under all of its properties, rights and assets (collectively, the "Purchased Assets"), and including, but not limited to, the following:

(a) the Real Property consisting of the Land and Improvements;

(b) All interest, to the extent assignable or transferable, in and to all Contracts which are designated as Assumed Contracts on Schedule 5.8 (the "Assumed Contracts");

(c) To the extent assignable or transferable, the Licenses and Permits issued to and held by Seller relating to the ownership of the Real Property;

(d) To the extent assignable or transferable, the Personal Property;

(e) All claims, causes of action and judgments in favor of Seller to the extent assignable or transferable by Seller, all warranties (express or implied) and rights and claims assertable by (but not against) Seller relating to the Purchased Assets; and

(f) All insurance proceeds (but not any insurance policies themselves) arising in connection with property damage to the Purchased Assets occurring on or after the Effective Date, to the extent they are not expended on the repair or restoration of the Purchased Assets, if the repair or restoration of the Purchased Assets has not been completed prior to Closing.

(g) All condemnation awards arising in connection with a taking of the Purchased Assets (or a conveyance in lieu of a taking) occurring on or after the Effective Date, to the extent they are not expended on the repair or restoration of the Purchased Assets, if the repair or restoration of the Purchased Assets has not been completed prior to Closing.

2.2 Excluded Assets. The Purchased Assets shall not include, and Seller shall retain all right and title to, the following assets (collectively, "Excluded Assets"):

(a) All cash, cash equivalents, accounts receivable, payor/contractor accounts receivable, letters of credit and all other accounts receivable related to services provided prior to the Closing;

(b) All bank accounts;

(c) All claims, rights, interest and proceeds with respect to Tax refunds of Seller and the right to pursue appeals of the same;

(d) All Contracts other than the Assumed Contracts;

(e) All Licenses and Permits not assigned to Purchaser pursuant to Section 2.1;

(f) The entity records of Seller (including corporate minute books, Tax Returns, etc.);

(g) All insurance policies and proceeds arising in connection with property damage to the Purchased Assets occurring prior to the Closing Date, to the extent the repair or restoration of the Purchased Assets has been completed prior to the Closing Date;

(h) All Contracts which are not Assumed Contracts and all of Seller's rights under this Agreement and the Transaction Agreements;

(i) All deposits, escrows and prepaid expenses;

(j) The other assets expressly listed on Schedule 2.2.

2.3 Assumption of Liabilities. The Purchaser shall assume all debts, liabilities and obligations accruing or arising under the Assumed Contracts with respect to periods after the Closing Date (the "Assumed Liabilities").

2.4 Excluded Liabilities. Except for the Assumed Liabilities, it is expressly agreed and understood that Seller shall retain, and be solely responsible for paying or otherwise discharging or satisfying, all debts, liabilities and obligations of Seller, including but not limited to those that arise or relate to the ownership of the Purchased Assets or operations of the Purchased Assets prior to the Closing, whether accrued, contingent, known or unknown, liquidated or unliquidated, or otherwise (each, an "Excluded Liability"). Except for the Assumed Liabilities, the Purchaser shall not assume or be liable for any debts, liabilities or obligations relating to Seller or the Purchased Assets whether accrued, contingent, known or unknown, liquidated or unliquidated, or otherwise.

2.5 Purchaser's Reliance on its Investigations. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT, THIS TRANSACTION IS MADE AND WILL BE MADE WITHOUT REPRESENTATION, COVENANT, OR WARRANTY OF ANY KIND (WHETHER EXPRESS, IMPLIED, OR, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, STATUTORY) BY SELLER. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT, PURCHASER AGREES IT IS TAKING THE PURCHASED ASSETS ON AN "AS IS" AND "WHERE IS" BASIS, WITH ALL FAULTS, LATENT AND PATENT, AND WITHOUT ANY REPRESENTATION OR WARRANTY, ALL OF WHICH SELLER HEREBY DISCLAIMS, EXCEPT FOR SELLER'S WARRANTIES. EXCEPT FOR SELLER'S WARRANTIES, NO WARRANTY OR REPRESENTATION IS MADE BY SELLER AS TO (A) FITNESS FOR ANY PARTICULAR PURPOSE, (B) MERCHANTABILITY, (C) CONDITION, (D) OPERATION OR INCOME, (E) ABSENCE OF DEFECTS, (F) ABSENCE OF HAZARDOUS SUBSTANCES OR TOXIC SUBSTANCES, (G) ABSENCE OF FAULTS, (H) FLOODING, OR (I) COMPLIANCE WITH LAWS INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT. PURCHASER ACKNOWLEDGES THAT PURCHASER HAS ENTERED INTO THIS AGREEMENT WITH THE INTENTION OF MAKING AND RELYING UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC USE, COMPLIANCE, AND LEGAL CONDITION OF THE PURCHASED ASSETS AND THAT PURCHASER IS NOT NOW RELYING, AND WILL NOT LATER RELY, UPON ANY REPRESENTATIONS AND WARRANTIES MADE BY SELLER OR ANYONE ACTING OR CLAIMING TO ACT, BY, THROUGH OR UNDER OR ON SELLER'S BEHALF CONCERNING THE PURCHASED ASSETS. THE PROVISIONS OF THIS SECTION 2.5 SHALL SURVIVE INDEFINITELY ANY CLOSING OR TERMINATION OF THIS AGREEMENT AND SHALL NOT BE MERGED INTO THE TRANSACTION DOCUMENTS.**

2.6 Risk of Loss. The risk of loss or damage to any of the Purchased Assets shall remain with Seller until the Closing.

ARTICLE III. PURCHASE PRICE

3.1 Purchase Price. The purchase price for the Purchased Assets shall be Twenty Three Million Three Hundred Fifty Thousand Dollars ($23,350,000) (the "Purchase Price"), subject to adjustments as set forth in this Agreement.

3.2 Payment of the Purchase Price. On the Closing Date, upon the terms and subject to the conditions set forth in this Agreement, the Purchaser shall:

(a) Pay through the Closing Escrow to the third parties who deliver Payoff Letters by wire transfer of immediately available United States funds to the account or accounts designated by such third party the amounts set forth in such Payoff Letters as satisfaction of the liabilities secured by the Purchased Assets (such amounts in aggregate are the "Debt Relieved").

(b) Pay through the Closing Escrow to Seller's brokers in cash, by wire transfer of immediately available United States funds to the account or accounts designated by such brokers, the amounts owed to them in connection with the Closing (the "Broker Amount").

(c) Pay through the Closing Escrow Seller's portion of charges due (i) the Title Insurer under ARTICLE IV (to which Purchaser may separately add its charges due the Title Insurer) and (ii) land surveyors for preparing the Survey (collectively, the "Title and Survey Charges").

(d) Pay through the Closing Escrow to Seller the Purchase Price minus the following (collectively, the "Purchase Price Reductions"):

(i) The Debt Relieved;

(ii) The Broker Amount;

(iii) Title and Survey Charges; and

(iv) The Tax Escrow Amount (if any only if it is required to be made pursuant to Section 8.2(e)).

The Purchase Price minus the Purchase Price Reductions and plus or minus prorations as provided in the prorations statement referred to in Section 4.3(b)(xi) shall be paid to Seller by wire transfer of immediately available United States funds to the accounts designated by Seller pursuant to wire transfer instructions provided by Seller.

3.3 Allocation of Purchase Price. The Parties agree that, for tax purposes, the Purchase Price and any other item of consideration for purposes of Section 1060 of the Code will be allocated (the "Allocation") 100% to Class V assets (within the meaning of Treasury Regulation Section 1.338-6). This Allocation shall be used in the applicable transfer tax declarations. The Parties agree that any Tax Returns or other Tax information that they may file or cause to be filed with any Governmental Entity shall be prepared and filed consistently with the Allocation. No Party will take any position inconsistent with the Allocation or any amendment thereof on any Tax Return or in any audit or judicial or administrative proceeding before any Governmental Entity (except to the extent otherwise required by a "final determination"). For this purpose, a "final determination" shall mean a "determination" within the meaning of Section 1313(a)(1) of the Code that is not subject to further appeal.

ARTICLE IV. CLOSING

The Closing of the sale and purchase of the Purchased Assets shall take place through the Escrow established pursuant to this Article.

4.1 Escrow. No less than two (2) Business Days prior to the Closing Date, the Parties, through their respective attorneys, shall establish an escrow with the Escrowee through which this sale and purchase transaction shall be closed (the "Closing Escrow"). The escrow instructions shall be in the form customarily used by the Escrowee with such special provisions added thereto as may be required to conform to the provisions of this Agreement. The Closing Escrow shall be auxiliary to this Agreement, and this Agreement shall not be merged into nor in any manner superseded by the Closing Escrow. The escrow costs and fees shall be equally divided between Purchaser and Seller.

4.2 Closing. Unless this Agreement shall have been terminated in accordance with Section 10.1, the Closing shall take place at the offices of the Purchaser or at such other location as agreed to by the Parties, all as provided for in the Asset Purchase Agreement, the Parties understanding that Closing shall occur simultaneously with the closing of all other Transactions.

4.3 Deliverables of the Parties at Closing.

(a) By the Purchaser. At or prior to the Closing, unless otherwise waived in writing by Seller, the Purchaser shall deliver to the Escrowee pursuant to the Closing Escrow:

(i) The Purchase Price, plus or minus prorations as provided in the prorations statement provided for in Section 4.3(b)(x), to an account specified by the Escrowee in the Closing Escrow;

(ii) Copies of resolutions or other authorizing documentation authorizing and approving the performance of the Transactions and the execution and delivery of this Agreement and the Transaction Agreements to be executed by the Purchaser, certified as true and of full force as of the Closing by the appropriate officer of the Purchaser;

(iii) A certificate of good standing from the Illinois Secretary of State for the Purchaser dated within ten (10) business days prior to the Closing;

(iv) Duly executed Bill of Sale;

(v) Duly executed Assignment and Assumption Agreement;

(vi) An agreed proration statement and state, county and local (if applicable) transfer tax declarations; and

(vii) Duly executed assumptions and assignments of the Real Property Leases (or Sublease) identified by the Purchaser on Schedule 1.41 hereto.

all of which shall be in a form and substance reasonably acceptable to counsel of Seller.

(b) By Seller. At or prior to the Closing, unless otherwise waived in writing by the Purchaser, Seller shall deliver to the Escrowee pursuant to the Closing Escrow:

(i) Copies of resolutions duly adopted by the governing bodies of Seller authorizing and approving the performance of the Transactions and the execution and delivery of this Agreement and the Transaction Agreements to be executed by such Party, certified as true and of full force as of the Closing by the appropriate officer of such Party;

(ii) A certificate of good standing from the Illinois Secretary of State for Seller dated within ten (10) business days prior to the Closing;

(iii) Duly executed and acknowledged Deed;

(iv) Duly executed Bill of Sale from Seller;

(v) The title documents as provided in Section 4.5(d);

(vi) (A) Duly executed estoppel certificates from tenants who are not Affiliates of Seller or Purchaser ("Tenant Estoppels"); provided, however, that Seller only shall be obligated to exercise reasonable commercial efforts to obtain the Tenant Estoppels, and shall not be obligated to deliver them if, after exercising its reasonable commercial efforts, it is unable to procure them, and (B) duly executed notices to all tenants who are not Affiliates of Seller or Purchaser from Seller ("Notice to Tenants"), each in the form of Exhibit E;

(vii) Duly executed Assignment and Assumption Agreement;

(viii) Payoff letters ("Payoff Letters") from all Persons who have Liens on any of the Purchased Assets, with provision for releases of all Liens and discharge of all debts;

(ix) Seller's certificate dated as of the Closing Date confirming that the representations and warranties of Seller, other than the Specified Representations shall, taken as a whole, are true and correct in all material respects as of the Closing Date with the same effect as if they were made at and as of such date (except those representations and warranties that address matters only as of specified date);

(x) An agreed proration statement and certificates complying with the provisions of state, county and local law applicable to the determination of documentary and transfer taxes;

(xi) Duly executed Owner's Affidavit and an ALTA statement in form required by the Title Insurer;

(xii) Duly executed Affidavit or a qualifying statement from the U.S. Treasury Department that the transaction is exempt from the withholding tax requirement imposed by Section 1445A of the Internal Revenue Code and the rules and regulations promulgated thereunder ("Section 1445A"); and

(xiii) Duly executed assumptions and assignments of the Real Property Leases (or Sublease) identified by the Purchaser on Schedule 1.41 hereto;

all of which shall be in a form and substance reasonably acceptable to counsel of Purchaser and, in the case of documents of transfer, shall be accepted or consented to by all parties required to make such transfers effective.

4.4 Conditions to Closing.

(a) Conditions to Closing Obligations of the Purchaser. The obligation of the Purchaser to consummate the Transactions is subject to the fulfillment, before or at the Closing, of the following conditions:

(i) Seller shall have delivered all of the agreements, documents and instruments required under Section 4.3(b) to be delivered by Seller before or at the Closing.

(ii) Seller Parties' representations and warranties in this Agreement other than the Specified Representations shall, taken as a whole, be true and correct in all material respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date).

(iii) Seller Parties' representations and warranties in this Agreement which constitute Specified Representations shall be true and correct in all material respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date).

(iv) Each Seller Party shall have duly performed, complied with and fulfilled in all material respects all of the covenants, obligations and conditions under this Agreement and the Transaction Documents to which he, she or it, respectively, is a Party that are to be performed, complied with and fulfilled by such Person before or at the Closing.

(v) No Governmental Entity shall have entered any order or injunction which is in effect and has the effect of making the Transactions illegal or otherwise prohibiting consummation of the Transactions, and no material suit, action or proceeding by a Governmental Entity that is reasonably likely to result in such an order or injunction shall have been filed and not dismissed or withdrawn.

(vi) Seller shall not (A) be the subject of proceedings commenced by or against it under any bankruptcy, arrangement, reorganization, insolvency or similar Laws for the relief of debtors, (B) have an application pending for appointment, for the benefit of creditors, of a receiver or any other legal custodian with respect to its assets, (C) have made any general assignment for the benefit of creditors, (D) have stated in writing its inability to pay its debts as they mature, or (E) be otherwise unable to pay its debts when and as they become due.

(vii) Since the date of this Agreement, no fact, circumstance or condition shall have occurred that, individually or in the aggregate, shall have resulted in a Material Adverse Effect.

(viii) The Purchaser shall have acquired pursuant to the applicable Real Estate Purchase Agreements (other than this Agreement) from the applicable Real Estate Entities the real property and improvements located at the applicable location and shall have consummated the transactions contemplated in the APA.

(ix) The Purchaser shall have obtained a Certificate of Exemption or Certificate of Need, as required by law, for the transfer of the Purchased Assets contemplate hereby from the Illinois Health Facilities and Services Review Board.

Any condition set forth in this Section 4.4(a) may be waived by the Purchaser, which waiver need not be in writing and shall be conclusively demonstrated by the Purchaser's participation in the Closing notwithstanding the failure of such condition to be satisfied.

(b) Conditions to Closing Obligations of Seller. The obligation of Seller to consummate the Transactions is subject to the fulfillment, before or at the Closing, of the following conditions:

(i) The Purchaser has delivered all of the agreements, documents and instruments required under Section 4.3(a) to be delivered by the Purchaser and its Affiliates before or at the Closing.

(ii) All of the Purchaser's representations and warranties in this Agreement, other than the Specified Representations, shall be true and correct in all material respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date).

(iii) All of Purchaser's representations and warranties in this Agreement which constitute Specified Representations shall be true and correct in all material respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date).

(iv) The Purchaser shall have duly performed, complied with and fulfilled in all material respects all of the covenants, obligations and conditions under this Agreement and the Transaction Documents to which it is a Party that are to be performed, complied with and fulfilled by it before or at the Closing.

(v) No Governmental Entity shall have entered any order or injunction which is in effect and has the effect of making the Transactions illegal or otherwise prohibiting consummation of the Transactions, and no material suit, action or proceeding by a Governmental Entity that is reasonably likely to result in such an order or injunction shall have been filed and not dismissed or withdrawn.

(vi) The Purchaser shall have acquired pursuant to the applicable Real Estate Purchase Agreements (other than this Agreement) from the applicable Real Estate Entities, the real property and improvements located at the applicable location and shall have consummated the transactions contemplated in the APA.

(vii) The Purchaser shall have obtained a Certificate of Exemption or Certificate of Need, as required by law, for the transfer of the Purchased Assets contemplate hereby from the Illinois Health Facilities and Services Review Board.

Any condition set forth in this Section 4.4(b) may be waived by Seller, which waiver need not be in writing and shall be conclusively demonstrated by Seller's participation in the Closing notwithstanding the failure of such condition to be satisfied.

4.5 Possession, Prorations and Expenses.

(a) Sole and exclusive possession of the Real Property, subject only to the Permitted Title Exceptions, shall be delivered to Purchaser on the Closing Date.

