UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

PROOF OF CLAIM

Indicate Debtor against which you assert a claim by checking the appropriate box. (Check only one Debtor per claim form.)

- ☐ Laboratory Partners, Inc. (Case No. 13-12769)
- ☒ Kilbourne Medical Laboratories, Inc. (Case No. 13-12771)
- ☐ MedLab Ohio, Inc. (Case No. 13-12772)
- ☐ Suburban Medical Laboratory, Inc. (Case No. 13-12773)
- ☐ Biological Technology Laboratory, Inc. (Case No. 13-12774)
- ☐ Terre Haute Medical Laboratory, Inc. (Case No. 13-12775)
- ☐ Pathology Associates of Terre Haute, Inc.(Case No. 13-12776)

NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property):
Kilbourne-Braun LLC

Name and address where notices should be sent:
Taft Stettinius & Hollister LLP
W. Timothy Miller, Esq.
425 Walnut Street, Suite 1800
Cincinnati, OH 45202

RECEIVED
JAN 30 2014
BMC GROUP

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.

Creditor Telephone Number (513) 357-9678 email: miller@taftlaw.com

THIS SPACE IS FOR COURT USE ONLY

Name and address where **payment** should be sent (if different from above):
Paul Kilbourne, Sr.
2200 Snyder Rd.
Batavia, OH 45103

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box to indicate that this claim amends a previously filed claim.
Court Claim Number (if known):
Filed on:

Payment Telephone Number (513) 319-9570 email: pkilbo1973@aol.com

1. AMOUNT OF CLAIM AS OF OCTOBER 25, 2013: $ 147,235.62

If all or part of your claim is secured, complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. BASIS FOR CLAIM: (See instruction #2) Damages and money owed under lease agreement

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:

3a. Debtor may have scheduled account as: (See instruction #3a)

3b. Uniform Claim Identifier (optional): (See instruction #3b)

4. SECURED CLAIM: (See instruction #4)

Check the appropriate box if your claim is secured by a lien on property or a right of set off, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff:
Describe:

☐ Real Estate ☐ Motor Vehicle ☐ Other

Value of Property: $

Annual Interest Rate: % ☐ Fixed or ☐ Variable
(when case was filed)

Amount of arrearage and other charges, as of time case filed, included in secured claim, if any: $

Basis for Perfection:

Amount of Secured Claim: $

Amount Unsecured: $

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.

Amount entitled to priority: $

You MUST specify the priority of the claim:

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Up to $2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use -11 U.S.C. § 507(a)(7).

☐ Wages, salaries, or commissions (up to $12,475*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ( ).

** Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment*

Laboratory Partners
00407

6. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)

7. SUPPORTING DOCUMENTS: *Attached are redacted copies of documents that support the claim,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. (See instruction #7, and definition of "redacted").

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

DATE-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 4:00 pm, Central Standard Time on February 3, 2014 for Non-Governmental Claimants OR on or before April 23, 2014 for Governmental Units.

BY MAIL TO:
BMC Group, Inc.
Attn: Laboratory Partners Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

BY MESSENGER OR OVERNIGHT DELIVERY TO:
BMC Group, Inc.
Attn: Laboratory Partners Claims Processing
18675 Lake Drive East
Chanhassen, MN 55317

8. SIGNATURE: (See instruction #8)

Check the appropriate box.

[X] I am the creditor. ☐ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information providedin this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Paul Kilbourne, Sr.
Title: Member
Company: Kilbourne-Braun LLP

Paul Kilbourne Sr. 1-28-14
(Signature) (Date)

Address and telephone number (if different from notice address above):
2200 Snyder Rd.
Batavia, OH 45103

Telephone number: (513) 319-9570
email: pkilbo1973@aol.com

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

LIST OF DEBTORS:

Debtor Name	Case Nbr
Laboratory Partners, Inc.	13-12769-PJW
Kilbourne Medical Laboratories, Inc.	13-12771-PJW
MedLab Ohio, Inc.	13-12772-PJW
Suburban Medical Laboratory, Inc.	13-12773-PJW
Biological Technology Laboratory, Inc.	13-12774-PJW
Terre Haute Medical Laboratory, Inc.	13-12775-PJW
Pathology Associates of Terre Haute, Inc.	13-12776-PJW

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

Court, Name of Debtor, and Case Number:
Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's full name, and the case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.

Creditor's Name and Address:
Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:
State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:
State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:
State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:
Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:
If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:
Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation and state, as of the date of the bankruptcy filing the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).
If any portion of your claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:
An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Supporting Documents:
Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:
The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

DEBTOR
A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

CREDITOR
A creditor is a person, corporation, or other entity to whom the debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101(10).

CLAIM
A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101(5). A claim may be secured or unsecured.

PROOF OF CLAIM
A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed in section #7 above.

SECURED CLAIM Under 11 U.S.C. §506(a)
A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

UNSECURED CLAIM
An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

CLAIM ENTITLED TO PRIORITY Under 11 U.S.C. §507(a)
Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

REDACTED
A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

EVIDENCE OF PERFECTION
Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

OFFERS TO PURCHASE A CLAIM
Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. §101 *et seq.*), and any applicable orders of the bankruptcy court.

Date-Stamped Copy
Return claim form and attachments, if any. If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the second page of this form.

Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.

Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com/LaboratoryPartners

SUMMARY OF PROOF OF CLAIM

This Proof of Claim (the "Claim") is filed by Kilbourne-Braun, LLC ("Landlord") for amounts owed under the Lease Agreement dated as of September 27, 2001, as amended, modified and supplemented by a First Amendment to Lease Agreement dated as of December 1, 2004, as amended, modified and supplemented by the Second Amendment to Lease Agreement dated as of September 5, 2013 (collectively, the "Lease"), attached as Exhibit "A," between Landlord and Kilbourne Medical Laboratories, Inc. (the "Debtor") for the real property and improvements located at 665 Ohio Pike, Cincinnati, Ohio 45245, as more particularly described in the Lease (the "Premises"). The Claim consists of the following: first half 2013 taxes totaling $14,885.62 (Exhibit "B") and $132,350 for repairs to the Premises which the Debtor failed to maintain as required by the Lease.

Pursuant to Paragraph 12 of the Lease, the Debtor is required, at its sole expense, to maintain the Premises in good order and repair, and in a safe, clean and attractive condition. The Debtor has failed to maintain the Premises as required under Paragraph 12 of the Lease and is responsible for the necessary repairs. An inspection of the Premises was done on November 26, 2013, a report of which is attached hereto as Exhibit "C." The report details the repairs necessary to return the Premises to good order and repair, including the repair of the following: spalling bricks at the rear walls; rusted and deteriorating rear steel doors; loose security and lighting wires; missing rivets on aluminum fascia; cracked, broken and missing ceramic tiles in the women's and men's bathrooms; loose carpet in the client service and billing areas; stained acoustic ceiling tiles throughout the structure; damaged carpet at the office entry; and deteriorating and cracked floor tiles in the south labs, halls and waiting areas.

Landlord obtained an estimate in order to make the necessary repairs, which is estimated between $124,800 and $139,900, attached as Exhibit "D." Landlord is including $132,350 in the Claim for the cost of repairs based on the Debtor's failure to maintain the Premises in breach of Paragraph 12 of the Lease. Landlord reserves the right to amend this Claim to assert additional amounts owed to Landlord by the Debtor based on the Debtor's failure to maintain the Premises in breach of Paragraph 12 of the Lease.

Landlord also reserves the right to assert a rejection damages claim should the Debtor reject this Lease in the bankruptcy.

The filing of this Claim is not: (a) a waiver or release of Landlord's rights against any person, entity or property, including without limitation, any other non-debtor third-parties who may have liability to Landlord for the goods or services provided or otherwise; (b) a waiver or release of any right or claim of Landlord arising out of any other claim, of any nature whatsoever, which Landlord has against the Debtor; (c) a waiver or release of any rights of Landlord under any provisions of the Bankruptcy Code or applicable non-bankruptcy law; (d) an election of any remedy to the exclusion, express or implied, of any other remedy; (e) a consent that this c laim is a debt which is subject to discharge in this or any other subsequent bankruptcy proceeding, (f) a ratification or consent to any obligations or liability based upon or arising out of any transactions between Landlord and the Debtor; (g) a waiver or release of any rights of Landlord to have any and all final orders in any and all noncore matters entered only after *de*

novo review by a United States District Court; (h) a waiver or release of any rights of Landlord to trial by jury in any proceeding as to any and all matters so triable; or (i) a waiver or release of any rights of Landlord to have the reference in this matter withdrawn by the United States District Court in any matter or proceeding subject to mandatory or discretionary withdrawal. All of such rights are hereby expressly reserved by Landlord, without exemption and with no purpose of confessing or conceding any of the foregoing in any way by this filing or by any other participation in this case.

Landlord hereby reserves the right to amend and/or supplement this Claim to add any additional expenses, damages and/or claims of whatever nature that it might have against the Debtor including any administrative expense claim.

LEASE AGREEMENT

THIS LEASE is made and entered into effective as of the 23rd day of Sept., 2001 (the "Commencement Date"), between KILBOURNE-BRAUN, LLC, an Ohio limited liability company, with its principal offices in Clermont County, Ohio (hereinafter referred to as "Landlord"), and KILBOURNE MEDICAL LABORATORIES, INC., an Ohio corporation, with its principal offices in Clermont County, Ohio (hereinafter "Tenant").

W I T N E S S E T H

FOR AND IN CONSIDERATION of the mutual covenants and agreements herein contained, the parties hereto do hereby covenant and agree as follows:

1. **Real Property and Premises** Landlord hereby leases to Tenant, and Tenant takes and hires from Landlord, those certain premises, consisting of approximately 2.9248 acres (net 2.2806 acres), located at 665 Ohio Pike, County of Clermont, State of Ohio, as more particularly described in Exhibit "A" attached hereto (the "Real Property"), together with the building and other improvements constructed thereon, the non-exclusive right to the use of all common areas (as hereinafter defined), easements and appurtenances belonging or in any way appertaining thereto, whether public or private, and all rights of Landlord in and to any public or private thoroughfares or roadways abutting the above-described property (all of the foregoing, together with the Real Property, are hereinafter referred to as the "Premises").

2. **Use**

2.1 **Permitted Uses** Tenant may use the Premises for the operation of a medical office and laboratory, and for no other purpose without Landlord's prior written consent, which shall not be unreasonably withheld.

2.2 **Prohibited Uses** Tenant shall not use or permit the Premises or any part thereof, to be used in any manner which violates federal, state or local laws or ordinances.

3. **Term** The Initial Term of this Lease shall commence on the Commencement Date, and shall end twenty (20) years after the first day of the first calendar month coinciding with or next following the Rent Commencement Date (as hereinafter defined), unless extended pursuant to the terms hereof or unless sooner terminated as hereinafter provided. The Rent Commencement Date shall be the earlier of the following: (a) thirty (30) days after the date hereof; or (b) the first date Tenant is open for business to the public. Once this date has been determined, Landlord and Tenant shall execute a written document setting forth the agreed upon Rent Commencement Date.

4. **Renewal Options** Landlord hereby grants to Tenant the right to extend the Initial Term of this Lease for four (4) Renewal Terms of five (5) years each, subject to the same covenants and conditions herein contained. Each option shall be exercisable by written notice to Landlord, given at least one hundred twenty (120) days prior to the time that the Term of this Lease would otherwise have expired. Landlord shall provide written notice of the expiration of the Term of this Lease to Tenant at least one hundred fifty (150) days prior to the time that the Term of this Lease is due to expire. In the event that Landlord does not provide such notice within the time period specified, Tenant shall have thirty (30) days after receipt of such notice from Landlord within which to exercise its option to renew as provided hereunder. At Landlord's option, any renewal notice shall be void if at the time of giving such notice, Tenant is in material default under this Lease after any

applicable notice and grace periods. As used in this Lease, the "Term" of the Lease means the Initial Term and any applicable Renewal Term(s).

5. **Rent** During the Initial Term of this Lease, and any extension of same, Tenant shall monthly pay to Landlord at the office of Landlord, or at such other place designated by Landlord, without any prior demand therefor, Rent in an amount sufficient to pay all mortgage payments due in connection with the financing of Landlord's acquisition and initial renovation of the Premises, together with all other costs associated with Landlord's ownership of the Premises. Landlord and Tenant estimate that this monthly Rent payment shall be approximately one hundred fifteen percent (115%) of the monthly mortgage payment, but this percentage may be adjusted between Landlord and Tenant in good faith to ensure that the Rent actually paid approximates the aggregate of such mortgage payments and costs. Landlord shall notify Tenant as soon as practicable of any change in the Rent amount. All Rent shall be payable in advance in equal monthly installments due on or before the first (1st) day of each calendar month of each year during the Term of this Lease; provided, however, that if the Rent Commencement Date is other than the first day of a calendar month, any Rent due for a partial month preceding the first day of the first full calendar month after the Rent Commencement Date shall be pro rated from the Rent Commencement Date and added to the first full month's Base Rent and paid along with the first full month's Rent. Any other sums due hereunder and not otherwise defined shall be deemed Additional Rent, and the term "Rent" shall include Rent and/or Additional Rent, as the context may require.

6. **Alterations to Premises** Tenant shall be entitled, at its own cost and expense, to make non-structural alterations and additions to the Premises in connection with the operation of its business therein; provided, however, that all such work complies with the applicable laws and restrictions of record, and further provided that the same does not reduce the fair market value of the Premises. Tenant may make structural alterations to the Premises, at its cost and expense, with the prior written consent of Landlord, which consent shall not be unreasonably withheld.

7. **Trade Fixtures, Machinery and Equipment and Signage** Tenant shall have the right, without Landlord's consent, to erect, install, maintain and operate on the Premises such usual trade fixtures and equipment as Tenant may deem advisable. It is mutually agreed that with respect to the usual trade fixtures and equipment, including without limitation, refrigerating equipment, which may be installed in the Premises by Tenant prior to, or during the Term hereof, such trade fixtures and equipment shall not be deemed to become part of the Premises but shall remain chattels and the sole and exclusive property of Tenant regardless of how affixed to the Premises. Tenant shall have the right, at any time during the Term hereof or within ten (10) days after the expiration of the Term hereof, to enter upon and remove from the Premises any of Tenant's equipment or trade fixtures. All damage caused to the Premises by such removal shall be repaired by Tenant within thirty (30) days after removal; provided, however that no such property shall be removed if such removal would cause permanent injury to the building structure. Tenant shall also have the right to erect a sign on the Premises to advertise the location and operation of Tenant's business thereon, provided that the same shall be constructed in accordance with all applicable laws and regulations and any instrument of record applicable to the Real Property.

8. **Use of Common Drives and Utilities**

8.1 **Ingress, Egress and Parking** Landlord hereby gives and grants to Tenant, its sublessees, assignees, successors, guests, customers, invitees, and employees, at all times during the Term of this Lease, all of Landlord's rights, if any, for and to the non-exclusive use of all driveways, sidewalks or parking areas appurtenant to the Premises, together with curb cuts and approaches to and from abutting alleys, streets, roads and highways whether public or private,

now constructed or existing, or as they may hereafter be changed, for parking and for ingress to and egress from the Premises, and the aforesaid alleys, streets, roads and highways (whether public or private).

8.2 Utilities Landlord hereby gives and grants to Tenant, its sublessees, assignees, successors, guests, customers, invitees, and employees, at all times during the Term of this Lease, all of Landlord's rights, if any, for and to the non-exclusive use of the utility connections and portions of the common areas designated for purposes of connecting utility services to the Premises; provided that Tenant shall coordinate all utility connections with Landlord and shall promptly repair any damage resulting from such connections.

9. Payment for Utilities Tenant shall pay prior to delinquency all charges for utilities used and all utility taxes on the Premises during the Term of this Lease. Tenant shall pay or cause to be paid, and shall hold Landlord harmless from, all charges for obtaining and furnishing gas, electricity, water, telephone service, sewage and sewage lines and other public utilities to said Premises during the Term of this Lease.

10. Real Estate Taxes and Assessments

10.1 Tenant to Pay Taxes Tenant shall pay all taxes and general assessments and all other charges of any description levied or assessed hereafter and through the Term of this Lease, by any governmental agency or entity, on or against the Premises, the Leasehold interest in said Premises, or any improvements on said Premises, but excluding any interest or penalties associated with Landlord's failure to timely pay the same ("Real Estate Taxes"). Tenant shall pay such Real Estate Taxes directly to the taxing authority, and shall protect and hold harmless Landlord, the Premises and all improvements thereon from all liability from any and all such Real Estate Taxes, assessments and charges, together with any interest, penalties or other sums imposed and from any sale or other proceeding to enforce payment thereof. All Real Estate Taxes assessed prior to but payable in whole or in installments after the Commencement Date, and all Real Estate Taxes assessed during the Term but payable in whole or in installments after the Term, shall be adjusted and prorated, so that the Landlord shall pay its prorated share for the periods preceding and following the Term of this Lease and Tenant shall pay its prorated share for the Term of this Lease.

10.2 Right to Contest Taxes Tenant, at its option, shall have the right, at its own cost and expense and for its sole benefit, to initiate and prosecute any proceedings permitted by law for the purpose of obtaining an abatement of or otherwise contesting the validity or amount of Real Estate Taxes assessed to or levied upon the Premises and required to be paid by Tenant hereunder and to defend any claims for liens that may be asserted against Landlord. If required by law, Tenant may take such action in the name of Landlord, who shall cooperate with Tenant to such extent as Tenant may reasonably require, to the end that such proceedings may be brought to a successful conclusion; provided, however, that Tenant shall fully indemnify and save Landlord harmless from all loss, cost, damage and expense incurred by or to be incurred or suffered by Landlord.

11. Indemnity and Insurance

11.1 Indemnity To the extent not covered by insurance and permitted by law, Tenant shall and does hereby indemnify Landlord and save it harmless and, at Landlord's option, shall defend it from and against any and all claims, actions, damages, liability and expense, including attorney's and other professional fees, in connection with the loss of life, personal injury

and/or damage to property of third parties arising from or out of the occupancy, use, maintenance, service or repair by Tenant of the Premises, occasioned by any willful or negligent act or omission of Tenant, its officers, agents, representatives, contractors or employees. Notwithstanding the above, Landlord shall not be relieved of liability for any loss, damage or injury arising from or out of the willful or negligent act or omission of Landlord, its officers, agents, employees, licensees, contractors or invitees, and Tenant shall have no obligation to indemnify, defend or hold Landlord harmless for any such loss, damage or injury to person or property.

11.2 Tenant's Liability Insurance Tenant shall, at its sole expense, secure promptly after execution of this Lease and maintain during the entire Term of this Lease a policy of comprehensive public liability insurance with reference to the Premises covering Tenant and Landlord as their interests may appear, designating Landlord as an "additional insured" in amounts not less than:

(a) Two Million ($2,000,000.00) Dollars combined single limit for injury to or death of one or more persons as a result of any one accident or incident; and

(b) Five Hundred Thousand ($500,000.00) Dollars for damage to or destruction of any property of others.

11.3 Fire and Casualty Insurance Tenant, at its sole cost and expense, shall keep the building and improvements located on the Premises insured against loss or damage by fire, with extended coverage, to the extent of the full replacement value thereof (exclusive of the cost of excavation, foundations, and footings). Any loss payable under such insurance shall be payable to Tenant or Landlord as their interests may appear, and if paid to Landlord shall be used for the repair and reconstruction of the Premises as provided in Section 13. Further, Tenant, at its sole cost and expense, shall keep its leasehold improvements, inventory, fixtures, furniture, equipment and other personal property located in the Premises insured against loss or damage by fire, with extended coverage, to the extent of the full replacement value thereof, and any loss payable under such insurance shall be payable to Tenant. Tenant shall be entitled to maintain a deductible for said insurance as it may determine in its reasonable judgment.

11.4 Proof of Coverage Tenant shall annually provide Landlord with proof of the existence of the insurance required to be carried hereunder. Further, these policies shall contain a provision that they cannot be canceled or amended, insofar as it relates to the Premises, without at least ten (10) days prior notice to Landlord.

11.5 Policy Type Tenant may carry all such insurance required hereunder under a "blanket" policy covering other locations owned or leased by Tenant and/or under either a single policy or a combination of an underlying and "excess" or "umbrella" policies. All insurance required to be carried hereunder shall be with a company of recognized standing, licensed to do business in the state in which the Premises are located.

11.6 Waiver of Subrogation The parties hereby waive any and all claims for damage to or destruction of any improvements or personal property upon the Premises or common areas (whether or not resulting from negligence) which is covered by the insurance which Tenant is obligated to carry under the terms of this Lease. Tenant shall take such actions as are necessary to procure any waivers or riders to such insurance policies so that such coverage will not be impaired or limited by application of this Section.

12. Maintenance and Repairs At all times during the Term of this Lease, Tenant shall, at its sole expense, keep and maintain the Premises in good order and repair and in a safe, clean and attractive condition, ordinary wear and tear excepted. Tenant shall not commit, or suffer to be committed, any waste upon the Premises, or any nuisance or illegal act.

13. Damage and Destruction

13.1 Landlord's Obligation to Repair and Reconstruct If the Premises shall be damaged by fire, the elements, accident or other casualty (any of such causes being referred to herein as a "Casualty"), and Tenant shall not terminate this Lease pursuant to Section 13.2 below, Landlord shall promptly cause such damage to be repaired. All such repairs shall be made at the expense of Landlord, provided such repairs are covered by insurance, but Landlord shall not be required to perform any work beyond that required to repair the building and other improvements located on the Premises and to make the Premises again tenantable and in a condition equal to or better than prior to the Casualty. Landlord shall not be liable for interruption of Tenant's business or for damage to or replacement or repair of Tenant's personal property (including without limitation, inventory, trade fixtures, furniture and other property removable by Tenant under the provisions of this Lease) or to any leasehold improvements installed by or on behalf of Tenant unless such items are covered by insurance.

13.2 Option to Terminate If the Premises are (a) rendered wholly untenantable, and cannot reasonably be repaired within one hundred eighty (180) days of the date of the Casualty, or (b) damaged and rendered wholly untenantable by any cause which is not covered by insurance, then, in either of such events, either Landlord or Tenant may elect to terminate this Lease by giving the other written notice of termination, notice of such election to be given within thirty (30) days after the occurrence of the Casualty. If such notice is given, the rights and obligations of the parties shall cease as of the date of such notice, and Rent shall be adjusted as of the date of such casualty.

14. Eminent Domain

14.1 Total Taking If substantially all of the Premises shall be taken by any public or quasi-public authority under the power or threat of eminent domain, then the Term of this Lease, at the election of Tenant, shall terminate as of the date possession shall be taken by such authority. In the event of such termination of the Lease, Tenant shall be entitled to claim in the condemnation proceedings an amount equal to the appraised value of all leasehold improvements made by or at the cost of Tenant during the Term of this Lease. In addition, Tenant shall be entitled to claim any award for diminution in value of its Leasehold hereunder. Landlord shall be entitled to the remainder of the award as set forth in Landlord's agreement with the condemning authority or as determined by a court of competent jurisdiction. Landlord and Tenant shall each have the right to contest such appraised value and to make such additional claims as the parties deem appropriate. Awards for business interruption and good will shall be the sole property of Tenant.

14.2 Partial Taking If less than substantially all of the Premises shall be taken (or if substantially all of the Premises shall be taken, but Tenant elects not to terminate this Lease) this Lease shall not terminate and Landlord shall promptly reconstruct and restore the remainder of the Premises to a complete architectural unit in a condition equal to or better than prior to the taking, such reconstruction and restoration to be completed as quickly as practicable but in no event later than 180 days after the date of the taking. In the event that the Lease shall not terminate as herein provided, Tenant shall be entitled to claim in the condemnation proceedings an amount equal to the appraised value of all leasehold improvements made by or at the cost of Tenant during the Term of this Lease, provided that Tenant shall apply such award to the repair and restoration of its leasehold

improvements located in the Premises. In addition, Tenant shall be entitled to claim any award for diminution in value of its Leasehold hereunder. The remainder of the award shall be paid to Landlord; provided that Landlord shall apply such award to the repair and restoration of the Premises. Awards for business interruption to Tenant's business shall be the sole property of Tenant. If this Lease is not terminated as provided herein, then the Rent payable by Tenant hereunder after such taking shall be reduced in proportion to the amount of square footage taken from the Premises.

14.3 "Substantially All" For purposes of this Section, "substantially all" of the Premises shall be deemed to have been taken if (i) any portion of the building constructed on the Real Property shall be taken, (ii) more than fifteen percent (15%) of the parking spaces on the Premises are taken, or (iii) if ingress to or egress from the Premises is taken.

14.4 Effect of Termination If this Lease is terminated as the result of any taking, all rent and other charges payable by Tenant to Landlord hereunder and attributable to the Premises taken shall be paid up to the date of such taking, and the parties shall thereupon be released from all further liability in relation thereto. All prepaid rent attributable to the Premises taken shall be returned to Tenant.

15. Environmental Compliance and Indemnification

15.1 Tenant Representations, Warranties and Covenants Tenant hereby represents, warrants and agrees to the following:

(a) Tenant will not use the Premises for the generation, use, manufacture, recycling, transportation, treatment, storage, discharge or disposal of any hazardous, toxic or polluting substance or waste (including petroleum products and radioactive materials) ("Hazardous Substances") or for any use which poses a risk of damage to the environment, and will not engage in any activity which could subject Landlord to any liability under Environmental Laws (as defined below). Notwithstanding the foregoing, Tenant shall be permitted to use upon and store at the Premises such commercial cleaners, solvents and the like as are normal and reasonable for Tenant's business operations.

(b) Tenant will comply with all applicable environmental statutes, rules, regulations and orders of any federal, state or municipal government ("Environmental Laws") in effect at any time during the term of this Lease; obtain in its own name any and all environmental permits, registrations, licenses, authorizations, approvals or identification numbers required or desirable under Environmental Laws ("Environmental Permits") as are necessary for its operations; and comply with all such Environmental Permits.