(b) Current rents, security deposits (and any interest thereon, if any) and advance rentals under the Leases; general and special real estate and other ad valorem taxes and assessments and other state or city taxes, fees, charges and assessments affecting the Real Property; utility charges; the value (at invoice cost) of cleaning, toilet and other supplies and materials in unopened packages on hand at the Real Property; Assumed Contracts and all other items of accrued (except delinquent rents) or prepaid income and expenses customarily prorated on the transfer of office buildings in the Chicago metropolitan area shall be prorated as of the Closing Date. At Closing, Seller shall provide Purchaser with a prorated credit through the Closing Date of 105% of the most recent tax bill for the Purchased Assets for real estate taxes attributable to 2012 payable after Closing. All prorations shall be final.

(c) Seller shall pay all charges customarily attributable to sellers including, without limitation, all title charges and premiums, Survey charges, and all state and county transfer taxes (if any). Purchaser shall pay all charges customarily attributable to purchasers including, without limitation, all recordation, municipal transfer taxes, title insurance and money lender's escrow charges incurred in connection with any mortgage loans obtained by Purchaser. The Parties shall share equally the charges for the Closing Escrow. Other than set forth above, the Parties shall bear their respective direct and indirect expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement, the Transaction Agreements and the Transactions, whether or not the Transactions are consummated, including, but not limited to, all fees and expenses of brokers, agents, representatives, counsel and accountants. The terms and conditions of this Section 4.5(c) shall survive termination of this Agreement.

(d) The sale and purchase transaction shall be closed by means of a so-called "New York Style Closing," with the concurrent delivery of the documents of title, transfer of interests, delivery of the Title Policy and the payment of the Purchase Price. The Seller shall provide a customary gap undertaking (the "Gap Undertaking") to the Title Insurer necessary for the New York Style Closing to occur. Seller and Purchaser shall each pay 50% of the charges of the Title Insurer for such New York Style Closing.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants as of the Effective Date and as of the Closing Date to the following:

5.1 Organization. Seller is a limited liability company, duly organized, validly existing and in good standing under the Laws of the State of Illinois with full power and authority and financial capacity to conduct its business as now conducted and to own, lease or operate its properties and assets as now owned, leased or operated. Seller is duly qualified or licensed to do business in each jurisdiction in which the nature of its business or the assets and properties owned or leased by it makes such qualification or licensing necessary.

5.2 Authorization. Seller has full power, authority and capacity to enter into this Agreement and each Transaction Agreement to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance by Seller of this Agreement and each Transaction Agreement to which Seller is a party, and the consummation by Seller of the Transactions have been duly authorized and approved by all necessary company action, and no other proceedings on the part of Seller are necessary to authorize this Agreement or any Transaction Agreement to which it is a party or to consummate the Transactions.

5.3 No Conflicts.

(a) The execution, delivery and performance of this Agreement by Seller, the execution, delivery and performance by Seller of the Transaction Agreements to which it is a party, and the consummation by Seller of the Transactions, do not and will not (with the passing of time or the giving of notice or both) violate, conflict with or result in a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any party the right to terminate, modify or cancel: (i) the articles of organization, bylaws or other organizational documents of Seller; (ii) any provision of any Law applicable to Seller, or to which any of its assets are subject; (iii) any order, judgment or award of any Governmental Entity applicable to Seller or to which any of its assets are subject; or (iv) except as set forth on Schedule 5.3(a), any agreement or instrument to which Seller is subject or by which any of its assets are subject.

(b) Except as set forth on Schedule 5.3(b), the execution, delivery and performance of this Agreement by Seller, the execution, delivery and performance by Seller of the Transaction Agreements to which it is a party, and the consummation by Seller of the Transactions, do not and will not require any consent, approval, authorization or permit of, or filing or registration with or notification to, any Governmental Entity or any party to any agreement to which Seller is a party or by which Seller is bound.

5.4 Binding Obligation. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law (the "Bankruptcy and Equity Exception"). Upon the execution and delivery of each Transaction Agreement to which any Seller is a party, such Transaction Agreement will constitute the legal, valid and binding obligation of Seller, enforceable against him, her or it in accordance with its terms, subject to the Bankruptcy and Equity Exception.

5.5 No Liabilities or Adverse Conditions.

(a) Intentionally omitted.

(b) Except as set forth on Schedule 5.5(b): (i) Since December 31, 2011, Seller has conducted its business only in the ordinary course and in a manner consistent with past practice; and (ii) Seller has not suffered any Material Adverse Effect.

(c) Without limiting the generality of Section 5.5(b), except as set forth on Schedule 5.5(b), since June 30, 2012 Seller has not:

(i) Modified any existing, or entered into any new, agreement, commitment or other transaction, other than in the ordinary course of business;

(ii) Disposed or agreed to dispose of any properties or assets necessary for the conduct of its business, other than in the ordinary course of business;

(iii) Incurred, assumed, guaranteed or otherwise become directly or indirectly liable with respect to any material liability or obligation (whether absolute, accrued, contingent or otherwise and whether direct or indirect, or as guarantor or otherwise with respect to any liability or obligation of any other Person), except in the ordinary course of business;

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

(v) Incurred or made any capital expenditure in excess of $100,000; or

(vi) Legally bound itself, whether in writing or otherwise, to take any action described in this Section 5.5(c).

5.6 Title to Purchased Assets.

(a) Except as related to Debt Relieved under Section 3.2(a), Seller owns and possesses and has good and marketable title to all of the Purchased Assets, free and clear of all Liens other than Permitted Title Exceptions.

(b) All Purchased Assets are in good working condition, ordinary wear and tear excepted.

5.7 Real Property.

(a) Schedule 1.41 is a complete and correct list of all Leases currently in effect as of the Effective Date, reflecting the suite number or other appropriate designation of the space occupied and the name of the tenant ("Real Property Leases").

(b) To Seller's Knowledge, there are no pending, contemplated, threatened or anticipated (i) condemnation of any part of the Real Property, (ii) widening, change of grade or limitation on use of streets abutting the Real Property, (iii) special tax or assessment to be levied against the Real Property, (iv) change in the zoning classification of the Real Property, or (v) change in the tax assessment of the Real Property not reflected in the most recent tax bills.

(c) Except as set forth on Schedule 5.7: (i) the use and operation of the Real Property (or any portion thereof) does not violate any agreement or legally binding commitment or understanding (whether written or oral) affecting such Real Property; (ii) Seller has not violated any Law, covenant, condition, restriction or agreement, or governmental, regulatory, administrative or judicial authorization, permit or license, that affects the Real Property; (iii) no current use by Seller of the Real Property is dependent on additional consents or authorizations of, or filings with or notices to, a Governmental Entity; and (iv) Seller has not received a notice of discontinuance of, or reduction in, any utility serving the Real Property.

5.8 Assumed Contracts. Schedule 5.8 lists all Contracts (including a written description of any oral Contracts) to which Seller is a party; the Contracts which constitute Assumed Contracts are indicated thereon. All Assumed Contracts are in full force and effect and bind Seller and the other parties thereto. Seller is not, and to Seller's Knowledge, no other party is, in default in any material respect under any Assumed Contract. No event has occurred or fact, circumstance or condition exists that, with or without notice or the lapse of time, would become a default by the Seller under any Assumed Contract. Except as set forth on Schedule 5.8, Seller has not released or waived any of its rights under any Assumed Contract. Seller has made available to the Purchaser compete and accurate copies of all Contracts listed on Schedule 5.8 (including all related amendments and modifications). Schedule 5.8 indicates the Assumed Contracts which require notice or consent for assignment to the Purchaser or its designees.

5.9 Litigation. Schedule 5.9 lists all lawsuits, actions, claims or proceedings in front of any Governmental Entity and all regulatory and administrative actions and proceedings by any Governmental Entity pending or to Seller's Knowledge, threatened against Seller. To Seller's

Knowledge, no Governmental Entity is investigating Seller with respect to any asset or business activity of Seller. Except as set forth on Schedule 5.9, there are no outstanding orders, judgments, decrees or injunctions issued by any Governmental Entity against Seller.

5.10 Environmental Matters.

(a) Seller is in compliance with all Environmental Permits and all applicable Environmental Laws pertaining to the Real Property (and the use, operations, ownership or transferability thereof). Since January 1, 2009, no Governmental Entity has alleged in writing to Seller any continuing violation by Seller of any Environmental Permit or any applicable Environmental Law relating to the ownership or occupancy of the Real Property.

(b) Since January 1, 2009, no Seller has received written notice of any liability or obligations of Seller relating to: (i) the environmental conditions on, under, or about the Real Property; or (ii) the past or present use, management, handling, transport, treatment, generation, storage or Release of any Hazardous Substances on the Real Property.

(c) None of the current or, to Seller's Knowledge, past operations, and none of the currently or, to Seller's Knowledge, formerly owned or used property or assets of Seller is related to or subject to any investigation or evaluation by any Governmental Entity as to whether any Remedial Action is needed to respond to a Release or threatened Release of any Hazardous Substances on the Real Property.

(d) Except as set forth on Schedule 5.10(d), Seller is not subject to any outstanding order, judgment, injunction or decree, or contractual obligation with, any Governmental Entity or other Person that may require it to incur Losses arising from the Release or threatened Release of a Hazardous Substance.

5.11 Licenses.

(a) Seller holds and is in material compliance with all licenses, permits, certificates, consents, certificates of need and approvals, in each case issued by a Governmental Entity, necessary for the operation of its businesses and the ownership of the Purchased Assets, in each case as currently conducted (the "Licenses and Permits"). The Licenses and Permits are current and valid.

(b) Except as set forth on Schedule 5.11(b), none of the following has been received in writing by Seller from a Governmental Entity: a statement of deficiencies, complaint or other notice of noncompliance with the requirements, standards or other conditions or any revocation, termination, suspension or limitation of any of the Licenses and Permits, in each case for which any actual or potential payment or other obligation exists.

5.12 Insurance. Schedule 5.12 (a) lists all insurance policies that are owned or maintained by Seller or that name Seller as an insured or loss payee and that pertain to the Purchased Assets, and (b) discloses for each such insurance policy (i) the name and contact information of the agent, (ii) the names of the insurer, policyholder and each covered insured, and (iii) the policy number and period of coverage. All such insurance policies are in full force and effect, and Seller has not received any written notice of termination or non-renewal of any such insurance policies. Seller has furnished to the Purchaser complete and accurate copies of all such insurance policies.

5.13 Employee Matters. Seller has no employees and has not employed any employees at any time during its existence. There are no employment, employee benefit or collective bargaining contracts affecting the Purchased Assets, including pension or profit sharing plans, agreements or trusts and medical, dental, hospital, life or other insurance plans.

5.14 No Broker's Fees. Except as set forth on Schedule 5.14, Seller has no liability and has not done anything to cause or incur any liability or obligation for investment banking, brokerage, finder's, agent's or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this Agreement or the consummation of the Transactions, and to Seller's Knowledge, there are no claims by anyone for such a fee, commission, expense or charge.

5.15 Leasing Commissions; Management Fees. There are no property managers or leasing agents for the Purchased Assets and there are no unpaid leasing fees or commissions due any Person in connection with any Lease and there are no management commissions or fees in connection with the Purchased Assets owing for the period prior to the Closing Date.

5.16 No Insolvency. Seller (i) is not the subject of proceedings commenced by or against it under any bankruptcy, arrangement, reorganization, insolvency or similar Laws for the relief of debtors, (ii) does not have an application pending for appointment, for the benefit of creditors, of a receiver or any other legal custodian with respect to its assets, (iii) has not made any general assignment for the benefit of creditors, (iv) has not admitted in writing its inability to pay its debts as they mature, and (v) is not otherwise unable to pay its debts when and as they become due. The value of Seller's assets exceeds the value of its liabilities. No transfer of property is being made and no obligation is being incurred in connection with the Transactions with the intent to hinder, delay or defraud either present or future creditors of Seller. In connection with the Transactions, Seller has not incurred nor does it plan to incur, debts beyond its ability to pay as they become absolute and matured.

ARTICLE VI.
REPRESENTATIONS AND WARRANTIES OF THE OWNERS

Each Owner represents and warrants as of the Effective Date and as of the Closing Date to the following:

6.1 Authorization. Such Owner has full power, authority and capacity to enter into this Agreement and each Transaction Agreement to which he is a party, to perform his obligations hereunder and thereunder and to consummate the Transactions.

6.2 No Conflicts.

(a) The execution, delivery and performance of this Agreement by such Owner, the execution, delivery and performance by such Owner of the Transaction Agreements to which he or she is a party, and the consummation by such Owner of the Transactions, do not and will not (with the passing of time or the giving of notice or both) violate, conflict with or result in a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any Party the right to terminate, modify or cancel: (i) any provision of any Law applicable to such Owner, or to which any of his or her assets are subject; (ii) any order, judgment or award of any Governmental Entity applicable to such Owner or to which any of his or her assets are subject; or (iii) any agreement or instrument to which such Owner is subject or by which any of his or her assets are subject.

(b) Except as set forth on Schedule 5.3(b), the execution, delivery and performance of this Agreement by such Owner, the execution, delivery and performance by such Owner of the Transaction Agreements to which it is a party, and the consummation by such Owner of the Transactions, do not and will not require any consent, approval, authorization or permit of, or filing or registration with or notification to, any Governmental Entity, any third party payor or any party to any agreement to which such Owner is a party or by which such Owner is bound.

6.3 Binding Obligation. This Agreement constitutes the legal, valid and binding obligation of such Owner, enforceable against him or her in accordance with its terms, subject to the Bankruptcy and Equity Exception. Upon the execution and delivery of each Transaction Agreement to which such Owner is a party, such Transaction Agreement will constitute the legal, valid and binding obligation of such Owner, enforceable against him or her in accordance with its terms, subject to the Bankruptcy and Equity Exception.

6.4 No Broker's Fees. Except as set forth on Schedule 5.14, such Owner has no liability, and has not done anything to cause or incur any liability or obligation, for investment banking, brokerage, finder's, agent's or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this Agreement or the consummation of the Transactions.

ARTICLE VII.
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants as of the Closing Date to the following:

7.1 Organization. The Purchaser is an Illinois not-for-profit corporation duly organized, validly existing and in good standing under the Laws of the State of Illinois with full power, authority and financial capability to conduct its business as now conducted and to own, lease or operate its properties and assets as now owned, leased or operated, and following the Closing and delivery of the Purchased Assets to own, lease and operate the Purchased Assets.

7.2 Authorization. The Purchaser has full power and authority to enter into this Agreement and each Transaction Agreement to which it is a party, and to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance by the Purchaser of this Agreement and each Transaction Agreement to which the Purchaser is a party, and the consummation by the Purchaser of the Transactions, have been duly authorized and approved by all necessary corporate action, and no other proceedings on the part of the Purchaser are necessary to authorize this Agreement or any Transaction Agreement to which it is a party or to consummate the Transactions.

7.3 No Conflicts.

(a) The execution, delivery and performance of this Agreement by the Purchaser, the execution, delivery and performance by the Purchaser of the Transaction Agreements to which it is a party, and the consummation by the Purchaser of the Transactions, do not and will not (with the passing of time or the giving of notice or both) violate, conflict with or result in a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any party the right to terminate, modify or cancel: (i) the Purchaser's organizational documents; (ii) any provision of any Law applicable to the Purchaser, or to which any of its assets are subject; (iii) any order, judgment or award of any Governmental Entity applicable to the Purchaser or to which any of its assets are subject; or (iv) any agreement or instrument to which the Purchaser is subject, or by which any of its assets are subject.

(b) Except as set forth on Schedule 7.3(b), the execution, delivery and performance of this Agreement by the Purchaser, the execution, delivery and performance by the Purchaser of the Transaction Agreements to which it is a party, and the consummation by the Purchaser of the Transactions, do not and will not require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity or any other third party under any agreement by which the Purchaser is bound.

7.4 Binding Obligation. This Agreement constitutes the legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, subject to the Bankruptcy and Equity Exception. Upon the execution and delivery of each Transaction Agreement to which the Purchaser is a party, such Transaction Agreement will constitute the legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, subject to the Bankruptcy and Equity Exception.

7.5 Litigation. There are no governmental, regulatory, administrative or judicial actions, proceedings or investigations pending or threatened against or involving the Purchaser or any of its Affiliates that, individually or in the aggregate: (a) could reasonably be expected to impair the ability of the Purchaser to perform its obligations hereunder or under any other Transaction Agreement to which it is a party; (b) could reasonably be expected to impair the ability of the Purchaser to operate the Purchased Assets following the Closing; or (c) could reasonably be expected to have or result in, or would reasonably be expected to have or result in, a Material Adverse Effect.

7.6 No Broker's Fees. Except as set forth on Schedule 7.6, the Purchaser does not have any liability and has not done anything to cause or incur any liability or obligation for investment banking, brokerage, finder's, agent's or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this Agreement or the consummation of the Transactions, and the Purchaser does not Know of any claim by anyone for such a fee, commission, expense or charge.

7.7 Solvency; Financial Capacity. The Purchaser has immediately available funds sufficient to consummate the Transactions and perform and discharge its obligation under this Agreement and the Transaction Agreements and acknowledges and affirms that it is not a condition to Closing or any of its other obligations under this Agreement or any other Transaction Agreement that the Purchaser obtain financing (or obtain financing on terms acceptable to the Purchaser) for or relating to any of the Transactions. Immediately after giving effect to the Transactions, the Purchaser shall be solvent and shall: (a) be able to pay its debts as they become due; (b) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in connection with the Transactions with the intent to hinder, delay or defraud either present or future creditors of the Purchaser. In connection with the Transactions, the Purchaser has not incurred, nor does it plan to incur, debts beyond its ability to pay as they become absolute and matured.

7.8 No Other Representations. Purchaser acknowledges and agrees that, except as expressly set forth in ARTICLE V and ARTICLE VI, no Seller Party has made or is making any express or implied representation or warranty of any kind whatsoever with respect to the Purchased Assets, including any representation or warranty as to (a) the physical condition or value of any of the assets of either Seller or their future profitability or future earnings performance or (b) the accuracy or completeness of any information regarding any Seller Party or the Purchased Assets furnished or made available to Purchaser or its Representatives.

ARTICLE VIII.
ADDITIONAL COVENANTS AND AGREEMENTS

8.1 Further Actions. Until the Closing, each Party will, and will cause its Affiliates to, use commercially reasonable efforts to cooperate with the other Parties and their Affiliates and to take such actions and execute and deliver any documents or instruments that are reasonably necessary, proper or advisable to consummate the Transactions as promptly as practicable, including using commercially reasonable efforts to (a) obtain each of the consents, authorizations, and approvals and make each of the filings, registrations and notices required hereby, (b) prevent the entry, enactment or promulgation of any pending or threatened action that would prevent, prohibit or delay the consummation of the Transactions, (c) lift or rescind any existing action preventing, prohibiting or delaying the consummation of the Transactions, and (d) cooperate with the other Parties with respect to all registrations, applications and other filings by any other Party that is required by applicable Law to consummate the Transactions.

8.2 Affirmative Covenants.

(a) From the Effective Date to the Closing Date, Seller, at its sole cost and expense, shall maintain or cause to be maintained the Purchased Assets in accordance with past practices. Subject to Closing, on the Closing Date, Seller shall tender possession of the Purchased Assets to Purchaser in the same condition the Purchased Assets were in as of the date of this Agreement, except for ordinary wear and tear, casualty loss and condemnation (provided Purchaser shall not have elected to terminate this Agreement pursuant to Section 8.14 as a result of such casualty loss or condemnation).

(b) From the Effective Date to the Closing Date, Seller shall maintain or cause to be maintained in full force and effect liability, casualty and other insurance upon and in respect to the Purchased Assets in accordance with past practices.

(c) From the Effective Date to the Closing Date, Seller shall operate and manage the Purchased Assets in the same manner as it has been operated and managed in the ordinary course consistent with past practice, provided that during said period, without the prior written consent of Purchaser, Seller shall not do, suffer or permit, or agree to do, any of the following, except in the ordinary course of business:

(i) enter into any transaction in respect to or affecting the Purchased Assets out of the ordinary course of business;

(ii) sell, encumber or grant any interest in the Purchased Assets or any part thereof in any form or manner whatsoever, or otherwise perform or permit any act which will diminish or otherwise affect Purchaser's interest under this Agreement or in or to the Purchased Assets or which will prevent Seller's full performance of its obligations hereunder;

(iii) enter into, amend, waive any rights under, terminate or extend any Lease;

(iv) amend or waive any rights, or suffer or permit a default to occur under any document evidencing or securing any Seller indebtedness; or

(v) remove from the Real Property any of the fixtures thereon or any of the Personal Property.

(d) From the Effective Date to the Closing Date, Purchaser may, at its option and at its cost and expense, perform a Phase I environmental assessment of the Purchased Assets (the "Environmental Study"). Purchaser or its designated agents shall conduct such Environmental Study during regular business hours and in a manner so as not to unreasonably interrupt the business and operations on the Purchased Assets. Purchaser shall indemnify and hold Seller harmless from any and all Losses incurred as a result of Purchaser performing its investigations and shall repair any damages to the Purchased Assets caused by Purchaser or its agents, contractors or employees in performing or related to its investigations.

(e) At least 35 days prior to Closing, Seller shall deliver to Purchaser evidence ("Tax Clearance Evidence") reasonably satisfactory to Purchaser that the sale of the Purchased Assets to Purchaser hereunder is not subject to, and does not subject Purchaser to liability under, Section 902(d) ("Section 902(d)") of the Illinois Income Tax Act (the "Act"). If said evidence is not so delivered to Purchaser, as aforesaid, then Seller shall, or Purchaser may, notify the Illinois Department of Revenue ("Department") of the intended sale and request the Department to make a determination as to whether the Seller has any assessed, but unpaid, amount of tax, penalties, or interest under the Act. Seller agrees that Purchaser may, at Closing, deduct from the Purchase Price and transfer to Wells Fargo Bank, National Association (the "Tax Escrow Agent") an amount necessary to comply with the withholding requirements imposed by Section 902(d) and to ensure that Purchaser shall have no successor liability therefor (the "Tax Escrow Amount"). Any Tax Escrow Amount shall be held by the Tax Escrow Agent pursuant to the terms and conditions of an escrow agreement substantially in the form the Escrow Agreement appended as Exhibit C to the APA (the "Tax Escrow Agreement"); provided, however, that the Tax Escrow

Agreement shall provide that the Tax Escrow Agent shall disburse the Tax Escrow Amount only upon receipt of the Tax Clearance Evidence.

8.3 Negative Covenant. Until the Closing, except as otherwise expressly permitted in or expressly contemplated by this Agreement, no Seller Party will, without the prior written consent of the Purchaser, modify any License or Permit outside the ordinary course of business or enter into any written agreement with a Governmental Entity with respect to the compromise or settlement of any litigation, proceeding or investigation.

8.4 Access and Investigation. Until the Closing, Seller will, during normal business hours and upon reasonable notice, provided that it does not unreasonably interfere with or disrupt the operation of Seller in the ordinary course of business: (a) give the Purchaser reasonable access to, or copies of, all of the books, Contracts, documents, insurance policies and records of Seller, including those regarding the Purchased Assets, (b) provide to the Purchaser such additional financial, operating and other relevant information as the Purchaser reasonably requests, and (c) otherwise cooperate and assist, to the extent reasonably requested by the Purchaser, with the Purchaser's investigation of Seller and its properties, operations, assets, liabilities, financial condition and prospects. Until the Closing, Seller shall, during normal business hours and upon reasonable notice, provided that it does not unreasonably interfere with or disrupt the ordinary course of Seller's or its tenants' operations at the Purchased Assets, permit representatives, agents, employees, lenders, contractors, appraisers, architects and engineers designated by Purchaser reasonable access to and entry upon the Real Property and the improvements thereon to examine, inspect, measure and test the Purchased Assets. Purchaser shall indemnify and hold Seller harmless from any and all Losses incurred as a result of Purchaser performing its investigations and shall repair any damages to the Purchased Assets caused, directly or indirectly, by Purchaser or its agents, contractors or employees in performing, or related to, its investigations.

8.5 Notifications; Disclosure Updates.

(a) Until the Closing, each Party will, promptly after discovery, deliver to the other Parties (or, in the case of the Owners, the Representative) written notice of any event, fact, circumstance or condition that does or is reasonably likely to (i) cause a breach of any of such Party's covenants under this Agreement, (ii) render the satisfaction of the conditions in Section 4.4 impossible or unlikely, or (iii) prohibit, prevent or delay the timely consummation of the Transactions.

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

(c) In the event that the matter giving rise to the Schedule Update or Schedule Correction causes or is reasonably likely to cause Seller's representations and warranties in this Agreement to not be true and correct and would give rise to the failure of the condition specified in Section 4.4(a)(ii), then the Purchaser, in its reasonable discretion, may terminate this Agreement; provided, further, that if the Purchaser has the right to, but does not elect to terminate this Agreement within fifteen (15) Business Days of its receipt of such Schedule Update or Schedule Correction, then the Purchaser shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter.

8.6 Exclusivity. Until this Agreement is terminated pursuant to the terms hereof, no Seller Party will permit any of his, her or its Affiliates or representatives (including investment bankers, attorneys and accountants), directly or indirectly, to solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiry, proposal or offer from, any Person (other than the Purchaser) relating to any transaction or series of transactions involving (a) the sale of Seller's business operations or all or substantially all of their assets or equity securities, or (b) any merger, consolidation, combination or similar transaction involving Seller. In the event that any such proposal is nonetheless received by a Seller in writing, Seller shall promptly disclose the proposal and its terms to the Purchaser.

8.7 Further Assurances Post-Closing. From time to time after the Closing, the Purchaser and Seller, as appropriate, will each at its own respective expense, execute and deliver, or cause to be executed and delivered, such additional documents and instruments, and take such other actions, as may be reasonably requested by the other Party to render effective the consummation of the Transactions or otherwise to carry out the intent and purposes of such agreements. The Purchaser and Seller covenant and agree to remit, with reasonable promptness, to the other any payments received by them or their Affiliates which were misdirected to the recipient and are in respect of items owned by (or otherwise payable to) Seller or the Purchaser, as applicable. Each of the Purchaser and the Seller, respectively, grants to the other the right during business hours upon reasonable prior written notice the right to inspect and audit (at the sole cost of the auditing party) its books and records to verify compliance with this Section 8.7.

8.8 Title. Seller has previously delivered a Title Commitment to Purchaser and no later than ten (10) Business Days prior to the Closing, Seller shall deliver an updated Title Commitment to Purchaser, at Seller's sole cost and expense. If the updated Title Commitment discloses exceptions to title other than the Permitted Title Exceptions and matters which Seller has agreed to insure over at Closing, Seller shall have ten (10) Business Days from the date thereof to have such exceptions removed from the Title Commitment, or insured over in the Title Policy, and provide evidence thereof to Purchaser; and if Seller fails to have such exceptions removed or insured over, Purchaser may elect, on or before the Closing Date, to (i) terminate this Agreement, or (ii) accept title subject to such unpermitted exceptions (and in such event all such items shall be deemed Permitted Title Exceptions) with the further right to deduct from the Purchase Price amounts secured by or constituting unpermitted Liens or encumbrances of a definite or ascertainable amount. On the Closing Date, Seller shall cause the Title Insurer to issue an owner's title insurance policy or prepaid commitment therefor pursuant to and in accordance with the Title Commitment insuring fee simple title to the Real Property in Purchaser as of the Closing Date, subject only to the Permitted Title Exceptions and providing for full extended coverage over all general title exceptions contained in such policies and such other endorsements thereto as Purchaser shall reasonably specify in writing (provided such endorsements are reasonably available) (the "Title Policy").

8.9 Survey. Purchaser has reviewed a Survey of the Real Property prior to the Effective Date. If any update of the Survey prior to the Closing discloses any new material encroachments or violation or any material exceptions to title or matters indicating possible rights of third parties other than the Permitted Title Exceptions not disclosed on the Survey prior to the Effective Date, then Seller shall have ten (10) Business Days from the date of delivery thereof to have such survey matters corrected or to have the Title Insurer issue its endorsement insuring against damage caused by such material encroachments, violations or unpermitted exceptions, and provide evidence thereof to Purchaser; and if Seller fails to have the same corrected or insured against (if permitted as aforesaid), within said ten (10) Business Day period, Purchaser may elect, by the earlier to occur of five (5) Business Days after said ten (10) Business Day period expires or the Closing Date, to (i) terminate this Agreement, or (ii) accept the Real Property subject to such encroachments, violations and unpermitted exceptions, all of which shall be deemed Permitted Title Exceptions.

8.10 Confidentiality. Each of the Purchaser and each Seller Party acknowledges and agrees that the Confidentiality Agreement (as defined in the APA) remains in full force and effect and applies to this Agreement, the Transactions contemplated by this Agreement and all matters related thereto and, in addition, covenant and agree to keep confidential, in accordance with the provisions of the Confidentiality Agreement, the information provided or received pursuant to this Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement and the provisions of this Section 8.10 shall nonetheless continue in full force and effect.

8.11 Public Announcements. No Party may issue any press release or make any public statement or announcement with respect to this Agreement, any of the other Transaction Agreements or any of the Transactions, without the prior consent of the other Party hereto (or, in the case of the Owners, the Representative). Notwithstanding the foregoing, any Party hereto may make such public statements, announcements or other disclosures as are required by applicable Law after notice to and consultation with the other Party hereto (or, in the case of the Owners, the Representative).

8.12 Post-Closing Access to Information. Seller and the Purchaser acknowledge that, subsequent to Closing, each Party may need access to information or documents in the Control or possession of the other Party for the purposes of concluding the Transactions, audits, compliance with governmental regulations, the prosecution or defense of third party or other claims and for other reasonable and legitimate business purposes. Accordingly, Seller and the Purchaser agree that for a period of six (6) years after Closing, or ninety (90) days after the expiration of the applicable statute of limitations, whichever is longer (the "Retention Period"), each will make available to the other's agents, independent auditors and counsel within ten (10) days after receipt of the other Party's written request and at the expense of the requesting Party such documents and information as may be available relating to the Purchased Assets for periods prior and subsequent to Closing to the extent necessary to facilitate concluding the Transactions, audits, compliance with governmental regulations, the prosecution or defense of claims and other reasonable and legitimate business purposes.

8.13 Preservation of Records. After the Closing, the Purchaser shall, in the ordinary course of business and for no less than the period required by Law, keep and preserve in their original form all records of Seller transferred or conveyed to the Purchaser as of the Closing and which constitute a part of the Purchased Assets delivered to the Purchaser at the Closing. For purposes of this Agreement, the term "records" includes all documents, electronic data and other compilations of information in any form. A Party shall not destroy any records of the other Party during the Retention Period.

8.14 Destruction. Damage or Condemnation.

(a) Destruction or Damage. If, subsequent to the Effective Date and prior to the Closing Date, all or any material portion of the Real Property shall be destroyed or damaged by one or more incidents of vandalism, fire and/or other casualty, whether or not covered by insurance, Seller shall promptly give Purchaser notice of such occurrence, and Purchaser may, within fifteen (15) days after receipt of such notice, elect to (1) terminate this Agreement in writing, in which event all obligations of the Parties hereunder shall cease and this Agreement shall have no further force and effect, or (2) close the Transaction as scheduled (except that if the Closing Date is less than fifteen (15) days following Purchaser's receipt of such notice, Closing shall be delayed until Purchaser makes such election), in which event Purchaser shall have the right to participate in the adjustment and settlement of any insurance claim relating to said damage, and Seller shall assign and/or pay to Purchaser at Closing all insurance proceeds (and other related choices in action, if any) collected or claimed with respect to said loss or damage plus any deductible or self insured amount net of any amounts expended by Seller to repair or restore the Real Property in connection with such casualty; provided, however, that failure to deliver written notice of termination within such fifteen (15) day period shall be conclusive evidence that Purchaser has waived its election to terminate this Agreement and has elected to close the Transaction in accordance with subsection (2). For the purposes of this paragraph, the Real Property shall be deemed to be "materially damaged" if the cost of repair or restoration, pursuant to reasonable estimates provided by Seller's independent contractors, would exceed twenty-five percent (25%) of the Purchase Price or take longer than one year to complete.

(b) Condemnation. If, subsequent to the Effective Date and prior to the Closing Date, any proceeding judicial, administrative or otherwise which shall relate to the proposed taking of any substantial portion of the Real Property by condemnation or eminent domain or any action in the nature of eminent domain, or the taking or closing of any right of access to the Real Property, is instituted or commenced (a "Taking"), Purchaser shall have the right and option to terminate this Agreement by giving Seller written notice to such effect within ten (10) days after actual receipt of written notification of any such occurrence or occurrences. Failure to give such notice within such time shall be conclusive evidence that Purchaser has waived the option to terminate by reason of the occurrence or occurrences of which it has received notice, and Purchaser shall be credited with or be assigned all Seller's right to any proceeds therefrom. Seller agrees to furnish Purchaser written notification with respect to any such proceedings promptly upon Seller's receipt of any such notification or learning of the institution of such proceedings. Should Purchaser elect to so terminate this Agreement, the Parties hereto shall be released from any and all further obligations hereunder. If the Closing Date is less than ten (10) days following the last day on which Purchaser is entitled to elect to terminate this Agreement, then the Closing shall be delayed until Purchaser makes such election. Notwithstanding the foregoing, if such proceeding by way of condemnation or eminent domain shall be "insubstantial," Purchaser shall not have the right to terminate this Agreement but shall be credited with or be assigned all of Seller's right to any proceeds therefrom. An "insubstantial" proceeding shall be one which (i) does not materially adverse effect any right of access to the Real Property, (ii) does not cause a Material Adverse Effect, and (iii) does not involve any relocation of utility facilities serving the Real Property which relocation would prevent the Real Property from being used in its current full capacity as a medical office building.