(c) Tenant will assume full responsibility for reporting any release, spill, leak, discharge, disposal, pumping, pouring, emission, emptying, injecting, leaching, dumping, or escaping of any Hazardous Substances (a "Release"), or any threat of a Release, at the Premises, but only to the extent that the same is caused by Tenant, its employees, representatives, agents, contractors or customers (a "Tenant Release"), and shall report any such Tenant Release or threat thereof to the appropriate environmental agencies and immediately provide notice of such Tenant Release or threat thereof to Landlord. Tenant will assume full responsibility for any investigation, clean-up or other action required in relation to any Tenant Release or threat thereof, and will indemnify and hold Landlord harmless for any claims, costs or expenditures in relation thereto. Tenant will take all necessary precautions to avoid any Tenant Releases or threats thereof.

(d) Tenant will take no action which could result in a lien being imposed on the Premises by the state or federal government under any Environmental Law.

(e) Tenant will not install any Hazardous Substance storage tank, asbestos containing materials nor polychlorinated biphenyl ("PCB") containing equipment at the Premises without the advance written permission of Landlord.

(f) Tenant will take no action which could require Landlord to include in the deed to the property on which the Premises are located a notice of disposal/release of Hazardous Substances at the site.

15.2 Landlord Representations, Warranties and Covenants Landlord hereby represents, warrants and agrees to the following:

(a) To the best of Landlord's knowledge, no unresolved notice, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or threatened by any governmental or other entity or any other party: (i) with respect to any alleged violation of any Environmental Laws applicable to its ownership of or activities at the Real Property by the Landlord or its affiliates or, to Landlord's knowledge, by anyone else in relation to the Real Property; or (ii) with respect to any alleged failure to have any Environmental Permit in connection with the Real Property; or (iii) with respect to any Hazardous Substances at, on, in, under or emanating from the Real Property.

(b) To the best of Landlord's knowledge, neither Landlord nor any other party has received any request for information, notice of claim, demand or notification that it or they are or may be potentially responsible with respect to any investigation or clean-up of any threatened or actual Release of any Hazardous Substance at, on, in, under or emanating from the Real Property.

(c) To the best of Landlord's knowledge, (i) no PCBs or asbestos-containing materials are present at the Real Property, (ii) there are no underground storage tanks, active or abandoned, at the Real Property, and (iii) no Hazardous Substance has been Released at, on, in, under, about or from the Real Property.

(d) No oral or written notification of a Release or threat of Release of a Hazardous Substance has been filed by the Landlord or, to Landlord's knowledge, any other party in relation to the Real Property, nor, to the best of Landlord's knowledge, is the Real Property listed or proposed for listing on the National Priority List promulgated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"), on the Comprehensive Environmental Response, Compensation and Liability Information System ("CERCLIS") or on any similar state list of sites requiring investigation or clean-up.

(e) To the best of Landlord's knowledge, there are no environmental liens on the Real Property and no government actions have been taken or are in process or pending which could subject the Real Property to such liens.

(f) To the best of Landlord's knowledge, no consent, approval or authorization of, or registration or filing with any person, including any environmental governmental authority or regulatory

agency, is required in connection with the execution and delivery of this Lease or the commencement of Tenant's occupancy of the Premises as contemplated hereby.

(g) To the best of Landlord's knowledge, there have been no environmental inspections, investigations, studies, audits, tests, reviews or other analyses conducted in relation to the Real Property which have not been provided to Tenant.

(h) Landlord knows of no facts or circumstances related to environmental matters concerning the Real Property that could lead to any future environmental claims, liabilities or responsibilities against Landlord or Tenant.

(i) Landlord will comply in all material respects with all Environmental Laws applicable to its ownership of or activities at the Real Property during the term of this Lease.

(j) Landlord, at its sole expense, shall, in full compliance with all Environmental Laws, expeditiously remove or cause to be removed from the Real Property any contamination encountered during the construction or installation of its facilities at the Premises.

(k) Landlord shall cooperate with and assist Tenant with any actions necessary or required (i) to transfer any permit, consent or approval applicable to the Premises or Tenant's operations to Tenant, and (ii) to obtain any permit, consent or approval necessary for Tenant to construct and operate its facilities at the Premises.

(l) Landlord will make any required report of any Release or threat of Release of any Hazardous Substance caused by its activities at the Real Property and will assume responsibility for any investigation, clean-up or other action to the extent based on such Release or threat of Release.

15.3 Tenant Indemnification and Waiver Tenant does hereby agree to indemnify and save harmless Landlord from all losses, costs, damages and expenses (including fines, penalties, and attorneys' fees) resulting from any claim, demand, liability, obligation, right or cause of action, including, but not limited to, governmental action (collectively, "Claims") that are asserted against or incurred by Landlord or the Premises (a) as a result of Tenant's breach of any representation, warranty, or covenant hereof; or (b) arising out of the operations or activities or presence of Tenant, its employees, representatives, agents, contractors or customers at the Premises ("Tenant's Indemnified Matters").

15.4 Landlord Indemnification and Release Landlord does hereby agree to indemnify and save harmless Tenant from all Claims that are asserted against or incurred by Tenant or the Premises as a result of Landlord's breach of any representation, warranty or covenant hereof. Landlord hereby waives and releases Tenant from any and all Claims, known and unknown, foreseen or unforeseen, which exist or which may arise under common or statutory law, including CERCLA or any other statutes now or hereafter in effect, other than those arising as the result of Tenant's Indemnified Matters.

16. Subletting And Assignment

16.1 Prohibition Subject to the provisions of Section 17 hereof, Tenant shall not assign this Lease, in whole or in part, nor sublet all or any part of the Premises, nor license concessions or lease departments therein, without first obtaining the consent of Landlord which shall not be unreasonably withheld. This prohibition includes any subletting or assignment which would

otherwise occur by operation of law under any federal or state bankruptcy, insolvency or other similar proceedings. Consent by Landlord to any assignment or subletting shall not constitute a waiver of the requirement for such consent to any subsequent assignment or subletting. Notwithstanding the foregoing, Tenant shall have the right, from time to time, and at any time, to assign or sublet all or any part of the Premises to (a) any corporation or entity controlled by or under common control with Tenant or (b) any corporation into which Tenant is merged or consolidated, without the prior consent of Landlord and without any additional payment to Landlord, and any such person or entity shall have the same right to assign or sublease as contained herein. Landlord hereby acknowledges and agrees that, in the event of any such assignment or subletting, Landlord shall accept payment of rent reserved in any such sublease directly from Tenant's sublessee or assignee as agent for Tenant, and shall credit the amount so received toward the Rent reserved in this Lease. Landlord further agrees that, in the event Tenant's sublessee or assignee shall fail or neglect to pay Rent, as provided above, or to perform or observe any of the other terms and conditions of this Lease, Landlord shall notify both Tenant and sublessee or assignee in writing of such default and shall give Tenant five (5) additional days time, beyond that provided for in this Lease, within which to cure a default for nonpayment of Rent, or commence to cure a default for other non-performance, as the case may be.

16.2 Liability of Tenant Continues Tenant agrees that no sublease, assignment or transfer of this Lease or any interest therein shall serve as a release of Tenant from its duties and liabilities hereunder, including the payment of Rent, unless the provisions of this Lease shall thereafter, without Tenant's consent, be renewed or amended in a manner to increase the liability of Tenant in any significant respect, in which case Tenant shall be released from liability hereunder.

17. Encumbrance of Leasehold Estate

17.1 Permitted Encumbrances Tenant may, at any time and from time to time during the Term of this Lease, encumber to any person or entity (hereinafter called "Lender"), by deed of trust, mortgage, assignment or other security instrument (hereinafter called the "Assignment"), Tenant's interest under this Lease in the leasehold estate hereby created in Tenant. However, Tenant may not enter into any Assignment that will constitute in any way a lien or encumbrance on the fee of said Premises or any interest of Landlord in said Premises. At the request of Tenant, Landlord shall execute or otherwise join in any such Assignment, provided that the same shall not constitute a lien or encumbrance on, or an interest in, Landlord's fee interest in said Premises.

17.2 Notice to and Service on Lender In the event Tenant enters into an Assignment pursuant to Section 17.1 of this Lease, Landlord shall mail to such Lender a duplicate copy of any and all notices of default Landlord may, from time to time, give to or serve on Tenant pursuant to or relating to this Lease. Tenant shall, at all times, keep Landlord informed in writing of the name and mailing address of any Lender, and any changes in any such Lender's mailing address. Any notices or other communications permitted or required by this or any other section of this Lease or by law to be served on or given to Lender by Landlord shall be deemed duly served or given to the Lender when sent by any method permitted by Section 28 of this Lease, addressed to Lender at the last mailing address for Lender furnished in writing to Landlord by Tenant or Lender.

17.3 Rights of Lender Should Tenant enter into an Assignment pursuant to Section 17.1 of this Lease, the Lender having such Assignment shall have the right at any time during the Term of this Lease and the existence of the Assignment to:

(a) Do any act or thing required of Tenant under this Lease, and any such act or thing done and performed by Lender shall be as effective to prevent a forfeiture of Tenant's rights under this Lease as if done by Tenant itself;

(b) Accept a conveyance of Tenant's interest in this Lease upon Tenant's bankruptcy or dissolution, in lieu of foreclosure and without the necessity of commencing foreclosure proceedings;

(c) Realize on the security afforded by the leasehold estate by exercising foreclosure proceedings or power of sale or other remedy afforded at law or in equity or by the Assignment and without the need to obtain Landlord's consent, to:

(i) Transfer, convey or assign the title of Tenant in and to the leasehold estate created by this Lease to any purchaser at any foreclosure sale; and

(ii) Acquire and succeed to the interest of Tenant under this Lease by virtue of any foreclosure sale.

17.4 Foreclosure in Lieu of Curing Default Notwithstanding any other provision of this Lease, a Lender under an Assignment incurred by Tenant pursuant to Section 17.1 of this Lease may forestall termination of this Lease by Landlord for a default under or a breach of this Lease by Tenant by commencing proceedings to foreclose the Assignment of the Leasehold estate created by this Lease. The proceedings shall not, however, forestall termination of this Lease by Landlord for the default or breach by Tenant unless:

(a) They are commenced within thirty (30) days after service on Lender of the notice described in Section 17.2 of this Lease;

(b) They are, after having been commenced, diligently pursued to completion in the manner required by law; and

(c) Lender keeps and performs all of the terms, covenants and conditions of the Lease requiring the payment or expenditure of money by Tenant until the foreclosure proceedings are complete or are discharged by redemption, satisfaction, payment or conveyance of the leasehold estate to Lender, including curing all outstanding defaults by Tenant.

18. Subordination and Attornment

18.1 Subordination Landlord shall have the right, at any time or from time to time during the Term of this Lease, as security for any indebtedness owed by it, to create an encumbrance against its estate in the Premises or any part thereof, and, without further action by either of the parties hereto, this Lease, and the leasehold estate of Tenant created hereby, shall be subject and subordinate to such encumbrance; provided, however, that, so long as Tenant, its successors and assigns, shall keep and perform all requisite terms, covenants and conditions of this Lease, neither the holder of the indebtedness secured thereby, nor any other person, shall, in attempting to enforce collection of said indebtedness or to realize upon such security, have any power to impair, modify, abrogate or adversely affect the rights of Tenant, its successors and assigns, under this Lease, to the full enjoyment of the entire Term hereof, including any options to extend.

18.2 Attornment If any person shall succeed to all or part of Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, Tenant shall attorn to such successor in interest and shall execute such agreement in confirmation of such attornment as such successor in interest shall reasonably request; provided, however, that such successor in interest agrees to be bound by and subject to all of the terms and conditions of this Lease.

19. Estoppel Certificates

19.1 Execution and Delivery Within ten (10) days after each request by Landlord or Tenant is received by the other party, such party shall deliver an Estoppel Certificate to the requesting party. The Estoppel Certificate shall be in writing, shall be executed on behalf of such party by persons having appropriate authority, and shall be made in favor of the requesting party or any other person specified by the requesting party.

19.2 Contents Each Estoppel Certificate shall contain information including, but not limited to the following, to the extent that the same is true and accurate as of the date of such certificate:

(a) Whether Tenant is in possession of the Premises;

(b) Whether this Lease is in full force and effect and whether it has been modified;

(c) Whether Landlord or Tenant contends that the other party is in default under this Lease in any respect; and

(d) The dates, if any, to which any Rent charges have been paid in advance.