ARTICLE IX.
INDEMNIFICATION

9.1 Survival. The representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the eighteen (18) month anniversary of the Closing, except that the representations and warranties set for in Sections 5.1 (Organization), Section 5.2 (Authorization), Section 5.4 (Binding Obligation), Section 5.6 (Title to Purchased Assets) and Section 5.16 (No Insolvency) shall survive the Closing and continue in full force and effect indefinitely. None of the covenants or other agreements contained in this Agreement shall survive the Closing other than those which by their terms contemplate performance after the Closing, and each such surviving covenant and agreement shall survive the Closing for the period contemplated by its terms or perpetually if no term is specified. The obligations under this ARTICLE IX in respect of a breach of representation or warranty or covenant shall terminate when the survival period of the applicable representation or warranty or covenant expires pursuant to this Section 9.1; provided, however, that any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party prior to the expiration of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved.

9.2 Indemnification by Seller Parties. From and after the Closing, each Seller Party shall jointly and severally indemnify and hold the Purchaser, its Affiliates and each of their respective members, managers, trustees, officers and employees (collectively, the "Purchaser Indemnified Parties") harmless against, any actual damage, loss, liability, fine, penalty, Tax, charge, judgment, cost or expense (including, subject to the provisions of Section 9.6, reasonable attorneys' fees and other reasonable expenses including those incurred in investigating or defending any claim against the Purchaser, its members, trustees, Affiliates, officers and employees for such damage, loss, cost or expense) (each of the foregoing a "Loss", and collectively "Losses") resulting from:

(a) Any breach of the Seller's representations and warranties set forth in ARTICLE V of this Agreement, other than those Seller representations and warranties set fort in Section 9.2(b) below;

(b) Any breach of the Seller's representations and warranties set forth in Section 5.1 (Organization), Section 5.2 (Authorization), Section 5.4 (Binding Obligation), and Section 5.6 (Title to Purchased Assets);

(c) any breach of an Owner's representations and warranties set forth in ARTICLE VI of this Agreement;

(d) Any Excluded Liability;

(e) The post-Closing activities of Seller, including but not limited to any breach by a Seller of a post-Closing covenant set forth in this Agreement; and

(f) Seller's broker fees and expenses of the Transactions.

9.3 Indemnification for Owners' Covenants. From and after the Closing, each Owner shall severally, and not jointly, indemnify and hold the Purchaser Indemnified Parties harmless against any Losses resulting from any breach of such Owner's post-Closing covenants set forth in this Agreement.

9.4 Indemnification by the Purchaser. From and after the Closing, the Purchaser shall indemnify and hold each Seller Party and each of the shareholders, members, managers, directors, officers and employees of Seller (collectively, the "Seller Indemnified Parties") harmless against, any Losses resulting from:

(a) Any breach of the Purchaser's representations and warranties set forth in ARTICLE VII of this Agreement;

(b) The post-Closing activities of the Purchaser, including breach of the Purchaser's post-Closing covenants set forth in this Agreement and the post-Closing ownership and operation of the Purchased Assets;

(c) any Assumed Liability; and

(c) the Purchaser's broker fees and the Purchaser's expenses of the Transactions.

9.5 Benefit of the Bargain.

(a) The Purchaser's right to indemnification, payment of damages or other remedy hereunder based upon any representation, warranty, covenant or obligation of any Seller Party herein will not be affected or limited by any investigation conducted by or on behalf of the Purchaser with respect hereto, or any knowledge acquired (or capable of being acquired) by the Purchaser, at any time before or after the execution and delivery of this Agreement or the Closing Date with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation.

(b) The Seller Party's right to indemnification, payment of damages or other remedies hereunder based upon the Purchaser's representations, warranties, covenants and obligations herein will not be affected or limited by any investigation conducted by or on behalf of Seller with respect hereto, or any knowledge acquired (or capable of being acquired) by Seller, at any time before or after the execution and delivery of this Agreement or the Closing Date with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation.

9.6 Certain Limitations. Notwithstanding anything to the contrary in this Agreement, the indemnification provided for in this ARTICLE IX shall be subject to the following limitations:

(a) No Seller Party shall have any obligation under Section 9.2(a) unless and until the aggregate of all such Losses suffered by Purchaser Indemnified Parties hereunder exceeds one-half of one percent (0.5%) of the Purchase Price, whereupon, provided the other requirements of this ARTICLE IX have been complied with and subject to the other limitations of this ARTICLE IX, the Seller shall be liable to indemnify Purchaser Indemnified Parties for the entire amount of such Losses. In no event shall the aggregate of all indemnifiable Losses paid by the Seller Parties under Section 9.2(a) exceed ten percent (10%) of the Purchase Price.

(b) If any Losses sustained by a Purchaser Indemnified Party are covered by an insurance policy or an indemnification, contribution or similar obligation of another Person, the Purchaser shall use commercially reasonable efforts to collect (or cause to be collected) such insurance proceeds or indemnity, contribution or similar payments. If such payments are received before the Purchaser Indemnified Party is indemnified with respect to such Losses hereunder, such Losses shall be reduced by the amount of such payment, less reasonable attorney's fees and other reasonable expenses incurred in connection with such recovery. If such payments are received after a Purchaser Indemnified Party is indemnified and held harmless with respect to some or all of such Losses, the Purchaser shall pay to the Representative, for the benefit of the Seller Parties, the lesser of (i) the amount of such payment less reasonable attorney's fees and other reasonable expenses incurred in connection with such recovery and (ii) the amount paid by the Seller Parties with respect to such Losses. If any Purchaser Indemnified Party receives payment under this ARTICLE IX on account of a claim that a Seller Party believes in good faith is covered by an insurance policy or an indemnification, contribution or similar obligation of another Person, the Purchaser (x) shall or shall cause, on written request of a Seller Party, if permitted under such insurance policy, an assignment to the extent assignable, of the rights under such insurance policy or indemnification, contribution or similar obligation with respect to such claim to a Seller Party and (y) shall, if so requested, be relieved of any further obligation to pursue collection of such insurance or indemnification, contribution or similar obligation (except that, if requested to do so by a Seller Party, the Purchaser shall reasonably cooperate with such Seller Party at such Seller Party's sole expense, to collect any such insurance or indemnification, contribution or similar obligation).

(c) In no event shall any Indemnifying Party be liable to any Indemnified Party under this ARTICLE IX or otherwise for any punitive or exemplary damages other than, in each case, actual amounts required to be paid with respect thereto by the Indemnified Party to an independent third party.

(d) The Purchaser shall have the right, at its election, to offset against any or all amounts owing to a Seller Party, including current or future wages payable under any Owner's physician employment agreement with Purchaser or its affiliates, any and all Losses owed by such Seller Party to any Purchaser Indemnified Party pursuant to Section 9.2 or Section 9.3.

9.7 Notice and Control of Litigation. If any claim or liability is asserted by a third party ("Third-Party Claim") against a Party entitled to indemnification under this ARTICLE IX (the "Indemnified Party"), which would give rise to a claim under this ARTICLE IX, the Indemnified Party shall promptly notify the Party(ies) giving the indemnity (individually or collectively, if more than one, the "Indemnifying Party") in writing of the same; provided, however, that the failure to give such prompt written notice shall not relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party is prejudiced by reason of such failure. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, shall include copies of all material written evidence thereof and all correspondence from or to such third party (or its representatives) related to the matter giving rise to such Third-Party Claim and shall indicate the estimated amount, if known or reasonably calculable, of the Loss that has been or will be sustained by the Indemnified Party in connection with such Third-Party Claim. The Indemnifying Party shall have the right to participate therein and, to the extent desired, to control the defense of any Third Party Claim, which right shall be exercised by delivery of written notice to such effect to the Indemnified Party within thirty (30) days of receipt of such claim notice and required materials; provided that, with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, the Indemnified Party shall have the right to retain its own additional counsel at its own cost and expense if its rights are or are likely to be adverse to the Indemnifying Party. No legal fees or other expenses of investigation or defense incurred by an Indemnified Party after receipt by such Indemnified Party of the Indemnifying Party's written election to control the defense of such claim shall be considered a Loss. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, (i) it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party and (ii) the Indemnified Party shall have the right, at its own cost and expense, to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. All Parties (or, in the case of the Owners, the Representative) agree to cooperate fully as necessary in the defense of such matters, including, if applicable, providing reasonable access to such Party's premises during normal business hours in a manner that does not impair the operations of the Party and personnel and the right to examine and copy any accounts, documents or records, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, as may be reasonably requested for the defense and preparation of the defense of such Third-Party Claim.

9.8 Settlement of Third-Party Claims. Regardless of who is controlling the defense of such Third-Party Claim, neither the Indemnifying Party nor the Indemnified Party shall enter into any settlement of, or consent to the entry of any judgment with respect to, any Third-Party Claim without the prior written consent of the other; provided, however, that the Indemnifying Party may, without the prior written consent of the Indemnified Party, settle, or consent to the entry of any judgment with respect to, a Third-Party Claim provided that the proposed settlement or judgment does not include any monetary damages payable by the Indemnified Party or any material restriction on the operations of the Indemnified Party and also provides, in customary form, for the unconditional release of the Indemnified Party from all liabilities in connection with such Third-Party Claim.

9.9 Direct Claims. If an Indemnified Party becomes aware of any breach of the representations or warranties of the Indemnifying Party hereunder or any other basis for indemnification under this ARTICLE IX (except as otherwise provided for under Section 9.7), the Indemnified Party shall promptly notify the Indemnifying Party in writing of the same after becoming aware of such breach or claim, specifying in detail the circumstances and facts which give rise to such claim under this ARTICLE IX, shall provide copies of any documents or correspondence in the Indemnified Party's possession regarding such claim and shall indicate the estimated amount, if known or reasonably calculable, of the Loss that has been sustained by the Indemnified Party with in connection with such Claim; provided, however, that the failure to give such prompt written notice shall not relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party is prejudiced by reason of such failure.

9.10 Exclusive Remedies. The Parties acknowledge and agree that from and after the Closing their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to this Agreement and the subject matter hereof, shall be pursuant to the indemnification provisions set forth in this ARTICLE IX (subject to all limitations contained herein, including Section 9.6). Notwithstanding the foregoing, nothing in this Section 9.10 shall limit a Party's ability to make any claims for fraud on the part of a Party hereto in connection with this Agreement or the Transactions or claims seeking equitable relief, injunctive relief, specific performance or common law rights of setoff.

9.11 Purchase Price Adjustments. All indemnification payments made pursuant to this ARTICLE IX will be adjustments to the Purchase Price.

ARTICLE X.
CONDITIONS, TERMINATION

10.1 Termination. This Agreement may be terminated prior to the Closing:

(a) by the mutual written consent of Seller and the Purchaser;

(b) by the Purchaser, if the Purchaser is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by a Seller Party pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 4.4(a) and such breach, inaccuracy or failure is not curable or cannot be cured by such Seller Party by the Outside Date;

(c) by Seller, if no Seller Party is then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Purchaser pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 4.4(b) and such breach, inaccuracy or failure is not curable or cannot be cured by the Outside Date;

(d) by the Purchaser, if the transactions contemplated hereby have not been consummated on or before the Outside Date; provided that the Purchaser shall not be entitled to terminate this Agreement pursuant to this Section 10.1(d) if the Purchaser's breach of this Agreement has prevented the consummation of the Transactions or if a lawsuit by Seller to enforce the provisions of Section 11.1 is pending at such time;

(e) by Seller, if the transactions contemplated hereby have not been consummated on or before the Outside Date; provided that Seller shall not be entitled to terminate this Agreement pursuant to this Section 10.1(e) if the breach of this Agreement by Seller has prevented the consummation of the Transactions or if a lawsuit by the Purchaser to enforce the provisions of Section 11.1 is pending at such time; or

(f) by Purchaser, pursuant to Section 8.8, Section 8.9 or Section 8.14.

10.2 Effect of Termination. In the event of the termination of this Agreement in accordance with this ARTICLE X, this Agreement shall forthwith become void and there shall be no liability on the part of any Party except that:

(a) Section 8.10, Section 8.10, this ARTICLE X and ARTICLE XI (collectively, the "Surviving Provisions") shall survive the termination of this Agreement and be enforceable by the Parties (or in the case of the Owners, the Representative); and

(b) nothing herein shall relieve any Party from liability for any willful breach of any provision of this Agreement prior to such termination.

ARTICLE XI.
MISCELLANEOUS

11.1 Specific Performance.

(a) The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed, or in the event that the Closing is not consummated, in each case in accordance with the terms of this Agreement, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the Parties acknowledge and hereby agree that in the event of any breach or threatened breach by any Party of its covenants or obligations set forth in this Agreement, the other Parties shall be entitled to an injunction or injunctions to prevent or restrain such breach or threatened breach, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, and to enforce compliance with, the covenants and obligations of such Party under this Agreement.

(b) The right of specific enforcement is an integral part of this Agreement and the Transactions and each Party agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches of this Agreement by such Party, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of such Party under this Agreement all in accordance with the terms of this Section 11.1. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with such order or injunction. Each Party waives all defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

11.2 Expenses. Except as otherwise specifically provided herein, the Parties shall bear their respective direct and indirect expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement, the Transaction Agreements and the Transactions, whether or not the Transactions are consummated, including, but not limited to, all fees and expenses of brokers, agents, representatives, counsel and accountants. The terms and conditions of this Section 11.2 shall survive termination of this Agreement.

11.3 Assignment.

(a) The Purchaser may not assign, transfer or otherwise dispose of any of its rights hereunder without the prior written consent of Seller; provided, however, that (i) the Purchaser may assign any or all of its rights hereunder to any one or more of its Affiliates, so long as the Purchaser has provided advance written notice to Seller and (ii) no such assignment shall relieve Purchaser of any of its obligations under this Agreement.

(b) No Seller Party may assign, transfer or otherwise dispose of any of his, her or its rights hereunder without the prior written consent of the Purchaser.

(c) All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and permitted assigns of the Parties hereto.

11.4 Owners' Representative. Each Owner hereby irrevocably constitutes and appoints Seller as such Owner's attorney-in-fact and agent in connection with the execution, delivery and performance of this Agreement and the Transaction Documents (the "Representative"). This power is irrevocable and coupled with an interest, and will not be affected by any Owner's death, incapacity, illness, dissolution or other inability to act.

Without limiting the generality of the foregoing, each Owner hereby irrevocably grants the Representative full power and authority:

(a) to execute and deliver, on such Owner's behalf, and accept delivery of, on such Owner's behalf, any documents or instruments that the Representative deems, in its sole discretion, necessary, proper or advisable to consummate the Transactions, including one or more letter agreements that amend, modify, or supplement the terms of this Agreement;

(b) to certify on such Owner's behalf as to the accuracy of such Owner's representations and warranties made in this Agreement and the Transaction Documents;

(c) to (i) dispute or refrain from disputing, on such Owner's behalf, any claim made by the Purchaser under this Agreement, (ii) negotiate and compromise, on such Owner's behalf, any dispute that may arise under, and to exercise or refrain from exercising any remedies available under this Agreement or any Transaction Document, and (iii) execute, on such Owner's behalf, any settlement agreement, release or other document with respect to any such dispute or remedy;

(d) to give, on such Owner's behalf, any consent or waiver that the Representative deems, in its sole discretion, necessary, proper or advisable under this Agreement or any Transaction Document and to execute and deliver any document or instrument that is necessary, proper or advisable therewith;

(e) to enforce, on such Owner's behalf, or settle any claim by or against the Purchaser or otherwise arising under this Agreement;

(f) to engage attorneys, accountants and agents at such Owner's expense;

(g) to amend this Agreement (other than this Section) or any other Transaction Document; and

(h) to give such instructions and take such action, or refrain from taking such action, on such Owner's behalf, as the Representative deems, in its sole discretion, necessary, proper or advisable to effect the provisions of this Agreement and consummate the Transactions.

Each Owner hereby agrees that:

(a) in all matters in which the Representative is required or permitted to act on such Owner's behalf, the Purchaser may rely on any action taken by the Representative under this Agreement (notwithstanding any dispute or disagreement among the Owners or between any Owner and the Representative) without any liability to or obligation to inquire of any Owner;

(b) notice to the Representative in accordance with the provisions of Section 11.7 will constitute notice to each Owner;

(c) the power and authority of the Representative as described in this Agreement will continue in full force and effect until all rights and obligations of the Owners under this Agreement and the Transaction Documents have terminated, expired or been fully performed; and

(d) if the Representative resigns or is removed or otherwise ceases to function in its capacity as the Representative and no successor is appointed by Seller within thirty (30) days, then any Owner or the Purchaser may petition a court of competent jurisdiction for the appointment of a successor Representative, provided that any successor Representative must agree to be bound by the terms of this Agreement applicable to the Representative and shall thereupon become the Representative for purposes of this Agreement and the Transaction Documents.