20. Tenant's Default

20.1 Events of Default Any one or more of the following shall be considered an Event of Default hereunder:

(a) Failure of Tenant to pay any Rent or any part thereof due hereunder for a period of ten (10) days after receipt of written notice of such non-payment from Landlord;

(b) Tenant remaining in default in the performance of any covenant, condition or agreement contained in this Lease for more than thirty (30) days after having been given written notice of such default by Landlord (provided, that if such event of default is of a nature which cannot reasonably be cured within such 30 day period and Tenant, in good faith, has commenced to cure such default within such thirty day period and diligently pursues such cure to completion, then Tenant shall not be considered in default hereunder);

(c) Tenant's admission in writing of its inability to pay its debts when due;

(d) The appointment of a receiver or trustee for a material part of the business or property of Tenant unless such appointment shall be vacated within thirty (30) days of its entry;

(e) The commencement of a case against Tenant under any chapter of federal bankruptcy or similar state law (unless the same is dismissed within ninety (90) days), the making by Tenant of an assignment for the benefit of its creditors, or if in any other manner Tenant's

interest in this Lease shall pass to another by operation of law (other than as permitted herein); or

(f) The vacation or abandonment of the Premises by Tenant, or the cessation of Tenant's business operations thereon, other than for temporary periods of reasonable length for the purpose of remodeling the Premises or repairing the same after any casualty.

20.2 Remedies Upon the occurrence and continuance of an Event of Default, Landlord, without notice to Tenant in any instance (except where expressly provided for below) may do any one or more of the following:

(a) Landlord may perform, on behalf of and at the expense of Tenant, any obligation of Tenant under this Lease which Tenant has failed to perform and of which Landlord shall have given Tenant notice, the cost of which performance by Landlord, together with interest thereon at ten percent (10%) per annum from the date of such expenditure, shall be deemed Additional Rent and shall be payable by Tenant to Landlord upon demand.

(b) Landlord may elect to terminate this Lease and the tenancy created hereby by giving notice of such election to Tenant, and may re-enter the Premises, by summary proceedings or otherwise (other than through a breach of the peace), and may remove Tenant and all other persons and property from the Premises, and may store such property in a public warehouse or elsewhere at the cost of and for the account of Tenant without resort to legal process and without Landlord being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby.

(c) Landlord may exercise any other legal or equitable right or remedy which it may have. Notwithstanding anything else herein, Landlord shall have no right to any equitable relief or remedy which would require Tenant to continue to operate a business on the Premises, and, as consideration for Tenant entering into this Lease, Landlord hereby expressly waives any rights it may have to such a remedy.

20.3 Damages If this Lease is terminated by Landlord pursuant to Section 20.2, Tenant shall nevertheless remain liable for any Rent and damages which may be due or sustained prior to such termination, and all reasonable costs, fees and expenses, including, but not limited to, attorney's fees, costs and expenses incurred by Landlord in pursuit of its remedies hereunder, or in renting the Premises to others from time to time (all such Rent, damages, costs, fees and expenses being referred to herein as "Termination Damages") and additional damages (the "Liquidated Damages"), which, at the election of Landlord shall be either:

(a) an amount or amounts equal to the Rent which, but for termination of this Lease, would have become due during the remainder of the Term (excluding any unexercised Renewal Terms), less the amount or amounts of Rent, if any, which Landlord shall receive during such period from others to whom the Premises may be rented (other than any Additional Rent received by Landlord as a result of any failure of such other person to perform any of its obligations to Landlord), in which case such Liquidated Damages shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following termination of the Lease and continuing until the date on which the Term would have expired but for such termination (excluding any unexercised Renewal Terms), and any suit or action brought to collect any such Liquidated Damages for any month shall not in any manner prejudice the right of Landlord to collect any Liquidated Damages for any subsequent month by a similar proceeding; or

(b) an amount equal to the present worth (as of the date of such termination) of Rent which, but for the termination of this Lease, would have become due during the remainder of the Term (excluding any unexercised Renewal Terms), less the fair rental value of the Premises, as determined by an independent real estate appraiser named by Landlord, in which case such Liquidated Damages shall be payable to Landlord in one lump sum on demand and shall bear interest at ten percent (10%) per annum until paid. For purposes of this Section 20.3(b), "present worth" shall be computed by discounting such amount to present worth at a discount rate equal to one percentage point higher than the discount rate then in effect at the Federal Reserve Bank located nearest to the Premises.

20.4 Mitigation of Damages If this Lease is terminated pursuant to Section 20.2, Landlord with due haste and diligence shall endeavor to relet the Premises or any part thereof, alone or together with other premises, for such term or terms (which may be greater or less than the period which otherwise would have constituted the balance of the Term) and on such terms and conditions (which may include concessions or free rent and alterations to the Premises) as Landlord, in its uncontrolled discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished by reason of, any failure by Landlord to relet the Premises or any failure by Landlord to collect any rent due upon such reletting, provided that Landlord is acting in good faith.

20.5 Lender's Right to Cure In the event of the execution of an encumbrance of the Premises by Tenant pursuant to Section 17, the Lender may, at any time before the rights of Tenant shall have been forfeited to Landlord, pay any part of any Rent due hereunder, or effect any insurance or pay any taxes and assessments or make any repairs in improvements or make any deposits or do any act or thing required of Tenant by the terms of this Lease, or due any act or thing which may be necessary and proper to be done in the observance of the covenants and conditions of this Lease; and all payments so made and things so done and performed by said Lender shall be as effective to prevent a forfeiture of Tenant's rights hereunder, as if the same would have been done and performed by Tenant instead of Lender.

20.6 Remedies Cumulative Except as set forth in Section 20.2(c), no reference to any specific right or remedy shall preclude Landlord or Tenant from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled at law or in equity. No failure by Landlord to insist upon the strict performance of any agreement, term, covenant or condition hereof, or to exercise any right or remedy upon a breach thereof, and no acceptance of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach, agreement, term, covenant or condition.

21. Landlord's Default If Landlord shall fail to perform any obligation under the terms of this Lease, Landlord shall be in default of this Lease, and, should such default continue for thirty (30) days after written notice thereof from Tenant is received by Landlord without Landlord's having commenced to cure said default and Landlord's exercising diligent efforts to complete the curing of said default, Tenant may: (a) cure the same and demand the cost of curing such default from Landlord, which sums will be paid by Landlord within thirty (30) days of receipt of demand therefor; (b) cure the same and deduct the cost of curing such default from any future payments of Rent hereunder; and/or (c) seek any remedies Tenant may have against Landlord at law or in equity. If any representation, warranty or certification of Landlord herein shall prove to have been inaccurate at the time the same was made, Landlord shall be in default of this Lease, and Tenant shall be entitled to seek any damages or other remedies which Tenant may have against Landlord at law or in equity.

22. **Holding Over** In the event Tenant remains in possession of the Premises after the expiration of the Term hereof, including any extensions of the Term, and without the execution of a new Lease, then Tenant shall occupy the Premises as a Tenant from month-to-month at the Rent in effect immediately prior to such expiration, subject to all the conditions of this Lease insofar as the same shall be consistent with such a tenancy.

23. **No Joint Venture** Any intention to create a joint venture or partnership relationship between the parties hereto is expressly disclaimed.

24. **Waivers** The failure of either party hereto to insist on a strict performance of any of the terms and conditions hereof shall not be deemed a waiver of the rights or remedies that party may have regarding any subsequent breach or default of any terms and conditions.

25. **Recording** Landlord and Tenant shall execute a memorandum or "short form" of this Lease for purposes of, and in a form suitable for, being recorded. The memorandum or "short form" of this Lease shall describe the parties, set forth a description of the Premises, specify the Term of this Lease and such other terms and conditions hereof as the parties mutually agree upon, and shall incorporate this Lease by reference.

26. **Rights of Parties** Each and every provision of this Lease shall bind and inure to the benefit of the parties hereto, their legal representatives, heirs, successors and assigns, but nothing in this Section shall be construed as a consent by Landlord to any assignment of this Lease or any interest therein by Tenant except as provided in Section 16, above.

27. **Interpretation** The captions and section headings contained herein are for convenience and ready reference and shall not be construed to limit, modify or alter the sections or paragraphs to which they appertain. All pronouns and variations thereof shall be deemed to refer to masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require. This document is the result of negotiation between the parties hereto and neither party hereto shall be considered the author for purposes of construing the provisions hereof.

28. **Modification** This terms and conditions of this Lease may only be modified by a writing executed by the parties hereto.

29. **Notice** All notices authorized or required to be given herein shall be in writing and delivered by certified mail or nationally recognized overnight delivery service addressed as follows:

If to Landlord:	**If to Tenant:**
Kilbourne-Braun, LLC 2200 Snider Rd. Batavia, Ohio 45103	Kilbourne Medical Laboratories, Inc. 665 Ohio Pike Cincinnati, Ohio _____

Either party may designate by notice in writing a new address to which said notices or demands must be sent. Notices shall be deemed to have been given on the date noted on the return receipt if sent by certified mail or on the next following business day if sent by a nationally recognized overnight delivery service.

30. Quiet Enjoyment Landlord covenants that at all times when Tenant is not in default in its obligations hereunder, Tenant shall have quiet and peaceful possession of the Premises during the Term hereof.

31. Sole and Only Agreement This instrument constitutes the sole and only agreement between Landlord and Tenant respecting the Premises, the leasing of said Premises to Tenant, or the Lease terms herein specified, and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting said Premises, their leasing to Tenant by Landlord, and any other matter discussed in this Lease, not expressly set forth in this instrument, are null and void.

32. Governing Law This Lease and all matters relating to this Lease shall be governed by the laws of the State in which the Premises are located in force at the time any need for interpretation of this Lease or any decision or holding concerning this Lease arises.

33. Partial Invalidity If any term or provision, or any portion thereof, of this Lease, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

34. Time of Essence Time is expressly declared to be of the essence.

35. Real Estate Commissions Landlord and Tenant each represent and warrant that there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease, and each party agrees to indemnify and hold harmless the other from and against all liability arising from any other claims, including reasonable attorneys' fees in defense thereof, which the other party may be responsible for incurring.

36. Landlord's Warranties Landlord covenants and warrants the following:

(a) Landlord has full right to make this Lease and carry out its obligations hereunder, and the execution and delivery of this Lease and any other documents contemplated by this Lease have been duly and validly authorized by Landlord;

(b) To the best of Landlord's knowledge, neither the execution and delivery of this Lease, nor the performance by Landlord of any acts contemplated hereby, will violate the terms and conditions of the organizational documents of Landlord or any contracts or agreements to which Landlord is a party or to which the Premises are subject;

(c) As long as Tenant performs its obligations under this Lease, Tenant shall have quiet and exclusive possession of the Premises;

(d) The Real Property is, or as of the Commencement Date shall be, owned by Landlord in fee simple, free of any liens, restrictions and encumbrances (except as contained herein, recorded in the public records of the county in which the Real Property is located or disclosed to Tenant in writing);

(e) Landlord has no notice of violations relating to the Real Property from any governmental agency, except as disclosed to Tenant in writing.

37. Force Majeure Except as otherwise specifically provided herein, if either Landlord or Tenant is prevented or hindered from timely satisfying any provision set forth herein because of a shortage or inability to obtain materials or equipment, strikes or other labor difficulties, governmental restrictions, fire, casualties, acts of God, or any other cause beyond the party's reasonable control (but excluding any delay or inability to obtain requisite permits or approvals), said party shall be permitted an extension of time of performance by the number of days during which such performance was prevented or hindered; provided, however, that this paragraph shall not apply to the payment of Rent or other monies by Landlord or Tenant, other than to postpone the Rent Commencement Date.

38. Counterparts This Lease may be executed in multiple counterparts, each of which when executed and delivered shall be treated as an original, but all of which together shall constitute one and the same instrument.

39. Attachments The following documents are attached hereto, and such documents, as well as all drawings and documents prepared pursuant thereto or referenced therein, shall be deemed a part hereof, as if set forth in full herein:

Exhibit A Description of Premises

40. Captions The section and paragraph headings in this Lease have been inserted for the purpose of convenience and ready reference. They do not purport to, and will not be to, define, limit or extend the scope of the provisions to which they pertain.

41. Surrender upon Expiration or Termination Upon the expiration or earlier termination of the Term of this Lease, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as the Premises were delivered to Tenant, subject to reasonable wear and tear, any tenant improvements made as part of Tenant's Work or any alterations made pursuant to Section 6 hereof, all of which shall remain with and become a part of the Premises, except as set forth in Section 7.

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

LANDLORD:

KILBOURNE-BRAUN, LLC

Witness

By:

Witness

Title:

STATE OF Ohio :
: ss:
COUNTY OF Hamilton :

BE IT REMEMBERED that on this 27th day of Sept., 2001, before me, the subscriber, a notary public in and for said county and state, personally came the above named Paul C. Kilbourne, the Manager of KILBOURNE-BRAUN, LLC, an Ohio limited liability company corporation, who acknowledged the signing of the foregoing instrument to be her voluntary act and deed as such officer and the voluntary corporate act and deed of KILBOURNE-BRAUN, LLC, for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, on the day and year last aforesaid.

NOTARIAL SEAL STATE OF OHIO

ANDREW J. HOGAN
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration
Date Section 147.03 O.R.C.

NOTARY PUBLIC

TENANT:

KILBOURNE MEDICAL LABORATORIES, INC.

Witness

By:

Witness

Title:

STATE OF Ohio :
: ss:
COUNTY OF Hamilton :

BE IT REMEMBERED that on this 27th day of Sept., 2001, before me, the subscriber, a notary public in and for said county and state, personally came the above named Paul C. Kilbourne, the President of KILBOURNE MEDICAL LABORATORIES, INC., an Ohio Corporation, who acknowledged the signing of the foregoing instrument to be his voluntary act and deed as such officer and the voluntary corporate act and deed of KILBOURNE MEDICAL LABORATORIES, INC., for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, on the day and year last aforesaid.