The Representative shall not be liable to any Owner for any action or inaction taken by the Representative in its capacity as the Representative in good faith pursuant to this Section 11.4 (and the Representative hereby agrees to act in good faith in its capacity as the Representative). The Owners shall reimburse the Representative based on their Pro Rata Share for all fees, expenses and Losses (including reasonable fees and expenses of its counsel, experts and other agents and consultants) incurred by the Representative in such capacity. The Representative is serving in this capacity solely for purposes of administrative convenience, and shall not be personally liable in such capacity for indemnification or other obligations of the Owners.

Seller agrees that, notwithstanding the forgoing, at the Purchaser's request, Seller will take all actions necessary, proper or advisable to consummate the Transactions individually on Seller's own behalf.

11.5 Entire Agreement; Amendments; Waiver. This Agreement, including all Exhibits, Schedules, lists and other documents and writings referred to herein or delivered pursuant hereto, which form a part hereof, along with the Confidentiality Agreement (which remains in full force and effect but which shall terminate upon consummation of the Transactions), contain the entire understanding of the Parties with respect to their subject matter. There are no restrictions, agreements, promises, warranties, covenants or undertakings regarding the Transactions other than those expressly set forth herein or therein. This Agreement supersedes all prior agreements and understandings among the Parties with respect to its subject matter other than the Confidentiality Agreement. This Agreement may be amended only by a written instrument duly executed by the Purchaser and Seller or their respective successors. Any condition to a Party's obligations hereunder may be waived but, other than the waiver of a condition to Closing, only by a written instrument identifying the provision to be waived that is signed by the Party entitled to the benefits thereof. The failure or delay of any Party at any time or times to require performance of any provision or to exercise its rights with respect to any provision hereof, shall in no manner operate as a waiver of or affect such Party's right at a later time to enforce the same.

11.6 Severability. The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

11.7 Notices. All notices and other communications provided for herein shall be dated and in writing and shall be deemed to have been duly given: (a) on the date of delivery, if delivered personally; (b) on the date of delivery if delivered by facsimile on a Business Day prior to 5 p.m. central time, or otherwise on the next succeeding Business Day; or (c) on the following Business Day, if delivered by a recognized overnight courier service at the following address (or at such other address as any Party hereto shall hereafter specify by notice in writing to the other Parties hereto):

If to Seller or the Representative:

Cornerstone Medical Development Company, L.L.C.
27650 Ferry Road
Warrenville, IL 60555
Attn: President
Fax: (630) 225-2309

If to the Purchaser:

CDH-Delnor Health System, Inc.
d/b/a Cadence Health
25 N. Winfield Road
Winfield, IL 60190
Attn: Michael Holzhueter
Fax: (630) 933-2729

With a copy (which shall not constitute notice) to:

Paul Hastings LLP
191 N. Wacker Drive, 30th Floor
Chicago, IL 60606
Attn: Brian F. Richards
Fax: (312) 499-6170

With a copy (which shall not constitute notice) to:

McDermott Will & Emery LLP
227 West Monroe Street
Chicago, IL 60606
Attn: John M. Callahan
Fax: (312) 984-7700

or to such other address as any Party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

11.8 Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

11.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission or in Portable Document Format (pdf) by the Parties or the Parties' respective attorneys will constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or in Portable Document Format (pdf) will be deemed to be their original signatures for any purpose whatsoever.

11.10 Parties in Interest. The Parties acknowledge that they have independently negotiated the provisions of this Agreement, that they have relied upon their own counsel as to matters of Law and application and that neither Party has relied on the other Party with regard to such matters. The Parties expressly agree that there shall be no presumption created as a result of any Party having prepared in whole or in part any provisions of this Agreement.

11.11 Applicable Law; Waiver of Jury Trial. This Agreement shall be governed by and construed and enforced in accordance with the Laws of the State of Illinois, without regard to its conflict of laws rules. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR REGARDING THE TRANSACTIONS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER

VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.11.

11.12 Interpretation. For purposes of this Agreement: (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "but not limited to"; (b) the word "or" is not exclusive; (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole; (d) the meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term and vice versa; (e) words denoting either gender shall include both genders as the context requires; and (f) where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. Unless the context otherwise requires, references herein: (a) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; and (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof. The Disclosure Schedules (including all attachments thereto) and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein. The Parties agree that any drafts of this Agreement or any Transaction Agreement prior to the final fully executed drafts shall not be used for purposes of interpreting any provision thereof, and each of the Parties agrees that no Party or any Affiliate thereof shall make any claim, assert any defense or otherwise take any position inconsistent with the foregoing in connection with any suit, action or proceeding among any of the foregoing or for any other purpose. When calculating the time period before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is referenced in calculating such period shall be excluded (for example, if an action is to be taken within two (2) days of a triggering event and such event occurs on a Tuesday then the action must be taken by Thursday). If the last day of such period is not a Business Day, the period in question shall end on the next succeeding Business Day. Any reference in this Agreement to $ shall mean U.S. dollars.

11.13 Disclosure Schedules. The disclosures in the disclosure schedules to this Agreement shall be deemed to be responsive to and to qualify the representations and warranties contained in the corresponding sections in this Agreement and any other representations and warranties in this Agreement so long as the relationship between the disclosure and the other representations and warranties are reasonably apparent. The inclusion of information in the disclosure schedules shall not be construed as or constitute an admission or agreement that a violation, right of termination, default, liability or other obligation of any kind exists with respect to any item, nor shall it be construed as or constitute an admission or agreement that such information is material. In addition, matters reflected in the disclosure schedules are not necessarily limited to matters required by this Agreement to be reflected in the disclosure schedules. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. Neither the specification of any dollar amount in any representation, warranty or covenant contained in this Agreement nor the inclusion of any specific item in the disclosure schedules is intended to imply that such amount, or higher or lower amounts, or the item so included or other items, are or are not material, and no Person shall use the fact of the setting forth of any such amount or the inclusion of any such item in any dispute or controversy between the Parties as to whether any obligation, item or matter not described herein or included in the disclosure schedules is or is not material for purposes of this Agreement. Further, neither the specification of any item or matter in any representation, warranty or covenant contained in this Agreement nor the inclusion of any specific item in the disclosure schedules is intended to imply that such item or matter, or other items or matters, are or are not in the ordinary course of business, and no Person shall use the fact of setting forth or the inclusion of any such items or matter in any dispute or controversy between the Parties as to whether any obligation, item or matter not described herein or included in the disclosure schedules is or is not in the ordinary course of business for purposes of this Agreement.

11.14 Prevailing Party. The prevailing Party in any suit, action or proceeding in connection with this Agreement or the transactions contemplated hereby shall be entitled to recover from such other Party its costs and expenses, including, without limitation, reasonable legal fees and expenses.

11.15 No Third-party Beneficiaries. Except with respect to the Seller Indemnified Parties and the Purchaser Indemnified Parties, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

SELLERS:	**PURCHASER:**
CORNERSTONE MEDICAL DEVELOPMENT COMPANY, L.L.C.	CDH-DELNOR HEALTH SYSTEM, INC., d/b/a CADENCE HEALTH
By:	By: _______________
Name: RICHARD K THOMAS	Name: _______________
Title: MANAGING PARTNER	Title: _______________

[Signature Page to Real Estate Purchase Agreement (Cornerstone)]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

SELLERS:	PURCHASER:
CORNERSTONE MEDICAL DEVELOPMENT COMPANY, L.L.C.	CDH-DELNOR HEALTH SYSTEM, INC., d/b/a CADENCE HEALTH
By: ______________________	By: _______________________
Name: ______________________	Name: MICHAEL VIVODA
Title: ______________________	Title: CEO

[Signature Page to Real Estate Purchase Agreement (Cornerstone)]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

____
John L. Andreshak, M.D.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

____
David K. Chang, M.D.

[Signature Page to Real Estate Purchase Agreement (Cornerstone)]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

____
Stephen E. Heim, M.D.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

Thomas W. Kiesler, M.D.

[Signature Page to Real Estate Purchase Agreement (Cornerstone)]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

Jerome L. Kolavo

Jerome L. Kolavo, M.D.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

Lenard W. LaBelle

Lenard W. LaBelle, M.D.

[Signature Page to Real Estate Purchase Agreement (Cornerstone)]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

____
Mary Ling, M.D.

[Signature Page to Real Estate Purchase Agreement (Cornerstone)]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

David M. Mochel, M.D.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

Jeffrey A. Senall, M.D.

[Signature Page to Real Estate Purchase Agreement (Cornerstone)]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

Richard K. Thomas, M.D.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

____

David H. Watt, M.D.

[Signature Page to Real Estate Purchase Agreement (Cornerstone)]

EXHIBITS AND SCHEDULES

SCHEDULES

EXHIBIT A

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is made and entered into this __ day of ________, 2012 by and among CDH-Delnor Health System, Inc., d/b/a Cadence Health, an Illinois not-for-profit corporation ("Assignee"), and Cornerstone Medical Development Company, L.L.C, an Illinois limited liability company ("Assignor").

RECITALS

WHEREAS, Asignee and Assignor are parties to that certain Real Estate Purchase Agreement dated as of July 31, 2012 by and among Assignee, Assignor and each of the individual owners of Assignor (as amended, modified or supplemented in accordance with its terms, the "Purchase Agreement"), the terms of which are incorporated herein by reference, including the meaning of all initially-capitalized terms not otherwise defined herein;

WHEREAS, this Agreement is being entered into pursuant to the Purchase Agreement.

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

1. Assignment and Assumption. Assignor hereby assigns, transfers and delegates unto Assignee all of the Assumed Liabilities of Assignor, and Assignee hereby assumes and agrees to pay, perform and otherwise discharge in accordance with their terms and when due all of such Assumed Liabilities.

2. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Assignor and Assignee and their respective successors and assigns.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Illinois, without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois.

4. Priority. This Agreement is subject to all of the terms, conditions and limitations set forth in the Purchase Agreement. In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail. Nothing contained herein shall be deemed to alter, modify, expand or diminish the terms of the Purchase Agreement.

5. Miscellaneous. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same instrument. Facsimile signatures shall be deemed to be original signatures. The headings of the sections of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of this Agreement.

(Signatures on the next page)

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption Agreement as of the date first written above.

ASSIGNEE:

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

By:____________________________
Name__________________________
Its:____________________________

ASSIGNOR:

CORNERSTONE MEDICAL
DEVELOPMENT COMPANY, L.L.C.

By:____________________________
Name__________________________
Its:____________________________

EXHIBIT B

BILL OF SALE

This BILL OF SALE (the "Bill of Sale") is made this __ day of ________, 2012, (the "Effective Date"), by and between CDH-Delnor Health System, Inc., d/b/a Cadence Health, an Illinois not-for-profit corporation (the "Purchaser"), and Cornerstone Medical Development Company, L.L.C., an Illinois limited liability company (the "Seller"). (Purchaser and Seller are referred to herein collectively as the "Parties," and individually, as a "Party").

WITNESSETH, that, in consideration for the sum of Twenty Three Million Three Hundred Fifty Thousand Dollars ($23,350,000) paid by the Purchaser to the Seller, the receipt and sufficiency of which consideration is hereby acknowledged, the Seller does hereby sell, transfer, convey, assign and deliver unto the Purchaser, and the Purchaser does hereby purchase, acquire, receive, accept and assume, effective as of the Effective Date, all of the Seller's right, title and interest in, to and under those Purchased Assets of the Seller, free and clear of all Liens other than Permitted Liens.

TO HAVE AND TO HOLD such Purchased Assets, rights and interests unto the Purchaser, its successors and assigns, to and for their use forever.

Neither the making nor the acceptance of this Bill of Sale shall constitute a waiver or release by the Purchaser of any liabilities, duties or obligations imposed upon the Seller by the terms of the Real Estate Purchase Agreement, including, without limitation, the representations, warranties, covenants and other provisions which the Real Estate Purchase Agreement specifies shall survive the Closing Date.

This Bill of Sale is subject to all of the terms, conditions and limitations set forth in the Real Estate Purchase Agreement (as defined below). In the event of any conflict or inconsistency between the terms of this Bill of Sale and the terms of the Real Estate Purchase Agreement, the terms of the Real Estate Purchase Agreement shall prevail. Nothing contained herein shall be deemed to alter, modify, expand or diminish the terms of the Real Estate Purchase Agreement.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Illinois, without giving effect to any choice or conflict of law provision or rule.

All capitalized terms used and not otherwise defined herein have the respective meanings ascribed to such terms in the Real Estate Purchase Agreement dated as of July 31, 2012 by and among the Parties and each of the individual owners of the Seller (as amended, modified or supplemented in accordance with its terms, the "Real Estate Purchase Agreement").

This Bill of Sale may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same instrument. Facsimile signatures shall be deemed to be original signatures.

(Signatures on the next page)

IN WITNESS WHEREOF, the Parties have caused this Bill of Sale to be executed on the date first above written.

PURCHASER:

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

By:______________________________
Name_____________________________
Its:______________________________

SELLER:

CORNERSTONE MEDICAL DEVELOPMENT
COMPANY, L.L.C.

By:______________________________
Name_____________________________
Its:______________________________

EXHIBIT C

DEED

See attached.

SPECIAL WARRANTY DEED
Statutory (Illinois)

CAUTION: Consult a lawyer before using or acting under this form. *Neither the publisher nor the seller of this form makes any warranty with respect thereto, including any warranty of merchantability or fitness for a particular purpose.*

Above Space for Recorder's use only

THIS AGREEMENT, made this _____ day of ___________, 20_____, between

_________________________, a ___________________ created and existing under and by virtue of the laws of the State of ____________ and duly authorized to transact business in the State of

_____________, a party of the first part, and ________________________________

_______________________________________ (Name and Address of Grantee), party of the second part, WITNESSETH, that the party of the first part, for and in consideration of

______________________________ Dollars and ____________________________ in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, and pursuant to authority of the Board of _________________________ of said corporation, by these presents does REMISE, RELEASE, ALIEN and CONVEY unto the party of the second part, and to _____ heirs and assigns, FOREVER, all the following described real estate, situated in the County of ___________ and State of Illinois known and described as follows, to wit:

Together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim or demand whatsoever, of the party of the first part, either in law or equity, of, in and to the above described premises, with the hereditaments and appurtenances: TO HAVE AND TO HOLD the said premises as above described, with the appurtenances, unto the party of the second part, _____ heirs and assigns forever.

And the party of the first part, for itself, and its successors, does covenant, promise and agree, to and with the party of the second part, _____ heirs and assigns, that it has not done or suffered to be done, anything whereby the said premises hereby granted are, or may be, in any manner encumbered or charged, except as herein recited; and that the said premises, against all persons lawfully claiming, or to claim the same, by, through or under it, it WILL WARRANT AND DEFEND, subject to:

Permanent Real Estate Number(s): ______________________________________

Address(es) of real estate; ____

In Witness Whereof, said party of the first part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its __________ President, and attested by its ______________ Secretary, this _______ day of ________, 20 ______.

(Name of Corporation)

IMPRESS
CORPORATE SEAL
HERE

President

Secretary

State of Illinois, County of ______________________ ss. I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that

IMPRESS
NOTARIAL SEAL
HERE

________________ personally known to me to be the ________ president of the corporation, and ______________________ e to be the ______________ Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such ________________ President ________________ and Secretary, they signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of ____________________ of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this ____________________ day of ________________ 20 __ Commission expires ________________ 20 __

NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:

(Name)

(Address)

(City, State and Zip)

MAIL TO:

(Name)

(Address)

(City, State and Zip)

OR RECORDER'S OFFICE BOX NO. _____

SEND SUBSEQUENT TAX BILLS TO:

(Name)

EXHIBIT D

Reserved

EXHIBIT E

ESTOPPEL AND NOTICE TO TENANTS

See attached.

Estoppel Certificate

CDH-Delnor Health System, Inc.
d/b/a Cadence Health
25 N. Winfield Road
Winfield, IL 60190
Attention: ____________________

Re: ______________________________ (the "**Building**")

Ladies and Gentlemen:

We understand that you CDH-Delnor Health System, Inc., d/b/a Cadence Health ("**Purchaser**") have agreed to purchase the Building and that you are relying upon the following statements in connection with your purchase of the Building and the assignment to you of the lease referred to below in connection therewith, and you and your successors and assigns and successor owners of the Building may rely upon the following statements for that purpose. The undersigned ("**Tenant**"), being the tenant under the lease referred to in Paragraph 1 below covering certain premises ("**Leased Premises**") in the Building, hereby represents, warrants and certifies to you that the following statements are true, correct and complete as of the date hereof:

1. Tenant is the tenant under a lease with ________________________ ("**Landlord**"), or Landlord's predecessor in title to the Building dated ____________________, _______, demising to Tenant approximately ________ square feet in the Building, known as Suite ________. There have been no amendments, modifications or revisions to the lease, and there are no agreements of any kind between Landlord and Tenant regarding the Leased Premises, except as provided in the lease or except as follows: (if none, write "none") ______

____.

The lease and all amendments and other agreements referred to above collectively are referred to in the following portions of this letter as the "**Lease.**"

2. The initial term of the Lease commenced on __________________, and will expire on ______________________, exclusive of unexercised renewal options and extension options contained in the Lease.