NOTARIAL SEAL STATE OF OHIO

ANDREW J. HOGAN
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration
Date Section 147.03 O.R.C.

NOTARY PUBLIC

This instrument was prepared by:

Andrew J. Hogan, Esq.
Kohnen & Patton LLP
1400 Carew Tower
441 Vine Street
Cincinnati, Ohio 45202
(513) 381-0656
Box L-30

AHOGAN\ahogan.89898.1
KI010 - GB001
07/10/2001

EXHIBIT "A"

Situated in Jones Military Survey No. 1134, Union Township, Clermont County, Ohio and being more particularly described as follows:

Commencing at the northwest corner of Lot 21 of Witham Woods Subdivision, Section 1, Unit 1, as the same is recorded in Plat Book "N" Page 11 of the Clermont County Recorder's Office;
thence North 5°45'00" East along the west line of said Jones Military Survey No. 1134 a distance of 899.52 feet to the centerline of State Route 125;
thence South 88°59'00" East along the centerline of State Route 125 a distance of 203.36 feet to the TRUE PLACE OF BEGINNING for the land herein described;
thence South 88°59'00" East continuing along the centerline of State Route 125 a distance of 198.15 feet;
thence South 1°01'00" West leaving the centerline of said State Route 125 a distance of 133.68 feet;
thence North 80°20'00" East a distance of 11.28 feet;
thence South 1°01'00" West a distance of 24.42 feet;
thence South 6°00'00" West a distance of 425.41 feet;
thence North 84°00'00" West a distance of 234.00 feet;
thence North 6°00'00" East a distance of 240.00 feet;
thence South 84°00'00" East a distance of 12.00 feet;
thence North 6°00'00" East for 322.65 feet to the place of beginning and containing 2.9248 acres (2.2806 acres net area and 0.6442 acres public right of way) more or less, subject however to all covenants, conditions, restrictions, reservations, and easements contained in any instrument of record to the above described tract of land.

Being the same real estate conveyed to Ryan's Family Steak Houses East, Inc. by deed recorded in Deed Book 1368, page 1465 of the Clermont County Recorder's Office.

FIRST AMENDMENT TO LEASE AGREEMENT

THIS First Amendment to Lease Agreement ("Amendment") is made and entered into effective as of the **1st** day of **December, 2004** (the "Effective Date"), between KILBOURNE-BRAUN, LLC, an Ohio limited liability company, with its principal offices in Clermont County, Ohio (hereinafter referred to as "Landlord"), and KILBOURNE MEDICAL LABORATORIES, INC., an Ohio corporation, with its principal offices in Clermont County, Ohio (hereinafter "Tenant").

WHEREAS, Landlord and Tenant are parties to a certain Lease Agreement dated September 22, 2001 (the "Lease") pursuant to which Tenant leases approximately 2.9248 acres (net 2.2806 acres) of real property (the "Real Property") from Landlord; and

WHEREAS, Landlord and Tenant desire to amend certain provisions of the Lease.

NOW THEREFORE, for $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Amendment of Section 5 of Lease.** As of the Effective Date of this Amendment, the Rent otherwise determined in accordance with Section 5 of the Lease, shall be increased by $3,000.00 per month. This increased amount of Rent shall be paid commencing on the Effective Date and throughout the remainder of the Term of the Lease.

2. **Effect of Amendment.** Landlord and Tenant agree that, except as modified and amended herein, all of the other terms, covenants and conditions of the Lease shall remain and be in full force and effect; however, the provisions contained in this Agreement shall control to the extent these provisions are in addition to or in conflict with any provision of the Lease. All capitalized terms used but not specifically defined herein shall have the same meaning as in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this instrument effective as of the Effective Date written above.

LANDLORD:

KILBOURNE-BRAUN, LLC

Witness

By: Paul C. Kilbourne Manager
Paul C. Kilbourne, Manager

Witness

STATE OF OHIO :
: ss:
COUNTY OF HAMILTON :

BE IT REMEMBERED that on this 1st day of December, 2004, before me, the subscriber, a notary public in and for said county and state, personally came the above named Paul C. Kilbourne, the Manager of KILBOURNE-BRAUN, LLC, an Ohio limited liability company corporation, who acknowledged the signing of the foregoing instrument to be her voluntary act and deed as such officer and the voluntary corporate act and deed of KILBOURNE-BRAUN, LLC, for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, on the day and year last aforesaid.

NOTARY PUBLIC STATE OF OHIO

TERRY E. MOORE
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration
Date. Section 147.03 O.R.C.

Terry E. Moore
Notary Public

My commission expires: _____

TENANT:

KILBOURNE MEDICAL LABORATORIES, INC.

Jay P. Braun
Witness

By: Paul C. Kilbourne president
Paul C. Kilbourne, President

Terry E. Moore
Witness

STATE OF OHIO :
: ss:
COUNTY OF HAMILTON :

BE IT REMEMBERED that on this 1st day of December, 2004, before me, the subscriber, a notary public in and for said county and state, personally came the above named Paul C. Kilbourne, the President of KILBOURNE MEDICAL LABORATORIES, INC., an Ohio Corporation, who acknowledged the signing of the foregoing instrument to be his voluntary act and deed as such officer and the voluntary corporate act and deed of KILBOURNE MEDICAL LABORATORIES, INC., for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, on the day and year last aforesaid.

Terry E. Moore
Notary Public

My commission expires: _____

NOTARY PUBLIC STATE OF OHIO

TERRY E. MOORE
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration
Date. Section 147.03 O.R.C.

SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement (this "Amendment") has been executed on the dates set forth below (the latest of such dates being the "Effective Date") by and between KILBOURNE-BRAUN, LLC ("Landlord"), and KILBOURNE MEDICAL LABORATORIES, INC. ("Tenant"), with reference to the following:

A. Landlord and Tenant entered into a Lease Agreement dated as of September 27, 2001, as amended, modified and supplemented by a First Amendment to Lease Agreement ("First Amendment") dated as of December 1, 2004 (as amended, modified or supplemented to date, the "Original Lease"), pursuant to which Tenant leases the approximately 2.9248 acres of real property and the building improvements thereon located at 665 Ohio Pike, as more specifically described in the Original Lease (the property and rights leased to Tenant under the Original Lease herein referred to as the "Premises").

B. Landlord and Tenant desire to amend the amount of Rent due under the Original Lease as hereafter set forth.

NOW THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledge, Landlord and Tenant agree as follows:

1. RECITALS. The parties acknowledge and agree that the recitals above are true and correct.

2. DEFINED TERMS. Terms with initial capital letters used herein but not defined herein shall have the meanings ascribed to them in the Original Lease. As used herein and in the Original Lease, the term "Lease" shall hereafter mean the Original Lease as amended and modified by this Amendment and as hereafter amended, modified or restated.

3. RENT. From and after the Effective Date, Section 5 of the Lease (and, accordingly, paragraph 1 of the First Amendment) is hereby amended and restated in its entirety to hereafter read as follows:

> 5. Rent. During the Initial Term of this Lease, and any extension of same, Tenant shall pay to Landlord at the office of Landlord, or at such other place designated by Landlord, without any prior demand therefor, annual base rent ("Base Rent") in the amount of $188,000.00. The annual Base Rent shall be payable in advance in equal monthly installments of $15,666.67 due on or before the first (1st) day of each calendar month of each year during the Initial Term of this Lease, and any extension of same; provided, however, that if the Rent Commencement Date is other than the first day of a calendar month, any Base Rent due for a partial month preceding the first day of the first full calendar month after the Rent Commencement Date shall be pro-rated from the Rent Commencement Date and added to the first full month's Base Rent and paid along with the first full month's Base Rent. Any other sums due hereunder and not otherwise defined shall be deemed Additional Rent, and the term "Rent" shall include Base Rent and/or Additional Rent, as the context may require.

PCK
MCP

4. MISCELLANEOUS.

a. No Brokers. Each of Landlord and Tenant represents and warrants to the other that there are no brokers or finders or other persons to whom a commission or fee might be due and payable with respect to the execution or consummation of this Amendment.

b. Lease Binding. Except as modified by this Amendment, the Original Lease and all covenants, agreements, terms and conditions thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed.

c. Interpretation. In the event of a conflict between the terms and conditions of the Original Lease and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall prevail.

d. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

e. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and together constitute one and the same instrument. A facsimile, telecopy or other reproduction of this Amendment may be executed by one or more parties hereto, and an executed copy of this Amendment may be delivered by one or more parties hereto by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes.

This Amendment has been executed by Landlord and Tenant through their authorized representatives as of the date set forth in the respective acknowledgement below. As a result, the Effective Date is 9-5-13 MMF.

LANDLORD:
KILBOURNE-BRAUN, LLC, an Ohio limited liability company

By Paul E Kilbourne
Printed Name: PAUL E. KILBOURNE
Title: MANAGER

TENANT:
KILBOURNE MEDICAL LABORATORIES, INC., an Ohio corporation

By
Printed Name: Michael Fuller
Title: Vice President Operations

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this 5 day of September 2013 by PAUL KILBOURNE, the MANAGER of KILBOURNE-BRAUN, LLC, an Ohio limited liability company, on behalf of such company.

JAMES A. EDGAR JR.
NOTARY PUBLIC, STATE OF OHIO
CLERMONT COUNTY
My Commission Expires 1/22/16

James A Edgar JR
Notary Public

STATE OF Ohio)
) SS:
COUNTY OF Clermont)

The foregoing instrument was acknowledged before me this 5th day of September, 2013, by Michael R. Fuller, the Vice President Operations of KILBOURNE MEDICAL LABORATORIES, INC., an Ohio corporation, on behalf of the corporation.

Annette Jo Curry
Notary Public.

NOTARY PUBLIC STATE OF OHIO

ANNETTE JO CURRY
Notary Public, State of Ohio
My Commission Expires
October 17 2016

CLERMONT COUNTY TAX BILL
J. ROBERT TRUE, TREASURER

101 E. MAIN ST. BATAVIA OH 45103-2959

JURISDICTION CODE: 4529

REAL PROPERTY
1ST HALF 2013
DUE: 02/10/2014

PARCEL LOCATION: 665 STATE ROUTE 125

PARCEL ID: 41-32-17E-215.

TAX DISTRICT: UNION TWP / WEST CLERMONT LSD

23806 0016 927 1 MB 0.405
KILBOURNE BRAUN LLC
8428 SOUTHWIND BAY CIR
FORT MYERS FL 33908-6029

OWNER NAME:
KILBOURNE BRAUN LLC

STUB # 41147660

LEGAL INFORMATION:

EXHIBIT B

PENGAD 800-631-6989

Gross Tax Rate	93.950000	Non-Business Credit Factor	0.100000	Acres	2.9200
Reduction Factor	0.277890			Class	C
Effective Tax Rate	67.842278	Owner Occupancy Factor	0.025000	LUC	442

TAX VALUES		CURRENT TAX DISTRIBUTION	
GROSS REAL ESTATE TAX	41,228.12	CLERMONT COUNTY	3,667.92
REDUCTION FACTOR	-11,456.88	UNION TWP	7,908.22
SUBTOTAL	29,771.24	WEST CLERMONT LSD	16,721.33
NON BUSINESS CREDIT	0.00	GREAT OAKS JVS	1,078.82
OWNER OCCUPANCY CREDIT	0.00	PUBLIC LIBRARY	394.95
HOMESTEAD REDUCTION	0.00		
CAUV RECOUPMENT	0.00		
CAUV ROLLBACK	0.00		
CURRENT NET REAL ESTATE TAXES	29,771.24		
CURRENT SPECIAL ASSESSMENTS	0.00		
ADJUSTMENTS	0.00	Special Assessment	0.00
CURRENT FULL YEAR TAXES	29,771.24	Total	29,771.24
DELQ SPECIAL ASSESSMENTS	0.00		
SPECIAL ASSESSMENT PENALTY	0.00		
SPECIAL ASSESSMENT INTEREST	0.00		
DELQ REAL ESTATE	0.00		
REAL ESTATE PENALTY	0.00		
REAL ESTATE INTEREST	0.00		
DELQ ADJUSTMENTS	0.00		
OMITTED TAXES	0.00		
FULL YEAR TOTAL	29,771.24		
PAYMENTS OTHER CREDITS			
HALF YEAR DUE	14,885.62		
TaxBill prepared on 12/31/13			

When you provide a check as payment, you authorize us to either use the information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use this information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment, and you will not receive your check back from your financial institution. For inquiries, please call 513-732-7254.

100% APPRAISED VALUE

Land	Improvement	Total
578,200	675,600	1,253,800

TAXABLE VALUE

Land	Improvement	Total
202,370	236,460	438,830

HOMESTEAD	CAUV Value	TIF Value
	0	0

SPECIAL ASSESSMENT

Proj# and Description	Delinquent	Current
Total		

LAST DAY TO PAY WITHOUT PENALTY

02/10/2014

- If you need a receipt, return entire bill with a self-addressed stamped envelope.
- Office Hours: 8:00 A.M. to 4:30 P.M. Mon. - Fri. Telephone Number (513) 732-7254

RETURN THIS PORTION WITH PAYMENT

101 E. MAIN STREET
BATAVIA, OH 45103-2959
www.clermonttreasurer.org

CLERMONT COUNTY TAX BILL
J. ROBERT TRUE, TREASURER

REAL PROPERTY
1ST HALF 2013
DUE: 02/10/2014

PARCEL LOCATION: 665 STATE ROUTE 125
CODE:
OWNER NAME: KILBOURNE BRAUN LLC

PARCEL NO. 41-32-17E-215.
STUB NO. 41147660

☐ Please change my address as noted on reverse

MAKE CHECKS PAYABLE TO:
P.O. BOX 644003
CINCINNATI, OH 45264-4003

FULL YEAR PAYMENT	HALF YEAR DUE
29,771.24	14,885.62

00000000000411476609000000000000148856200029771 24

NOTICE: REAL ESTATE
If the taxes charged against this parcel have been reduced by the owner-occupancy credit for residences occupied by the owner, but the property is not a residence occupied by the owner, the owner must notify the county auditor's office not later than March 31 of the year following the year for which taxes are due. Failure to do so may result in the owner being convicted of a fourth degree misdemeanor, which is punishable by imprisonment up to 30 days, a fine up to $250.00, or both, and in the owner having to repay the amount by which the taxes were erroneously or illegally reduced, plus any interest that may apply.

If the taxes charged against this parcel have not been reduced by the owner-occupancy credit and the parcel includes a residence occupied by the owner, the parcel may qualify for the tax reduction. To obtain an application for the tax reduction or further information, the owner may contact the county auditor's office at - **101 E. Main Street, Batavia, OH 45103 or Phone 513-732-7150.**

NOTICE: REAL ESTATE
Payment received by mail must bear U.S. postal service postmark no later than the due date or a statutory late payment penalty of 1/2 of 10% is charged for the first 10 days after the due date. Full 10% penalty thereafter.

NOTICE: REAL ESTATE
If taxes are not paid within one year from the date they are due, the property is subject to foreclosure for tax delinquency.

MILITARY TAX DEFERMENT
HB 390 and SB 47 allows to defer payment of property and manufactured and mobile homes to National Guard and reserve components of the U.S. Armed Forces. An application must be submitted to the Treasurer. For more information please contact the Treasurer's Office at 513-732-7715.

24 HOUR SERVICE
A deposit box for payments is located at the Main Street Entrance of the Clermont County Administration Building, 101 E. Main Street, Batavia.

NOTICE: MANUFACTURED HOME
If the taxes charged against this home have been reduced by the owner-occupancy credit for residences occupied by the owner, but the home is not a residence occupied by the owner, the owner must notify the county auditor's office not later than March 31 of the year following the year for which taxes are due. Failure to do so may result in the owner being convicted of a fourth degree misdemeanor, which is punishable by imprisonment up to 30 days, a fine up to $250.00, or both, and in the owner having to repay the amount by which the taxes were erroneously or illegally reduced, plus any interest that may apply.
If the taxes charged against this home have not been reduced by the owner-occupancy credit and the home is a residence occupied by the owner, the home may qualify for the tax reduction. To obtain an application for the tax reduction or further information, the owner may contact the county auditor's office at - **101 E. Main Street, Batavia, OH 45103 or Phone 513-732-7150.**

NOTICE: MANUFACTURED HOME
Payment received by mail must bear U.S. postal service postmark no later than the due date or a statutory late payment penalty of 1/2 of 10% is charged for the first 10 days after due date. Full 10% penalty thereafter.

NOTICE: MANUFACTURED HOME
If the taxes are not paid within sixty day after the County Auditor delivers the delinquent manufactured home tax list to the County Treasurer, you and your home may be subject to collection proceedings for tax delinquency.

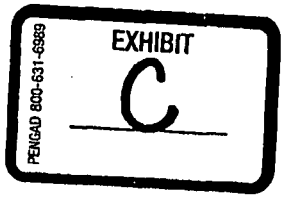
COUNTY AUDITOR
Change in tax valuation: Owner-occupancy credit
Current Agricultural Use Valuation; Tax rates;
Destroyed property form; Special assessments;
Homestead Reduction & Forestry Program 513-732-7150

COUNTY TREASURER
To request a tax bill or change of address form;
Delinquent taxes & Monthly Escrow Program 513-732-7254

ENJOY THE CONVENIENCE OF PAYING BY CREDIT CARD
FOR INFORMATION CONTACT 1-800-272-9829 OR VISIT
WWW.OFFICIALPAYMENTS.COM
JURISDICTION CODE 4529

Please change address to:

Name:_____
Street Address_____
City_____
State_____Zip Code_____
Home Phone No._____Daytime Phone No._____



PILLARTOPOST
HOME INSPECTORS

VISUAL INSPECTION AGREEMENT

PLEASE READ THIS AGREEMENT CAREFULLY
THIS AGREEMENT SUPERCEDES ALL PREVIOUS COMMENTS

Property: 665 Ohio Pike
Cincinnati, OH 45245

Client: Jay Braun
Address: Cincinnati, OH

Phone: (513) 720-8428

Real Estate Company: None
Inspection Fee: $595.00
Additional Fees: $0.00
Tax: $0.00
Total: $595.00

Agent: None None
Paid By:
Date Paid:
Payment Method:
Report Provided To:
Contract Date: 27 November 2013

1. This agreement, made and entered into on the above Contract Date by and between the above named Client and the undersigned, an independently owned and operated Franchisee of Pillar To Post Inc., hereafter referred to as "Inspector". **Inspector will conduct a visual inspection of the Property only.** The inspection is performed in accordance with the **Standards of Practice of the National Association of Home Inspectors (NAHI). This is not a Building Code inspection,** title examination, **nor a By-law compliance inspection.** The Inspector does not offer an opinion as to the advisability or inadvisability of the purchase of the property, its value or its potential use. The inspection fee is based on a single visit to the property; additional fees may be charged for any subsequent visits required by the Client. If the Inspector is called upon to prepare for litigation or give testimony as a result of the inspection, additional fees shall be charged at the Inspector's then current hourly rate for any time spent, including, but not limited to, research, consultation, additional inspection time, preparation of reports, travel, time waiting to testify, and court appearances.

2. **The Client will receive a written report of Inspector's observations of the accessible features of the Property.** Subject to the terms and conditions stated herein, the inspection includes the visual examination of the home's exterior including roof and chimney, structure, electrical, heating and cooling systems, insulation, plumbing, and interior including floors, walls, ceiling and windows; it is a reasonable effort to disclose the condition of the house based on a visual inspection. Additionally, Inspector will functionally operate major built-in appliances. Conditions beyond the scope of the inspection will not be identified. No engineering services are offered.

3. **This Inspection Report is based on the condition of the Property existing and apparent as of the time and date of the inspection.** Not all conditions may be apparent on the inspection date due to weather conditions, inoperable systems, inaccessibility of areas of the Property, etc. A defect that was apparent on any date prior to the inspection date may not be apparent on the inspection date. Without dismantling the house or its systems, there are limitations to the inspection. Throughout any inspection, inferences are drawn which cannot be confirmed by direct observation. Clues and symptoms often do not reveal the extent or severity of problems. Therefore, the inspection and subsequent Inspection Report may help reduce the risk of purchasing the property; however, an inspection does not eliminate such risk nor does the Inspector assume such risk. While some of the less important deficiencies are addressed, an all-inclusive list of minor building flaws is not provided. **Inspector is neither responsible nor liable for the non-discovery of any patent or latent defects in materials, workmanship, or other conditions of the Property, or any other problems which may occur or may become evident after the inspection time and date.** Inspector is neither an insurer nor guarantor against defects in the building and improvements, systems or components inspected. Inspector makes no warranty, express or implied, as to the fitness for use or condition of the systems or components inspected. Inspector assumes no responsibility for the cost of repairing or replacing any unreported defects or conditions, nor is Inspector responsible or liable for any future failures or repairs.

4. **Unless prohibited by applicable law, Inspector and its employees are limited in liability to the fee paid for the inspection services and report** in the event that Client or any third party claims that Inspector is in any way liable for

negligently performing the inspection or in preparing the Inspection Report, for any breach or claim for breach of this Visual Inspection Agreement or for any other reason or claim. The inspection report is provided solely for the benefit of the Client and may not be relied upon by any other person. The Inspector will not review any other inspection report prior to preparing the Inspection Report provided pursuant to this Agreement unless a copy of the prior report is provided to the Inspector prior to the beginning of the inspection. The Client shall not rely on any other inspection report prepared at any time by the Inspector that is not prepared for or addressed to the Client.

5. **Inspections are done in accordance with the NAHI Standards of Practice, are visual, and are not technically exhaustive.** The following items are specifically excluded from the inspection: water softening systems, **security systems, telephone and cable TV cables, timing systems, swimming pools and spas, underground or concealed pipes, sewer lines, septic systems, electrical lines and circuits, central vacuum systems, central air conditioning when outside temperature is below 65° F or 18° C**, and any other condition, item, system or component which by the nature of their location are concealed or otherwise difficult to inspect or which the Inspector cannot visually examine. Excluded is the assurance of a dry basement or crawl space; also excluded is the assurance that double and triple pane glazing seals in windows are intact. Inspector will not dismantle any component or system; full evaluation of the integrity of a heat exchanger requires dismantling of the furnace and is beyond the scope of a visual inspection.

6. Inspector will not conduct geological tests; will not inspect inaccessible or concealed areas of the Property; will not enter dangerous areas of the Property; will not inspect for environmental concerns such as hazardous substances or gasses, including but not limited to, **radon gas, asbestos, formaldehyde; or for pests such as wood destroying organisms, insects, rodents; fungus including but not limited to mold and mildew** unless the Inspector is qualified to do so and the client specifically requests the service for an additional fee.

7. Inspector examines a representative sample of components that are identical and numerous, such as electrical outlets, bricks, shingles, windows, etc., and does not examine every single one of these identical items, therefore, some detectable deficiencies may go unreported.

8. The inspection excludes defects such as cracking, leaking, surface discolorations, or landslides resulting from hidden defects; including but not limited to, water leaks, land subsidence, or other geological problems. The inspection also excludes merely cosmetic features, including but not limited to, paint, wall coverings, carpeting, floorings, paneling, lawn, and shrubs. The Inspector is not required to determine property boundary lines or encroachments.

9. Any controversy or claim between the parties hereto, arising directly or indirectly out of, connected with, or relating to the interpretation of this Agreement, the scope of the services rendered by Inspector, the Inspection Report provided to the Client by Inspector, or as to any other matter involving any act or omission performed under this Agreement, or promises, representations or negotiations concerning duties of the Inspector hereunder, shall be submitted to arbitration in accordance with the applicable rules of Construction Dispute Resolution Services, LLC or Resolute Systems, Inc. Each party to the dispute shall be responsible for their own costs for the arbitration process. The dispute shall be submitted to a sole arbitrator who is knowledgeable and familiar with the professional home inspection industry. Judgment on any award may be entered in any court having jurisdiction, and the arbitration decision shall be binding on all parties. Unless applicable law requires otherwise, arbitration shall occur in the county or judicial district in which the Inspector's principal place of business is located. Secondary or consequential damages are specifically excluded. In the event that any dispute arises out of the Inspection or Inspection Report, and proceedings are commenced by the Client, if the Client is unsuccessful in maintaining the claim, then the Client shall be liable to the Inspector for all charges, expenses, costs and legal fees (on a lawyer and client basis) incurred by the Inspector on a complete indemnity basis, including a reasonable fee for all the time spent by the Inspector or Inspector's personnel in investigating, research, preparation for, and attendance at court hearings and examinations. Unless prohibited by applicable law, **any claims must be presented within one (1) year from the date of the Inspection; Inspector shall have no liability for any claims presented more than one (1) year after the date of the Inspection.**

10. The Inspector shall have the right to examine the subject matter and area of any claim or potential claim against the Inspector arising herefrom and the right to offer a resolution prior to Client's performance of any remedial measures (except in the event of an emergency, or to protect for personal safety, or to reduce or avoid damage to property) **The right of examination herein is a condition precedent to the commencement of any claim** by the Client against the Inspector for any reason including negligence or breach of any term hereof. **The Client shall not file or commence any claim against the Inspector in any jurisdiction until he has notified the Inspector of his complaint and made reasonable efforts to afford the Inspector an opportunity to complete such examination.**

11. This Agreement and the documents referred to herein constitute the entire Agreement between the parties hereto, and supersede any and all prior representations, discussions; or agreements, whether written or oral. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to, in writing, and signed by the parties hereto. If any provision of this Agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the parties that all other provisions of this Agreement be construed to remain fully valid, enforceable, and binding on the parties.