3. The Lease has been duly authorized and executed by Tenant and is in full force and effect, and Tenant has delivered to you concurrently herewith a true, correct and complete copy of the Lease.

4. Tenant has accepted and is in sole possession of the Leased Premises and is presently occupying the Leased Premises. The Lease has not been assigned, by operation of law or otherwise, by Tenant, and no sublease, concession agreement or license covering the Leased Premises, or any portion of the Leased Premises, has been entered into by Tenant. If the landlord named in the Lease is other than Landlord, Tenant has received notice of the assignment to Landlord of the landlord's interest in the Lease, and Tenant recognizes Landlord as the landlord under the Lease.

5. Tenant began paying rent on _______________. Tenant is obligated to pay fixed or base rent under the Lease in the annual amount of $_____________________, payable in monthly installments of $________________. No rent under the Lease has been paid more than one month in advance, and no other sums have been deposited with Landlord other than $________________ deposited as security under the Lease, and none of such deposit has been applied by Landlord (or any predecessor of Landlord)

to the payment of rent or any other amounts due under the Lease. Except as specifically stated in the Lease, Tenant is entitled to no rent concessions or free rent.

6. The Lease provides that Tenant pay ______ percent of any increase in operating expenses and real property taxes in excess of the _______ base year operating expenses and real property taxes of $__________.

7. Annual rent and all other sums required to be paid by Tenant pursuant to the Lease have been paid in full through the date hereof.

8. The Tenant claims no offsets, setoffs, rebates, concessions, abatements, free rent, credits, deductions or defenses with respect to any minimum rent or additional rent or any other amount payable under the Lease.

9. All conditions and obligations of Landlord relating to completion of tenant improvements and making the Leased Premises ready for occupancy by Tenant have been satisfied or performed and all other conditions and obligations under the Lease to be satisfied or performed, or to have been satisfied or performed, by Landlord as of the date hereof have been fully satisfied or performed.

10. There exists no defense to, or right of setoff against, enforcement of the Lease by Landlord. Neither Landlord nor Tenant is in default under the Lease, and no event has occurred which, with the giving of notice or passage of time, or both, could result in such a default.

11. Tenant has not received any notice of any present violation of any federal, state, county or municipal laws, regulations, ordinances, orders or directives relating to the use or condition of the Leased Premises or the Building.

12. Except as specifically stated in the Lease, Tenant has not been granted (a) any option to extend the term of the Lease, (b) any option to expand the Leased Premises or to lease additional space within the Building, (c) any right of first refusal on any space in the Building, (d) any right to terminate the Lease prior to its stated expiration, or (e) any option or right of first refusal to purchase the Leased Premises or the Building or any part thereof.

13. Tenant has not filed and is not the subject of any filing for bankruptcy or reorganization under federal bankruptcy laws.

14. The current address of the undersigned is as set forth in the Lease.

This Certificate is executed as of the _____ day of 2012.

(Name of Tenant)

By:

Title:

The undersigned Guarantor(s) of the Lease hereby certify to Purchaser and its successors and assigns as of the date hereof that their guaranty of the Lease is in full force and effect and has not been amended or modified and that the undersigned Guarantor(s) have no claims or defenses under the guaranty or otherwise with respect to their performance in full of all terms, covenants and conditions of the guaranty.

(Name of Guarantor)

By:

Title:

NOTICE TO TENANTS

Dated: ______________________, 2012

Ladies and Gentlemen:

Please be advised that ________________________________ (the "**New Owner**") has purchased certain property commonly known as ______________________________, ______________________________ (the "**Property**") from ______________________________ (the "**Prior Owner**"). In connection with that transaction, the Prior Owner has assigned and transferred to the New Owner its interests in your lease (the "**Lease**") effective as of the date of this notice. Your rights and obligations under the Lease **will not** be affected as a result of the assignment. Please note the following:

1. Rent Payments -- as in the past, your rental payment is due and payable on the first of each month, but, hereafter, all checks should be made payable to ______________________________, unless you receive written notice to do so from New Owner. Any rent or other payments relating to the Lease made to any person or entity other than New Owner will be not be credited to your account. If you have been making rental payments by ACH transfer, New Owner will be contacting you and furnishing you with a new ACH authorization.

2. Landlord's Address for Rental Payment and for Notices -- until the New Owner advises you otherwise in writing, the address for all rental payment and for all communications and notices regarding your Lease should be sent to the following addresses:

	With copies to:
CDH-Delnor Health System, Inc. d/b/a Cadence Health 25 N. Winfield Road Winfield, IL 60190 Attn: ______________________	CDH-Delnor Health System, Inc. d/b/a Cadence Health 25 N. Winfield Road Winfield, IL 60190 Attn: Michael Holzhueter

3. Insurance – as of the date of this notice, you must remove the Prior Owner under your insurance policies required to be maintained under Section ________ of the Lease and substitute the New Owner as additional insured/loss payee, as applicable. Please promptly forward insurance certificates indicating your insurance coverages and the aforesaid change of the additional insured/loss payee to the New Owner at the address set forth in the previous paragraph.

If you have any questions, please do not hesitate to call or write ______________________, ______________________________, at ______________________.

Yours truly,

Prior Owner:

____

By:______________________________

Name:____________________________

Title:_____________________________

SCHEDULES

TO

REAL ESTATE PURCHASE AGREEMENT

BY AND AMONG

CDH-DELNOR HEALTH SYSTEM, INC., d/b/a CADENCE HEALTH,

CORNERSTONE MEDICAL DEVELOPMENT COMPANY, L.L.C.

AND

THE INDIVIDUAL OWNERS

OF

CORNERSTONE MEDICAL DEVELOPMENT COMPANY, L.L.C.

Schedules
to
Real Estate Purchase Agreement
dated as of July 31, 2012

These Schedules (these "Schedules") are referred to in, and are a part of, that certain Real Estate Purchase Agreement (the "Agreement") dated as of July 31, 2012, by and among CDH-Delnor Health System, Inc., d/b/a Cadence Health, an Illinois not-for-profit corporation, Cornerstone Medical Development Company, L.L.C., an Illinois limited liability company ("Seller"), and each of the individual owners of Seller. Capitalized terms used in these Schedules and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

Listing of Schedules

Schedule 1.41	Leases
Schedule 1.53	Permitted Title Exceptions
Schedule 1.55	Personal Property
Schedule 1.63	Real Property
Schedule 2.2	Excluded Assets
Schedule 5.3(a)	Seller's Conflicts
Schedule 5.3(b)	Required Approvals
Schedule 5.5(b)	Liabilities or Adverse Conditions
Schedule 5.7	Real Property
Schedule 5.8	Contracts and Assumed Contracts
Schedule 5.9	Seller's Litigation
Schedule 5.10(d)	Environmental Matters
Schedule 5.11(b)	Licenses and Permits
Schedule 5.12	Insurance
Schedule 5.14	Seller's Broker Fees
Schedule 7.3(b)	Purchaser's Required Approvals
Schedule 7.6	Purchaser's Broker Fees

SCHEDULE 1.41

Leases

Leases:

1. Physical Therapy Lease, dated as of August 25, 1999, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, as amended by 1st Amendment dated as of October 15, 2000 and 2nd Amendment dated as of January 1, 2005, for approximately 5,175 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

2. Medical Office Lease, dated as of August 25, 1999, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, as amended by 1st Amendment dated as of October 15, 2000 and 2nd Amendment dated as of January 1, 2005, for approximately 27,712 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

3. Medical Office Lease, dated as of September 13, 1999, by and between Cornerstone Medical Development Company, L.L.C. as landlord, and Central DuPage Health, as tenant, as amended by Amendment to Medical Office Lease dated as of September 13, 1999 and 2nd Amendment to Lease dated as of January 1, 2005, for approximately 18,604 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

4. Medical Office Lease, dated as of January 1, 2005, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, for approximately 2,082 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

5. Medical Office Lease, dated as of January 1, 2005, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, for approximately 7,450 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

6. Medical Office Lease, dated as of January 1, 2005, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, for approximately 2,168 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

7. Space-Sharing Lease Agreement, dated as of May 1, 2006, by and between OAD, as landlord, and Children's Surgical Foundation, Inc., as tenant, for approximately 1,177 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

Subleases:

8. Sublease and Addendum, dated as of September 28, 2005, by and between OAD Orthopaedics, Ltd., as landlord, and Dr. James E. Wilson, S.C., as tenant, amended as of ________________, 2005, for approximately 1,700 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

9. Sublease of Ambulatory Surgical Center, dated as of January 1, 2005, by and among OAD Orthopaedics, Ltd., as sublandlord, DuPage Orthopaedic Surgery Center, LLC, as tenant, and Cornerstone Medical Development Company, L.L.C., as landlord, for approximately 7,450 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

10. Sublease of 2,168 sq. ft ASC, dated as of January 1, 2005, by and among OAD Orthopaedics, Ltd., as sublandlord, DuPage Orthopaedic Surgery Center, LLC, as tenant, and Cornerstone Medical Development Company, L.L.C., as landlord, for approximately 2,168 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

11. Sublease of "MRI" Facility, dated as of March 1, 2006, by and among Central DuPage Health, as sublandlord, OAD Orthopaedics, Ltd., as tenant, and Cornerstone Medical Development Company, L.L.C., as landlord, for approximately 5,628 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845.

SCHEDULE 1.53

Permitted Title Exceptions

1. Taxes for the (i) second installment of year 2011[1] and (ii) year 2012, including taxes not yet due and payable.

   Permanent Index Number(s): 07-01-101-012-0000 (1 of 2)

2. Taxes for the (i) second installment of year 2011[2] and (ii) year 2012, including taxes not yet due and payable.

   Permanent Index Number(s): 04-36-318-012-0000 (2 of 2)

3. Building lines, easements and restrictions as set forth on the plat of Cantera Sub-Area "D", recorded August 27, 1999 as document number R1999-187259, as follows:

   A. 150 foot building setback line from the center line of Ferry Road.
   B. 73 foot building setback line from the center of Chase Court.
   C. 15 foot and 20 foot public utility easements along the southerly part of the land and along Chase Court.
   D. 10 foot sidewalk easement along the southerly line of the land.
   E. 20 foot watermain easement running westerly through the northern portion of the land.

   Note: vacation and release of easement as depicted on plat of resubdivision recorded as document number R2005-43205 (affects lot 3a of the underlying land).

4. Declaration of restrictive covenant made by Warrenville Development Limited Partnership, an Illinois limited partnership, recorded December 21, 1998 as document number R98-268979.

5. Terms, provisions and conditions as set forth in the Right of First refusal and Restrictive Covenant Memorandum dated November 4, 1999 and recorded as document R1999-237731 between Cornerstone Medical Development Company, L.L.C., and Central DuPage Health.

6. Covenants, conditions, restrictions and easements contained in the Cantera Declaration of Protective Covenants, Conditions, Restrictions, and Easements made by Warrenville Development Limited Partnership, dated August 26, 1999 and recorded September 23, 1999 as document R1999-204342, as amended by instrument recorded May 29, 2008 as document R2008-087716.

7. Restrictions contained in special warranty deed dated August 30, 1999 and recorded September 23, 1999 as document number R1999-204343, from Warrenville Development Limited Partnership to Cornerstone Medical Development Company, L.L.C. relative to the use, floor area, building construction, and other matters.

   Partial assignment and release recorded June 2, 2008 as document R2008-089253.

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[1] Second Installment due on September 4, 2012. In the event that the Closing occurs on or after September 4, 2012, subclause (i) shall be omitted.

[2] Second Installment due on September 4, 2012. In the event that the Closing occurs on or after September 4, 2012, subclause (i) shall be omitted.

8. Easement in favor of Commonwealth Edison Company and Ameritech for pole lines, conduits and maintenance purposes, as granted by document R2000-118883, recorded August 3, 2000, and the terms and conditions set forth therein.

   (Affects a 15 foot portion of lot 3a of the underlying land. See document for exact location.)

9. The following environmental disclosure documents for transfer of real property appear of record:

   Document R91-37362 recorded April 5, 1991
   Document R91-38777 recorded April 9, 1991

10. Building lines, easements and restrictions as set forth on the plat of Cantera Sub-Area "D", recorded August 27, 1999 as document R1999-187259, as follow:

    A. 73 foot building setback line along the east line and the most southerly south line.

    B. 20 foot building setback line along the west and north lines.

    C. 20 foot watermain easement along the southerly portion. See plat for exact location.

    (Affects lot 2 of the underlying land.)

11. Terms and provisions contained in the Shared Storm Water Management and Drainage Easement, recorded November 2, 1999 as document R1999-231521, made by and between Warrenville Development Limited Partnership, an Illinois limited partnership, and Robert G. Chase.

    (Affects the west 20 feet and 20 feet along both the north lines of underlying lot 2.)
    (See instrument for exact location.)

12. Terms, provisions and conditions contained in the Declaration of Restrictive Covenants recorded April 23, 2002 as document R2002-110199.

13. Terms, powers and provisions of an ordinance regarding approving revised plat of subdivision, revised preliminary/final PUD (Phase II), and site specific amendment for parking and parking landbanking-Cornerstone medical building (Cantera Sub-Area D, lots D3-A and D2, 27650 Ferry Road) of City of Warrenville, a copy of which was recorded as document R2005-43205.

14. Building lines, easements and restrictions as set forth in the plat of Cantera Sub-Area "D" Resubdivision No. 2, recorded March 3, 2005 as document number R2005-43205 as follows:

    A. 150 foot building setback line from the center line of Ferry Road along the south lot line.

    B. 73 foot building setback line from cul-de-sac centerline of Chase Court along the southwesterly lot line per document R1999-187259.

    C. 10 foot and 20 foot public utility easements along the southerly part of the land and along Chase Court per document R1999-187259.

    D. 10 foot sidewalk easement along the southerly line of the land per document R1999-187259.

E. 20 foot watermain easement running westerly through the middle portion of the land Note: vacation and release of easement as depicted on plat of resubdivision recorded as document number R2005-43205.

F. 15 foot easement for stormwater and drainage along the southwesterly portion of the land as per document R1999-187259 (see document for exact location).

G. Cross easements along the southeasterly lot line per Common Access Easement Agreement recorded as document R1999-237732. (see document for exact location).

H. Cross access along the middle lot line per common access easement recorded as document R1999-237732 (see document for exact location).

I. 20 foot building setback line and storm sewer and drainage easement per document R1999-187259 and 20 foot Shared Stormwater Management and Drainage Agreement per document R1999-231521 along the most northerly lot line and the most northwesterly lot line. (see document for exact location).

J. 73 foot building setback line from Lorraine Avenue centerline per document R1999-187259 along the most northeasterly lot line.

15. Consent and Waiver made by Central DuPage Health, as lessee, and Cornerstone Medical Development Company, L.L.C., as lessor, recorded October 20, 2005 as document number R2005-234578.

16. Ordinance of the City of Warrenville recorded January 4, 2008 as document number R2008-02064 approving zoning.

17. Assignment and Assumption of Stormwater Management Area Maintenance Obligations pertaining to Cantera Sub-Area D, recorded June 2, 2008 as document number R2008-089289 and further assignments to the Cantera Owners Association, recorded June 2, 2008 as document R2008-089252 and recorded June 18, 2008 as document number R2008-098321 and re-recorded June 23, 2008 as document number R2008-100721.

18. Nonexclusive Easement Agreement made by and between Cornerstone Medical Development Company, L.L.C. and Maecliff Development, L.L.C., dated July 11, 2008 and recorded July 16, 2008 as document number R2008-111758, and the terms and conditions contained herein.

SCHEDULE 1.55

Personal Property

Washer dryers, parking lot stripper, hoses, miscellaneous landscaping equipment, power washer, handyman tools, miscellaneous construction material, planters, UPS back-up, communication equipment, retired computers and other hardware.

SCHEDULE 1.63

Real Property

LOT 1 IN CANTERA SUB-AREA "D" RESUBDIVISION NO. 2, BEING A SUBDIVISION IN PART OF THE SOUTH HALF OF SECTION 36, TOWNSHIP 39 NORTH, AND THE NORTH HALF OF SECTION 1, TOWNSHIP 38 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION RECORDED MARCH 3, 2005 AS DOCUMENT NO. R2005-043205, IN DUPAGE COUNTY, ILLINOIS.

SCHEDULE 2.2

Excluded Assets

The items set forth on Schedule 2.2 of the APA are hereby incorporated by reference to the extent applicable.

SCHEDULE 5.3(a)

Seller's Conflicts

No exceptions.

SCHEDULE 5.3(b)

Required Approvals

No exceptions.

SCHEDULE 5.5(b)

Liabilities or Adverse Conditions

No exceptions.

SCHEDULE 5.7

Real Property

No exceptions.

SCHEDULE 5.8

Contracts and Assumed Contracts

1. Service Contract, dated as of March 21, 2012, by and between Wingren Landscape and Cornerstone Medical Development Company, L.L.C. (Assumed Contract.)

2. Engagement Agreement, dated as of March 7, 2012, by and among Livingstone Partners LLC, OAD Orthopaedics, Ltd., DuPage Orthopaedic Surgery Center, LLC, Cornerstone Medical Development Company, L.L.C., South Naperville Associated Partners, LLC, South Naperville Associated Partners II, LLC and Danada Orthopedic Partnership. (Not an Assumed Contract.)

3. Loan and Security Agreement, dated as of October 13, 2011, by and between Cornerstone Medical Development Company, L.L.C. and Hinsdale Bank & Trust Company, and all ancillary documents related thereto. (Not an Assumed Contract.)

4. Amended and Restated Mortgage Note, dated as of October 18, 2011, by Cornerstone Medical Development Company, L.L.C. in favor of Hinsdale Bank & Trust Company in the principal amount of $12,000,000. (Not an Assumed Contract.)

5. Amended and Restated Mortgage and Security Agreement – Cornerstone Medical Development Company L.L.C., dated as of October 13, 2011, by and between Cornerstone Medical Development Company, L.L.C. and Hinsdale Bank & Trust Company. (Not an Assumed Contract.)

6. Assignment of Lease and Rents – Cornerstone Medical Development Company L.L.C., dated as of October 13, 2011, by and between Cornerstone Development Company, L.L.C. and Hinsdale Bank & Trust Company. (Not an Assumed Contract.)

7. Environmental Agreement – Cornerstone Medical Development Company L.L.C., dated as of _______________ ___, 2011, by and among Cornerstone Development Company, L.L.C., David K. Chang, M.D., David H. Watt, David M. Mochel, M.D., Jerome L. Kolavo, Lenard W. LaBelle, M.D., Richard K. Thomas, Stephen E. Heim, M.D., Jeffrey A. Senall, Mary Ling, M.D., John L. Andershak, Thomas W. Kiesler and John F. Showalter in favor of Hinsdale Bank & Trust Company. (Not an Assumed Contract.)

8. ISDA Master Agreement and Schedule thereto, dated as of August ___, 2011, by and between Cornerstone Medical Development Company, L.L.C. and Hinsdale Bank & Trust Company. (Not an Assumed Contract.)

9. Letter, dated November 4, 2011, from Hinsdale Bank & Trust Company to Cornerstone Medical Development Company, LLC re Interest Rate Swap. (Not an Assumed Contract.)

10. Letter, dated October 18, 2011, from Hinsdale Bank & Trust Company to Cornerstone Medical Development Company, LLC re Interest Rate Swap. (Not an Assumed Contract.)

11. Physical Therapy Lease, dated as of August 25, 1999, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, as amended by 1st Amendment dated as of October 15, 2000 and 2nd Amendment dated as of January 1, 2005, for approximately 5,175 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

12. Physical Therapy Lease, dated as of August 25, 1999, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, as amended by 1st Amendment dated as of October 15, 2000 and 2nd Amendment dated as of January 1, 2005, for approximately 5,175 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

13. Medical Office Lease, dated as of August 25, 1999, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, as amended by 1st Amendment dated as of October 15, 2000 and 2nd Amendment dated as of January 1, 2005, for approximately 27,712 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

14. Medical Office Lease, dated as of September 13, 1999, by and between Cornerstone Medical Development Company, L.L.C. as landlord, and Central DuPage Health, as tenant, as amended by Amendment to Medical Office Lease dated as of September 13, 1999 and 2nd Amendment to Lease dated as of January 1, 2005, for approximately 18,604 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

15. Medical Office Lease, dated as of January 1, 2005, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, for approximately 2,082 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

16. Medical Office Lease, dated as of January 1, 2005, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, for approximately 7,450 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

17. Medical Office Lease, dated as of January 1, 2005, by and between Cornerstone Medical Development Company, L.L.C., as landlord, and OAD Orthopaedics, Ltd., as tenant, for approximately 2,168 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

18. Space-Sharing Lease Agreement, dated as of May 1, 2006, by and between OAD, as landlord, and Children's Surgical Foundation, Inc., as tenant, for approximately 1,177 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

19. Sublease and Addendum, dated as of September 28, 2005, by and between OAD Orthopaedics, Ltd., as landlord, and Dr. James E. Wilson, S.C., as tenant, amended as of ________________, 2005, for approximately 1,700 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

20. Sublease of Ambulatory Surgical Center, dated as of January 1, 2005, by and among OAD Orthopaedics, Ltd., as sublandlord, DuPage Orthopaedic Surgery Center, LLC, as tenant, and Cornerstone Medical Development Company, L.L.C., as landlord, for approximately 7,450 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

21. Sublease of 2,168 sq. ft ASC, dated as of January 1, 2005, by and among OAD Orthopaedics, Ltd., as sublandlord, DuPage Orthopaedic Surgery Center, LLC, as tenant, and Cornerstone Medical

Development Company, L.L.C., as landlord, for approximately 2,168 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

22. Sublease of "MRI" Facility, dated as of March 1, 2006, by and among Central DuPage Health, as sublandlord, OAD Orthopaedics, Ltd., as tenant, and Cornerstone Medical Development Company, L.L.C., as landlord, for approximately 5,628 square feet of space in the premises located at 27650 Ferry Road, Warrenville, IL 60555-3845. (Assumed Contract.)

SCHEDULE 5.9

Seller's Litigation

No exceptions.

SCHEDULE 5.10(d)

Environmental Matters

No exceptions.

SCHEDULE 5.11(b)

Licenses and Permits

None.

SCHEDULE 5.12

Insurance

Policy Type	Agent Information	Insurer	Policy No.	Policyholder	Covered Insured	Period of Coverage
Commercial General Liability	Neis Insurance Agency 45 North Virginia St. Crystal Lake, IL 60014 Tom Neis, RHU	Travelers Insurance Company	[REDACTED]	Cornerstone Medical Development Company, LLC	Cornerstone Medical Development Company, LLC	October 14, 2011 through October 14, 2012
Umbrella Liability	Neis Insurance Agency 45 North Virginia St. Crystal Lake, IL 60014 Tom Neis, RHU	Travelers Insurance Company	[REDACTED]	Cornerstone Medical Development Company, LLC	Cornerstone Medical Development Company, LLC	October 14, 2011 through October 14, 2012
Property	Neis Insurance Agency 45 North Virginia St. Crystal Lake, IL 60014 Tom Neis, RHU	Travelers Insurance Company	[REDACTED]	Cornerstone Medical Development Company, LLC	Cornerstone Medical Development Company, LLC	October 14, 2011 through October 14, 2012

SCHEDULE 5.14

Seller's Broker Fees

Fees and expenses of Livingstone Partners LLC pursuant to the Engagement Agreement dated as of March 7, 2012 by and among Livingstone Partners LLC, OAD Orthopaedics, Ltd., DuPage Orthopaedic Surgery Center, LLC, Cornerstone Medical Development Company, L.L.C., South Naperville Associated Partners, LLC, South Naperville Associated Partners II, LLC and Danada Orthopedic Partnership.

SCHEDULE 7.3(b)

Purchaser's Required Approvals

To the extent required by Illinois law, the Purchaser or Affiliates of the Purchaser shall have obtained a Certificate of Exemption or a Certificate of Need for the transfer of the Purchased Assets contemplated hereby from the Illinois Health Facilities and Services Review Board.

SCHEDULE 7.6

Purchaser's Broker Fees

The Purchaser has retained McDermott Will & Emery, LLP, Sidley Austin, LLP, Axel and Associates and the Chartis Group to assist it in evaluating, negotiating and consummating the transaction. It also has retained Cain Brothers to issue a fairness opinion in connection with the transaction. The Purchaser has not engaged any advisors to provide services in exchange for a fee that is contingent upon the Closing.

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November 23, 2011

Illinois Finance Authority Central DuPage Health; Hospital

Primary Credit Analyst:
Suzie Desai, Chicago (1) 312-233-7046; suzie_desai@standardandpoors.com

Secondary Contact:
Brian T Williamson, Chicago (1) 312-233-7009; brian_williamson@standardandpoors.com

Table Of Contents

Illinois Finance Authority Central DuPage Health; Hospital

Credit Profile		
Illinois Fin Auth, Illinois		
Central DuPage Health, Illinois		
Illinois Finance Authority (Central DuPage Health) (MBIA)		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services affirmed its 'AA' long-term rating on the Illinois Finance Authority's $240 million series 2009B and $90 million series 2009 fixed-rate revenue bonds, issued for Central DuPage Health. Standard & Poor's also affirmed its 'AA' long-term rating and underlying rating (SPUR) on the authority's $6 million series 2000A periodic auction-rate securities (PARS), insured by National Public Finance Guarantee Corp. (formerly known as MBIA Insurance Corp. of Illinois) and issued for Central DuPage Health. The outlook on all ratings is stable.

Effective April 1, 2011, Central DuPage Health and Delnor-Community Hospital (Delnor; A/Positive) merged to create CDH-Delnor Health System (CDH-Delnor). Central DuPage Health and its affiliates are located in Winfield, a western suburb of Chicago, and Delnor is located approximately 11 miles west of Central DuPage Health. The two entities, while integrated operationally, maintain two distinct obligated groups. We revised the Delnor rating outlook to positive from stable and affirmed the rating in January 2011, and will review the rating in the next few months. The financials presented in this article are those of the consolidated system of CDH-Delnor (for the quarter ended June 30, 2011), but we also provide financials for Central DuPage Health and Central DuPage Health-specific affiliates (collectively referred to as CDH) for year-over-year comparisons. This analysis, however, incorporates the newly consolidated system.

The 'AA' rating reflects our view of CDH-Delnor's strong financial profile, good market strength in a favorable demographic service area, and position as a regionally based system with a focus on several key high-acuity service lines. The consolidated system's financial profile is dominated by CDH, given the smaller scale of operations at Delnor. We anticipate that CDH-Delnor will maintain its strong financial profile as services on both campuses are enhanced and as management continues to focus on expenses, and we anticipate that the operations of Delnor, which in recent years has had light (though positive) operating performance levels and volume declines, will improve. The market remains fairly competitive and there have been several mergers and consolidations in the larger geographic region, possibly making market dynamics a little more fluid.

More specifically, the 'AA' rating reflects our view of CDH-Delnor's:

- Healthy levels of unrestricted liquidity, with approximately 471 days' cash on hand at June 30, 2011 for CDH-Delnor and approximately 544 days' at June 30, 2011 for CDH, and with a fairly conservative investment allocation helping to maintain the stability of unrestricted liquidity levels;
- Continued robust profitability, with an operating margin of 3.6% for the quarter ended June 30, 2011 for

CDH-Delnor and with CDH generating a third consecutive year of strengthened operating margins of 10.7% for the full fiscal year ended June 30, 2011;
- Strong 4.1x pro forma maximum annual debt service coverage (MADS) in fiscal 2011 for CDH (including all debt for CDH-Delnor except for CDH's series 2000 PARS, which will be fully redeemed on Dec. 20, 2011);
- Management team, which has implemented a strategic plan to enhance its facilities and operations and which will broaden some of its key strategic initiatives at Delnor over the next few years;
- Location in an economically and demographically favorable service area, with a dominant 65% market share in its primary service area (despite competition in the suburban Chicago market); and
- Slightly more moderate debt levels as indicated by roughly 30% debt to capitalization and a debt burden of almost 4% (for both CDH and CDH-Delnor).

Management refinanced the CDH obligated group's $127.2 million series 2004 variable-rate demand bonds (VRDB) and Delnor's $58.4 million series 2008A VRDBs with three series of direct placement debt with JPMorgan Chase and has maintained overall levels of contingent liability. Unrestricted cash to contingent liabilities is a strong 615% and CDH-Delnor no longer has any puttable debt. CDH maintains a contingent liability for approximately $31.8 million of debt related to its senior living business, which was sold in 2009. The put option on that debt could be exercised should the new owner of the business be unable to meet certain covenants. To date, CDH has not had to support any of the divested entity's debt obligations.

The sole member of both Central DuPage Hospital (313 licensed beds) and Delnor-Community Hospital (159 licensed beds) is CDH-Delnor Health System. CDH-Delnor Health System (formerly known as Central DuPage Health) and Central DuPage Hospital are members of the CDH obligated group, while Delnor remains a separate obligated group. Management reports that it intends to collapse the Delnor obligated group into the CDH obligated group should Delnor bondholders agree to accept the CDH obligated group security package. Management reports that until such time, each obligated group will remain solely responsible for its obligated debt (prior to the merger and including the recently issued direct placement debt). Other entities that are part of the CDH-Delnor system but are not part of the obligated groups are Community Nursing Service of DuPage County Inc.; Central DuPage Physician Group, which employs approximately 111 physicians; foundations for both Delnor and CDH; and a residential living facility. While the unrestricted receivables of the CDH obligated group secure the CDH obligated group debt, such pledge will be eliminated on Dec. 20, 2011, when CDH redeems its series 2000 bonds. After the redemption, remaining CDH obligated group debt will be general obligations of the CDH obligated group. Delnor obligated debt is secured by the gross receivables of and a springing mortgage on Delnor. Delnor has approximately $129 million of debt that we have incorporated into the consolidated system analysis. Total debt at CDH is approximately $470 million, and total debt of CDH-Delnor is approximately $600 million.

Outlook

The stable outlook reflects our view of significant flexibility derived from CDH's strong cash balances and good trend of strong operating performance along with its business position. While CDH-Delnor's financial profile remains quite strong and its geographic footprint has expanded with the merger of the two organizations, the broader metropolitan Chicago market remains competitive and continues to see consolidation and a potentially evolving landscape. CDH-Delnor's concentration in a relatively limited but demographically favorable geographic area requires strong liquidity with consistently strong performance as a consolidated entity. We could consider raising the rating as the merger is fully digested and if Delnor's operations improve. In addition, we could raise the rating if CDH's and CDH-Delnor's operating margins and cash on hand remain at current levels with a continued trend of declines in debt levels.

Although we do not expect to do so over the next one to two years given CDH-Delnor's strong market position, financial cushion at the current rating level, and management and the board's ability to exceed its budget for the past few years, we could lower the rating if operating margins decrease and are sustained at less than 3% or if cash on hand declines to 200 days. However, we do not anticipate that such a situation is likely to occur, based on historical trends and the ability of management and the board to manage CDH-Delnor's overall operating performance and balance sheet.

Enterprise Profile

Market

The combined organization of CDH and Delnor has close to $1 billion of operating revenues, with CDH's revenue base accounting for about three-fourths of that total. The merger with Delnor creates an expanded footprint for the system in the western suburbs of Chicago, from Sycamore in the west to Lombard in the east, with the combined organization maintaining a dominant market position of 65% in a fairly competitive service area. Several hospitals have service areas that overlap in CDH's larger service area, including Alexian Brothers Medical Center to the northeast, Sherman Hospital (BBB/Stable) to the northwest, Edward Hospital (A+/Stable) to the south, Advocate Good Samaritan (part of Advocate Health Care; AA/Stable) to the southeast, and Elmhurst Hospital to the east. In addition, recent consolidations in the broader market could affect broader market dynamics. CDH-Delnor's geographic area has maintained fairly favorable demographics, including a favorable payer mix with about 50% of gross revenues coming from commercial payers, and population growth in certain parts of the greater service area, specifically in Delnor's immediate service area.

In recent years, CDH has focused on key service lines that support its solid business position: cardiac care, pediatrics, cancer, stroke, and orthopedics. Management aims to enhance some of the same services at Delnor to enhance its competitive position. The consolidated system now employs 111 physicians (compared with 48 in 2008) and continues to focus on physician alignment strategies.

Utilization

CDH, which is in a competitive service area with a relatively stable population, continues to increase volumes (albeit at a much slower rate than that of a few years ago) and market share as management has focused on key service lines. We anticipate that although there may be some moderate growth on the inpatient side, particularly in some of the areas of focus, CDH will likely experience more outpatient growth. Acute-care admissions at CDH grew by a slight 0.8% to 22,336 in 2011, following a similar trend for fiscal 2010. Both inpatient surgeries and outpatient surgeries declined in 2011, by 2% to 8,717 and 5.9% to 16,641, respectively, due partially to the ongoing economic challenges.

Delnor has exhibited more steady volume declines over the past few years as competition has increased, particularly to the north with the opening of Sherman's replacement hospital on Randall Road. In 2011, inpatient admissions declined 3.7% to 8,557, but since fiscal 2008, admissions have declined 16%. Surgeries followed a similar trend, with declines of 9.2% to 3,128 for inpatient surgeries and 7.1% to 5,579 for outpatient surgeries in 2011. We anticipate that CDH's experience in employing physicians and expanding services should help Delnor stabilize volumes within its market over the next few years.