12. **The inspection report does not constitute a warranty, guarantee or insurance policy of any kind.** There are no warranties made against roof leaks, wet basements, or mechanical breakdowns. The report is a professional opinion based on a visual inspection of the accessible areas and features of the property as of the date and time of the inspection and is not a listing of repairs to be made. The report is not an assessment nor is it an appraisal. Neither the inspector nor Pillar To Post Inc. is associated with any seller, buyer, contractor, lawyer or realtor. The inspection process is a two part

system: the verbal survey and the report. As such, this report is not transferable to third parties as it will not clearly convey the information herein. This report is prepared by inspector at your request, on your behalf, and for your use and benefit only; this report and any memoranda or information provided to you pursuant to this inspection agreement are not to be used, in whole or in part, or released to any other person without inspector's prior written permission. Client hereby agrees to indemnify, defend and hold harmless inspector and Pillar To Post Inc. if, through the unauthorized distribution of this report, any third party brings a claim against inspector or Pillar To Post Inc. relating to the inspection or inspection report.

13. Relationships/third party providers. Pillar To Post Inc. may have an affiliation with third-party service providers ("TPSP") in order to offer value-added services to clients. Pillar To Post Inc. and the inspector may receive compensation for such services. Pillar To Post Inc. may also arrange for these TPSPs to send literature or make post-inspection contact with the client. By executing this agreement, the client expressly consents to the disclosure of client's personal contact information to Pillar To Post Inc. and TPSPs. If client does not wish to receive literature from or be contacted by TPSPs, client shall simply notify the inspector.

14. The inspector may collect data which may be used by the inspector, and which may be provided to Pillar To Post Inc. for use by Pillar To Post Inc. The collected data will primarily consist of data relating to the visual inspection conducted, but may also consist of other data relating to the property inspected, client and/or client representative personal and contact information, and demographic data. The inspector and Pillar To Post Inc. may use collected data to perform analysis, improve business processes, improve the Pillar To Post Inc. inspection experience, and obtain feedback from clients and client representatives. The inspector and Pillar To Post Inc. may also provide collected data to third-party service providers ("TPSP") in order to offer value-added services to clients, as described in this agreement. The inspector and/or Pillar To Post Inc. may provide aggregated collected data, but not individual collected data or personal information, to third parties. Other than interaction with TPSPs and aggregated data, the inspector and Pillar To Post Inc. will not sell or rent the collected data to anyone, or share the collected data with any third party except as necessary to fulfill client requests. By executing this agreement, the client expressly consents to the collection and use of data by the inspector and Pillar To Post Inc. as described herein.

15. Schedules indicated below and attached form part of this agreement. In the event of any conflict between a schedule and the provisions of this agreement, the provisions of the schedule will apply to the extent of the conflict.
    Attached Schedules: N/A

By initialing here (_____), you authorize us to distribute copies of the Report to the real estate agents directly involved in this transaction, who are not designated beneficiaries of the Report, intended or otherwise.

I hereby authorize the inspection of this Property having read and understood this Agreement:

_____ _____/_____/_____

Signature of Client or Client's Representative Date Signed (mm/dd/yyyy)

_____

Signature of Authorized Inspector.

Inspector: Tim Bausch

Franchisee: The Capuano Corporation

Address: 8857 Cincinnati-Dayton Road
Suite 204
West Chester, Ohio 45069

Spoke with Seller [ ] Yes [ ] No

Inspection Time: 26-Nov-2013 09:00 AM

PILLARTOPOST
HOME INSPECTORS

Date: 26-Nov-2013

Inspection No. 24206-22923

Visual Property Inspection

665 Ohio Pike
Cincinnati, OH 45245

Prepared for :

Jay Braun
Cincinnati, OH

Phone No. : (513) 720-8428

Inspected by :

Tim Bausch
8857 Cincinnati-Dayton Road
Suite 204
West Chester, Ohio 45069
Phone: (513) 771-6689 Email: cincinnati@pillartopost.com

PILLAR TO POST
HOME INSPECTORS

Date: 26-Nov-2013 665 Ohio Pike , Cincinnati, OH 45245

Property and Site

Limitations
☑ Snow/Ice Cover ☑ Occupied

Conditions
☑ Overcast ☐ Cloudy ☑ Wet
Approx. Temperature (F): 33 F Approx. Hydrant Distance (Feet): 200'

Landscaping — No Visible Damage Noted
☐ Slopes to house ☑ Shrub ☐ Tree ☐ Earth to wood contact

Driveway — No Visible Damage Noted
☐ Slopes to House ☑ Asphalt ☐ Concrete Spalling

Front Porch/Walkway/Path — No Visible Damage Noted
☐ Slopes to House ☐ Patio Block ☑ Concrete

Recorded Property and Site Inspection Times: 11/26/2013 9:17:27 AM - 11/26/2013 9:18:21 AM

Exterior

Limitations
☐ Debris ☑ Shrub ☑ Snow ☐ Restricted

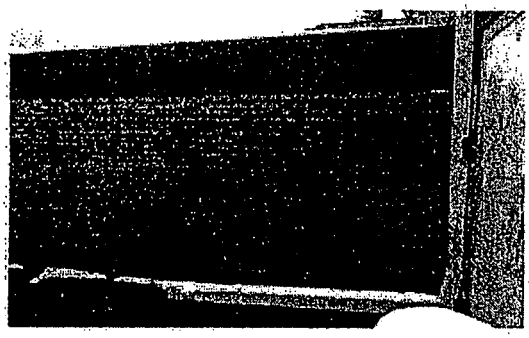
Exterior Foundation Wall — No Visible Damage Noted
☑ Not Exposed ☑ Poured Concrete/Block ☐ Mildew ☐ Stain

Exterior Wall Surface — Visible Damage Noted
☑ No Ground Clearance ☑ Brick ☐ Split ☑ Spalling

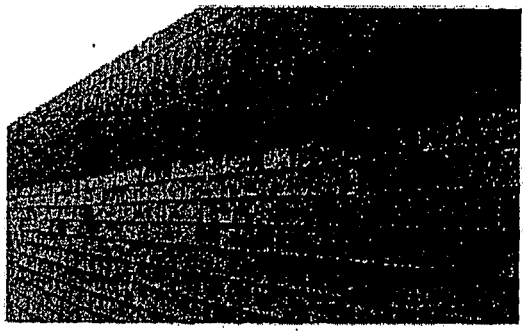
Several bricks at the rear walls around dumpster are beginning to spall. If deterioration of the brick is left unrepaired the structure will be affected. It is recommended that a professional brick contractor be contacted to evaluate and perform repairs.

Settlement noted at the west wall and south west corner of the structure. This may worsen with time. Suggest further assessment by a professional engineer to determine repairs.

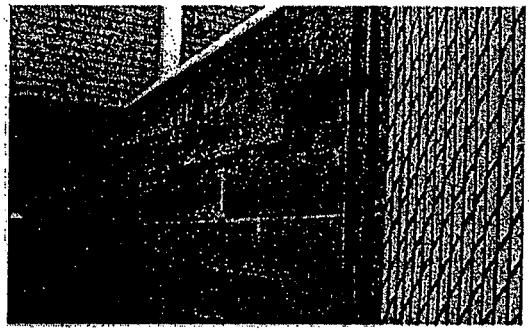
Exterior



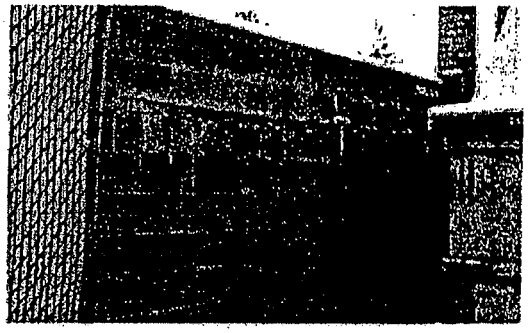
Spalling Brick



Spalling Brick

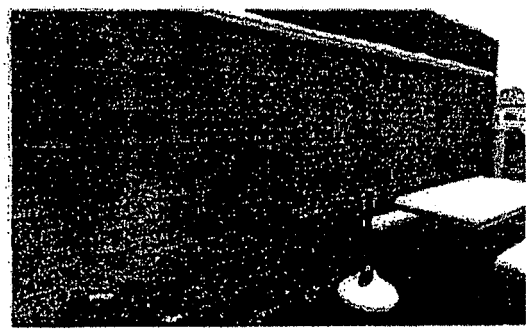


Spalling Brick

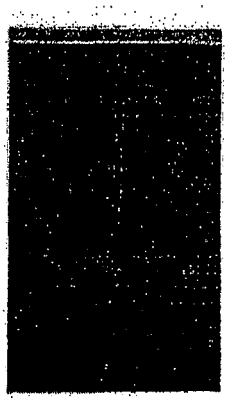


Spalling Brick

Exterior



Settlement Cracking



Settlement Cracking

South West Corner

Exterior Windows **No Visible Damage Noted**

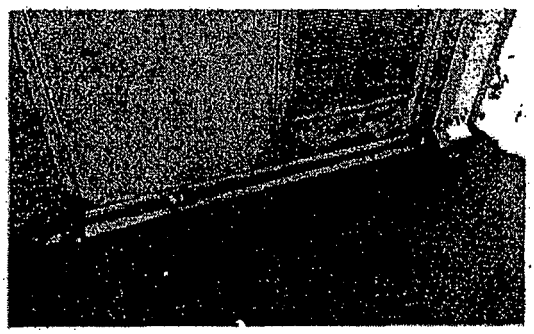
☑ Inspected from ground ☐ Storm Windows ☑ Recaulk/Repaint ☐ Rot

Exterior

Exterior Doors **Visible Damage Noted**

☑ Metal ☑ Damaged ☐ Binds ☐ Recaulk

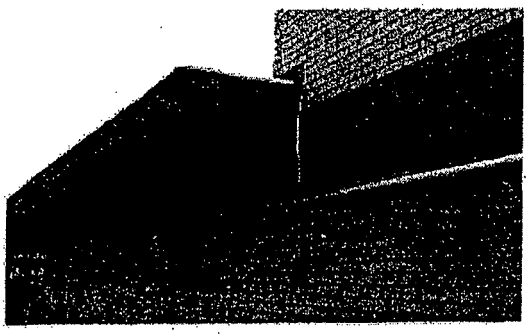
Left rear steel doors are rusted and beginning to deteriorate. Suggest further assessment by a professional door contractor to determine the scope of needed repairs.

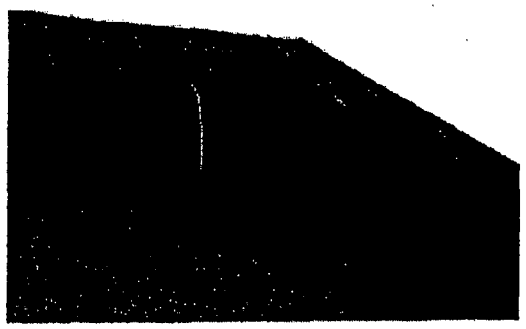


Exterior Electrical/Lighting/Receptacle/Wiring **Operational**

☐ Improperly secured ☐ No Cover/Damaged ☐ GFCI Protected ☐ Not accessible

Loose wires from security and old lighting noted.





Recorded Exterior Inspection Times: 11/26/2013 9:17:27 AM - 11/26/2013 10:40:18 AM

Roof Structure

Inspected By:

☐ Binocular ☐ Roof Edge On Ladder ☐ Walk On

Limitations

☐ Steep Slope ☐ Gravel ☑ Snow Cover

Snow cover creates an unsafe condition to access and inspect the roof.

Main Roof Type

☑ Gable ☐ Hip ☐ Valley ☐ Flat

Gutter/Downspout **No Visible Damage Noted**

☑ Aluminum ☐ Dent ☐ Improper Pitch ☑ Drains Above Ground

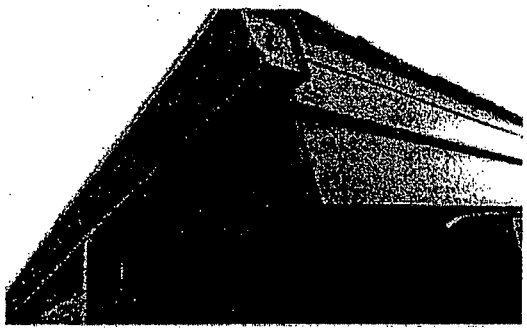
Extend all above ground downspouts to discharge a minimum of 6' away from foundation to reduce wall deterioration, potential water entry and subsequent damages.

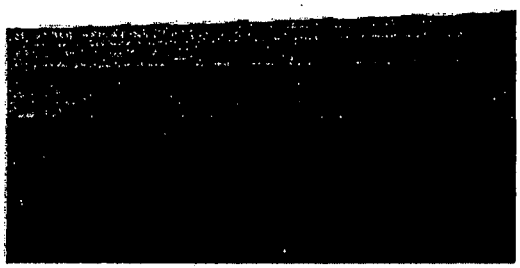
Roof Structure

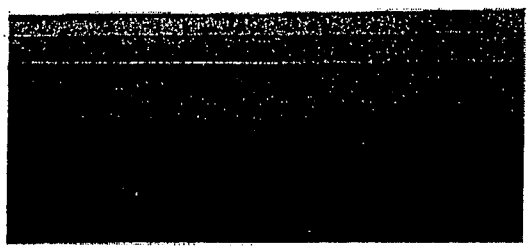
Fascia/Soffit **Visible Damage Noted**

☐ Mildew ☑ Aluminum ☐ Wood ☐ Rot

Several areas of the aluminum fascia have missing rivets. This may allow the trims to loosen and potentially damages. Suggest repairs to correct.