Management

With the merger of the two systems, the CEO of CDH, Luke McGuinness, has become CEO of the CDH-Delnor Health System. The 20-member board of CDH-Delnor has equal representation from the two hospitals. Management has historically been effective at implementing its strategic plan and generating volumes for its key service lines, and this, along with strong cost controls, has allowed CDH to either meet or exceed its budget for the past five years. We believe that this experience, along with continued focus on process improvement and the use of data to manage the cost and quality of care (partially from the use of Epic as its electronic health record system), should allow CDH-Delnor to continue to generate strong operating performance.

Financial Profile

Income statement

For fiscal 2011, CDH posted a strong operating income of $78.2 million (or a 10.7% margin), compared with $69.8 million (or a 10.3% margin) posted in fiscal 2010. The operating income for the combined CDH-Delnor system for the quarter ended June 30, 2011 was $8.8 million (3.6% margin) and on a full-year pro forma basis (unaudited) would have been $82 million had the two entities been combined on July 1, 2010. Through the first quarter of fiscal 2012, CDH-Delnor generated an unaudited $24.3 million (9.8% margin) of operating income. Management attributed its strong operations to a good payer mix and continued focus on increasing top-line revenues, particularly in the outpatient area and along key service lines, in conjunction with minimal expense growth. The last quarter of fiscal 2011 did have some merger-related expenses that contributed to the softer operating income levels. CDH continues to focus on key higher-acuity and higher-intensity service lines. Excess income, excluding unrealized losses on investments and changes in swap valuation, amounted to $90.1 million (12.1% margin) for fiscal 2011, on par with the prior year's $87.8 million (12.7% margin). This, along with strong operations, contributed to good pro forma MADS coverage of 4.1x. For the quarter ended June 30, 2011, CDH-Delnor generated excess income of $16 million (6.4% margin), contributing to still good MADS coverage of 3.9x. Debt service coverage excludes partial guarantees of approximately $4.4 million on joint-venture debt that totals $11.3 million.

Management expects to continue its focus on expense management while increasing outpatient revenues and reducing costs of delivery of care. We believe that this focus, coupled with efficiencies and service line enhancements at Delnor, make CDH-Delnor's $95 million operating income budget for fiscal 2012 an attainable goal.

Balance sheet

CDH's unrestricted liquidity levels, which totaled $915 million at June 30, 2011 (equal to 544 days' cash on hand), grew 10.1% over the prior year. (All unrestricted cash levels have been adjusted to exclude cash that is equal to the full long-term self-insurance liability.) Unrestricted cash to long-term debt for CDH continued to improve to 196% at June 30, 2011, with leverage at a reasonable 29%. At June 30, 2011, the combined CDH-Delnor system looked similar to CDH, with unrestricted cash at $1.1 billion, equal to 471 days' cash on hand, 192% cash to long-term debt, and 30% leverage. As part of its strategic efforts around care delivery and provision of higher-acuity services, capital plans for construction, and improvements to the hospital campus, CDH has spent on average 252% of annual depreciation expense over the past three years and recently completed a five-story, 280,000-square-foot bed pavilion (with 202 medical-surgical private rooms) and its Epic information technology (IT) investment. Average age of plant for both CDH and CDH-Delnor is low, at 6.6 years for CDH and 6.8 years for CDH-Delnor. Capital expenditures for CDH-Delnor are budgeted at approximately $179 million for 2012, with amounts set aside for implementation of Epic at both campuses, a new cancer center at Delnor, and other building and IT-related projects. We expect that if operating cash flow (budgeted at $204 million for fiscal 2012) remains robust, unrestricted liquidity levels should continue to improve and maintain pace with the expense growth. A conservative investment allocation has aided CDH's maintenance of liquidity levels with approximately 22% of investments in equities and alternative investments, but management expects the percentage allocated to equities and alternatives to increase to 30% over the next six months.

Debt Derivative Profile

CDH is party to two variable- to fixed-rate swaps with Morgan Stanley Capital Services Inc. (guaranteed by 'A' rated Morgan Stanley) for a total notional amount of $130 million. Standard & Poor's assigned CDH a Debt Derivative Profile (DDP) overall score of '2' on a four-point scale, with '1' representing the lowest risk. The score of '2' represents a low credit risk.

The overall DDP score of '2' denotes a low credit risk due to:

- The minimal counterparty and termination risk because of the strongly rated counterparty and obligor, with no collateral posting required by either party;
- The swap's average economic viability over stressful economic cycles due, in large part, to the swaps' long maturities (2038); and
- Adequate management oversight and disclosure practices.

CDH's net variable-rate exposure, including the swaps, is approximately 3%. There is also one swap with shorter maturities at one of CDH's joint ventures, for a total notional amount of about $3.9 million, half of which is subject to CDH's guarantees. We have not fully incorporated this swap into the DDP score, but this swap has a negative mark-to-market value of approximately $575,000 with no collateral posting required, approximately $288,000 of which is subject to CDH's guarantee with the bank.

Delnor also has two variable- to fixed-rate swaps, with UBS AG as the counterparty, for a total notional amount of $68.2 million. Standard & Poor's also assigned Delnor a DDP score of '2'.

The overall DDP score of '2' denotes a low credit risk due to:

- Moderate-to-low risk of termination due to a highly rated counterparty and obligor, with no collateral posting required by Delnor given that Assured Guaranty insures the swap;
- The swap's low economic viability over stressful economic cycles due, in large part, to the swaps' long maturities (2032 and 2033); and
- Adequate management oversight and disclosure practices.

Delnor has 0% net variable-rate exposure after taking into account the effect of the swaps.

The four swaps for CDH-Delnor at Aug. 31, 2011 had a negative mark-to-market value of $30.1 million, with no collateral posted at that time.

Central DuPage Health And Affiliates Financial Statistics	--Quarter ended Sept. 30*--	--Quarter ended June 30§--	--Fiscal year ended June 30--		
	2012	2011	2011	2010	2009
Income statement and cash flow					
Operating revenue ($000s)	249,431	242,525	730,720	676,107	646,677
Total expenses ($000s)	225,099	233,765	652,551	606,301	584,901
Operating income ($000s)	24,332	8,760	78,169	69,806	61,776
Operating margin (%)	9.8	3.6	10.7	10.3	9.6
Net nonoperating revenue	8,560	6,774	11,919	18,009	21,222
Excess income ($000s)	32,892	15,534	90,088	87,815	82,998
Excess margin (%)	12.7	6.2	12.1	12.7	12.4
EBIDA/total revenue (%)	23.5	14.8	21.1	21.3	21.2
Capital expenditures ($000s)	N.A.	38,703	138,161	146,398	94,838
Debt					
Net available for debt service ($000s)	60,617	36,914	156,428	147,971	141,471
Maximum debt service ($000s)	38,038	38,038	38,038	32,501	32,501
Maximum debt service coverage (x)	6.4	3.9	4.1	4.6	4.4
Maximum debt service-to-total revenue (%)	3.7	3.8	5.1	4.7	4.9
Balance sheet					
Unrestricted cash and investments ($000s)	1,139,979	1,141,108	915,019	830,888	854,545
Unrestricted days' cash on hand	493	471	544	530	568
Unrestricted cash/debt (%)	191.4	191.7	196.0	177.0	172.0
Cushion ratio (x)	30.0	30.0	24.1	25.6	26.3
Net fixed assets ($000s)	826,847	818,279	646,683	562,305	497,879
Long-term debt ($000s)	595,451	595,402	466,854	469,391	496,949
Unrestricted fund balance ($000s)	1,368,556	1,410,428	1,161,549	1,022,716	870,285
Debt/capitalization (%)	30.3	29.7	28.7	31.5	36.3
Average age of plant (years)	6.8	7.0	6.6	6.6	8.4

*Unaudited. §Data reflects the consolidated system of CDH/Delnor; prior fiscal years consist of the audited Central DuPage Health financials.

Related Criteria And Research

- USPF Criteria: Not-For-Profit Health Care, June 14, 2007
- USPF Criteria: Debt Derivative Profile Scores, March 27, 2006

Ratings Detail (As Of November 23, 2011)		
Illinois Fin Auth, Illinois		
Central DuPage Health, Illinois		
Illinois Finance Authority (Central DuPage Health)		
Long Term Rating	AA/Stable	Affirmed

Many issues are enhanced by bond insurance.

FitchRatings

FITCH AFFIRMS CDH HEALTH SYSTEM (IL) REVS AT 'AA'; OUTLOOK STABLE

Fitch Ratings-Chicago-25 October 2011: As part of its ongoing surveillance efforts, Fitch Ratings has affirmed the 'AA' rating on the following revenue bonds issued on behalf of Central DuPage Health (CDH):

--$90,000,000 Illinois Finance Authority, series 2009;
--$240,000,000 Illinois Finance Authority, series 2009B;
--$12,175,000 Illinois Health Facilities Authority, series 2000A.

The Rating Outlook is Stable

SECURITY
The bonds are unsecured obligations of the obligated group. They are not secured by a pledge of, mortgage on or security interest in any obligated group assets.

KEY RATING DRIVERS

Substantial Balance Sheet Strength: CDH's strong cash flow generation has led to a very robust liquidity position with indicators that exceed Fitch's 'AA' category medians.
Strong Operating Profitability: CDH has sustained robust operating profitability with average operating and operating EBITDA margin of 9.6% and 18.9%, respectively, over the last four fiscal years (2008-2011).
Dominant Market Position: With the recent merger with Delnor-Community Hospital, CDH and Delnor combined have a 65.1% market share in their collective primary service area.
High but Manageable Debt Burden: CDH's debt burden is somewhat high with maximum annual debt service (MADS) representing 4.3% of fiscal 2011 revenues as compared to the 'AA' median of 2.8%, but because of the robust profitability, debt service coverage remains solid.

CREDIT PROFILE

The 'AA' rating reflects CDH's ample liquidity, consistently robust profitability and leading market share position as a tertiary provider in the west suburban area of Chicago.

For fiscal 2011 (year ending June 30), CDH's financial performance remained very strong as evidenced by operating and operating EBITDA margins of 10.7% and 19.8%, respectively, both well exceeding the 'AA' category medians of 4.3% and 10.6%. Moreover, fiscal 2011 marked the third consecutive year of year-over-year improvement in operating, operating EBITDA and net EBITDA margins. As a result of CDH's strong operating performance, liquidity metrics are excellent. At June 30, 2011, CDH's unrestricted cash and investments totaled $923.7 million which equates to a very strong 612.2 days cash on hand, 29.1 times (x) cushion ratio and 197.9% cash to debt, all well exceeding the respective 'AA' category medians of 240 days, 22.4x cushion and 159% cash to debt. CDH's debt burden is somewhat elevated as indicated by MADS ($31.7 million) equating to 4.3% of fiscal 2011 total revenues when compared to the 'AA' category median of 2.6%. However, CDH's robust profitability has generated MADS coverage by EBITDA of 4.6x and 5x in fiscal 2010 and 2011, respectively.

On April 1, 2011, CDH merged with Delnor-Community Health System located in Geneva, IL. At June 30, 2011, Delnor had approximately $126.7 million of revenue bonds outstanding, which are not rated by Fitch. Currently the obligated groups securing the debt of CDH and Delnor, respectively, will remain separate. Given the strength of CDH's history of robust operating performance and exceptionally strong balance sheet, Fitch expects ongoing financial results of the combined system to exceed 'AA' category medians despite the immediate effects of the merger,

ATTACHMENT 6

which are somewhat dilutive to CDH's historical financial position. Strategic benefits of the acquisition, including an expanded regional presence and further physician alignment, are viewed positively by Fitch and outweigh any short-term dip in financial performance.

Based on three months of consolidated audited results of CDH-Delnor Health System for the period ended June 30, 2011, CDH-Delnor's balance sheet metrics are robust with 524.7 days cash on hand, 28.7x cushion ratio and 193.6% cash to long-term debt. Profitability indicators are somewhat diluted with operating margin and operating EBITDA margins of 3.6% and 12.4%, respectively. However, Fitch expects profitability to improve as CDH-Delnor achieves the benefits of a system approach to care. Additionally, management continues to focus on investing in its key service lines, including pediatrics, neurosciences, orthopedics, oncology and cardiology, attracting specialists and sub-specialists that historically have strategically differentiated CDH from its competitors and transformed the hospital into a tertiary medical center. CDH has benefited from its integrated delivery strategy, which has resulted in a strong referral network through its growing employed physician base, which totaled 111 physicians as of October 2011.

The primary credit concerns include CDH-Delnor's relatively high debt burden and the highly fragmented Chicagoland service area. MADS for CDH-Delnor equated to a high 4.1% of fiscal 2011 revenues at June 30, 2011 (three months of consolidated results), compared to the 'AA' category median of 2.6%. MADS coverage by EBITDA of 2.8x during the same time period is somewhat below the 'AA' category median of 5x, but expected to improve closer to CDH's historical three-year average of 4.3x (2008-2011) going forward as CDH and Delnor achieve some economies of scale over the next year. Also, CDH completed its bed tower project and emergency department expansion in 2011 and does not have plans to issue additional debt in the near-to-medium term.

The Stable Outlook reflects Fitch's expectation that the CDH-Delnor merger will result in an expanded regional presence leading to financial performance that continues to meet or exceed Fitch's 'AA' category medians.

Total combined outstanding debt for CDH-Delnor as of June 30, 2011 was approximately $595.4 million, of which, about 66% is fixed rate, 2% is auction rate and about 31% is variable rate that has been placed with a bank through a direct purchase and is not rated by Fitch. CDH has a total of $212.1 million notional of fixed payer swaps with Morgan Stanley and UBS AG, as counterparties. As of Aug. 31, 2011, the total mark-to-market valuation on the swap portfolio was negative $48.7 million; however, there is no collateral posting requirement.

CDH-Delnor Health System includes Central DuPage Health, which is a 313 licensed bed hospital located in Winfield, IL, approximately 30 miles west of Chicago, and Delnor Hospital, which is a 159 bed hospital located in Geneva, IL, approximately 40 miles west of Chicago. CDH-Delnor had combined total revenues of $242.5 million in fiscal 2011 (three months of consolidated results). Total revenues for the year ended June 30, 20111 as if the merger had occurred July 1, 2010 would be $951.5 million. CDH covenants to disclose annual financial information within 150 days of each fiscal year-end and quarterly information within 60 days of the first three fiscal quarter-ends to EMMA.

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Additional information is available at 'www.fitchratings.com'. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable Criteria and Related Research:
--Revenue-Supported Rating Criteria (June 20, 2011);
--Nonprofit Hospitals and Health Systems Rating Criteria' (Aug. 12, 2011).

For information on Build America Bonds, visit www.fitchratings.com/BABs.

Applicable Criteria and Related Research:
Revenue-Supported Rating Criteria
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=637130
Nonprofit Hospitals and Health Systems Rating Criteria
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=648836

APPENDIX A
FACILITY BED AND DIALYSIS STATION CAPACITY AND CATEGORIES OF SERVICE

not applicable

Complete the following for the facility for which the change of ownership is requested. The facility's bed and dialysis station capacity must be consistent with the State Board's Inventory of Health Care Facilities.

FACILITY NAME ______________________ CITY: ______________________

1. Indicate (by placing an "X") the type of facility for which the change of ownership is requested:

   ☐ Hospital; ☐ Long-term Care Facility; ☐ Dialysis Facility; ☐ Ambulatory Surgical Treatment Center.

2. Provide the bed capacity by category of service:

SERVICE	# of Beds	SERVICE	# of Beds
Medical/Surgical	______	Nursing Care	______
Obstetrics	______	Shelter Care	______
Pediatrics	______	DD Adults*	______
Intensive Care	______	DD Children**	______
Acute Mental Illness	______	Chronic Mental Illness	______
Rehabilitation	______	Children's Medical Care	______
Neonatal Intensive Care	______	Children's Respite Care	______

*Includes ICF/DD 16 and fewer bed facilities; **Includes skilled pediatric 22 years and under

3. Chronic Renal Dialysis: Enter the number of ESRD stations: ______________________

4. Indicate (by placing an "X") those categories of service for which the facility is approved.

   _____ Cardiac Catheterization
   _____ Subacute Care Hospital Model
   _____ Selected Organ Transplantation
   _____ Open Heart Surgery
   _____ Kidney Transplantation
   _____ Postsurgical Recovery Care Center Model

5. Non-Hospital Based Ambulatory Surgery and Ambulatory Surgical Treatment Centers

   Indicate (by placing an "X") if the facility is a ☐ limited or ☐ multi-specialty facility and indicate the surgical specialties provided.

   _____ Cardiovascular
   _____ Dermatology
   _____ Gastroenterology
   _____ General/Other (includes any procedure that is not included in the other specialties)
   _____ Neurological
   _____ Obstetrics/Gynecology
   _____ Ophthalmology
   _____ Oral/Maxillofacial
   _____ Orthopedic
   _____ Otolaryngology
   _____ Plastic Surgery
   _____ Podiatry
   _____ Thoracic
   _____ Urology