Recorded Roof Structure Inspection Times: 11/26/2013 9:17:27 AM - 11/26/2013 10:58:07 AM

All Bathrooms

Location

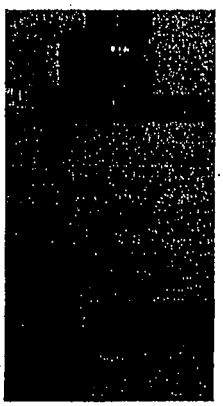
☐ Basement ☑ 1st Floor ☐ 2nd Floor ☐ 3rd Floor

All Bathrooms

Walls/Ceiling

☑ Drywall ☑ Acoustic Tile

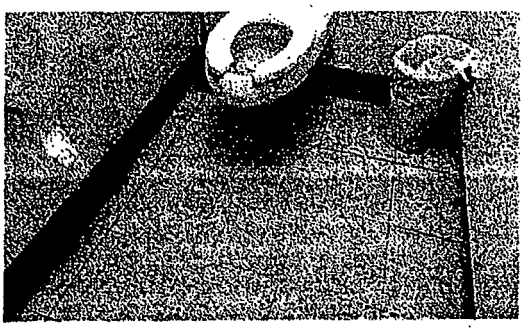
Several cracked ceramic tiles noted at both men's and women's bathrooms. Tiles should be repaired or replaced for safety to prevent abrasions or cuts due to sharp edges.

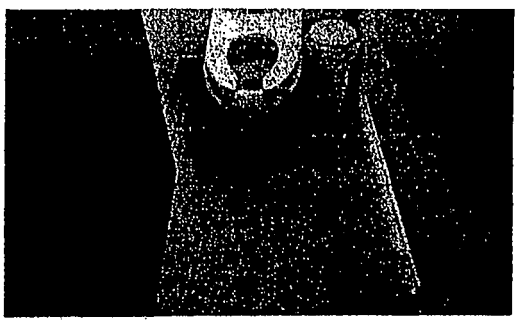


Floors **Visible Damage Noted**

☑ Ceramic/Vinyl ☐ Corrosion

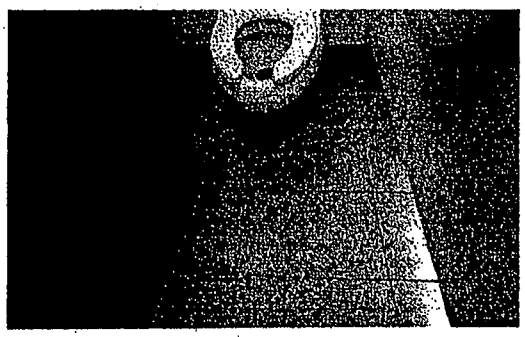
The bathroom floors are in poor condition at both men's and women's bathrooms. Several cracked, broken and missing floor tile noted. Bacterial growth and contamination concerns. Suggest repairs for the health and safety of the occupants.

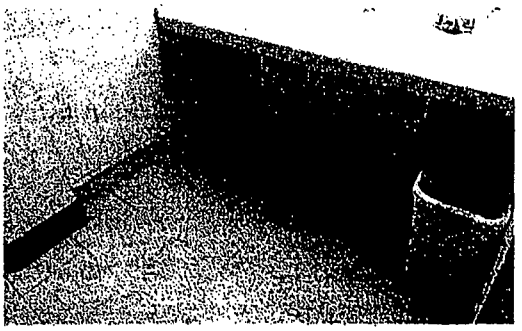




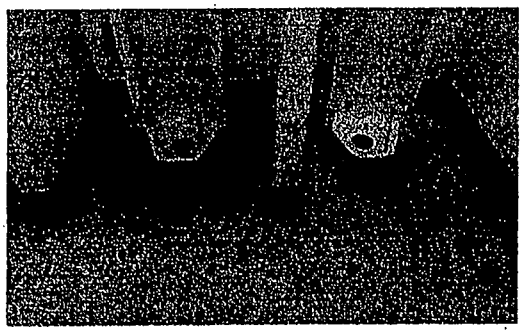
Womens

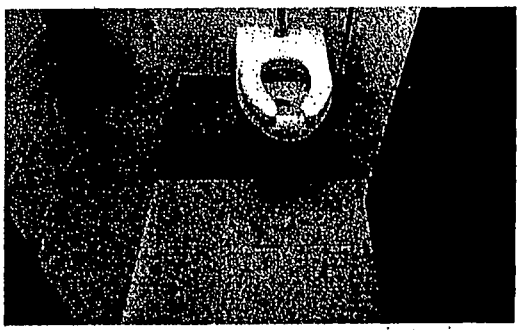
All Bathrooms





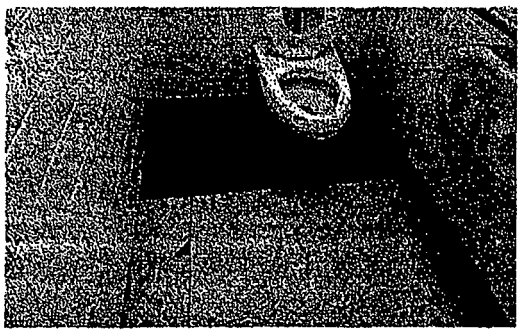
Womens





Mens

All Bathrooms



Mens

Vanity/Counter **No Visible Damage Noted**

☑ Laminate ☐ Plywood ☑ Worn ☐ Missing Hardware

Toilet **Operational**

☐ Tank Loose ☐ Loose at Floor ☐ Crack ☐ Runs After Flushing

Recorded All Bathrooms Inspection Times: 11/26/2013 9:17:27 AM - 11/26/2013 10:07:57 AM

PILLARTOPOST
HOME INSPECTORS

Date: 26-Nov-2013

665 Ohio Pike , Cincinnati, OH 45245

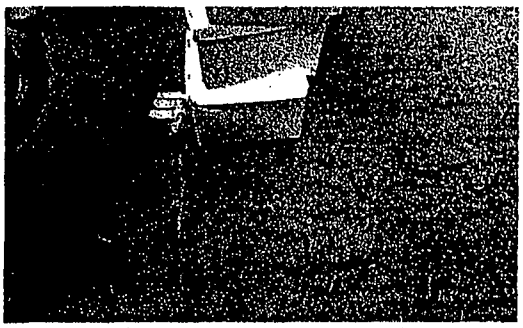
Client Services/Billing/West Offices

Interior Floors — **Visible Damage Noted**

☑ Carpet ☑ Ceramic/Vinyl ☑ Worn ☑ Cracked

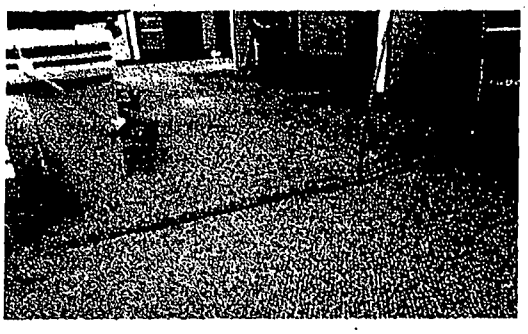
Client Services/Billing: Carpeted areas of the client services and billing areas are in poor condition. Areas of loose carpet in walkways may create a trip hazard and several areas of torn carpet noted.

Client Services/Billing



Client Services/Billing

Client Services/Billing



Client Services/Billing

PILLARTOPOST
HOME INSPECTORS

Date: 26-Nov-2013

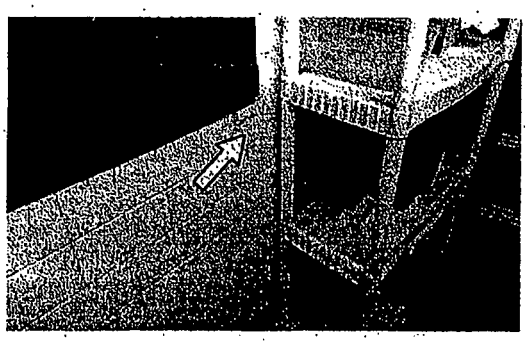
665 Ohio Pike , Cincinnati, OH 45245

Client Services/Billing/West Offices

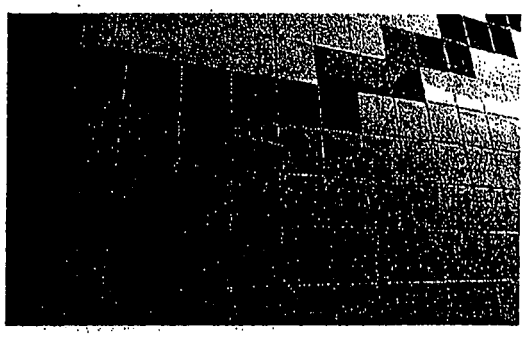
Interior Walls **No Visible Damage Noted**

☑ Drywall ☑ Acoustic Tile ☐ Nail Pops ☐ Stain

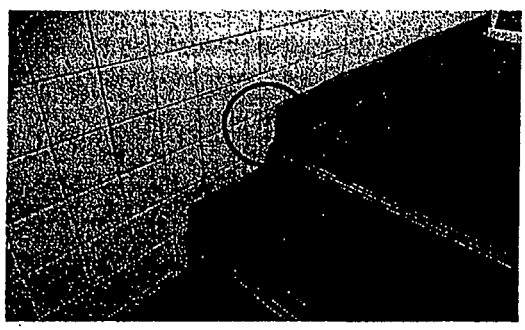
General: Several areas of nicks, holes and scrapes noted. These are considered cosmetic and should be addressed when walls are painted.



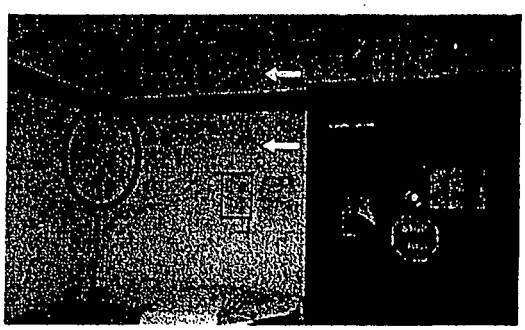
South Wall



South Wall



South Wall



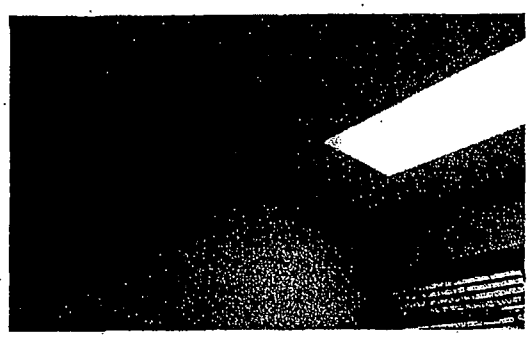
South Wall

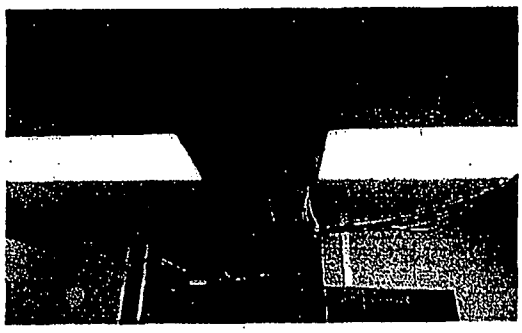
Client Services/Billing/West Offices

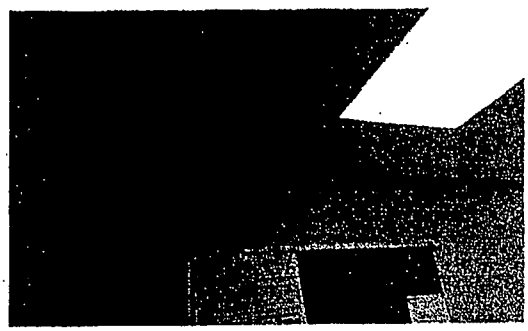
Ceilings **No Significant Visible Damage Noted**

☑ Unsecured/Loose ☑ Acoustic Tile ☑ Stains

Stains observed on several of the acoustic ceiling tiles through out the structure. This suggest previous and possible active leaks. The stained area was measured with a moisture meter and was normal. It should be assumed that the leaks are active and roof contractors should be contacted to further asses the roof covering for repairs.







Interior Lighting/Receptacles **Operational**

☐ Damaged ☐ No Ground ☐ Install Cover Plates ☐ Faulty 3-Way

PILLARTOPOST HOME INSPECTORS

Date: 26-Nov-2013 665 Ohio Pike , Cincinnati, OH 45245

Client Services/Billing/West Offices

Heat Source — **Operational**

☑ Air Register ☐ Electric ☐ Radiator ☐ Missing Vent Cover

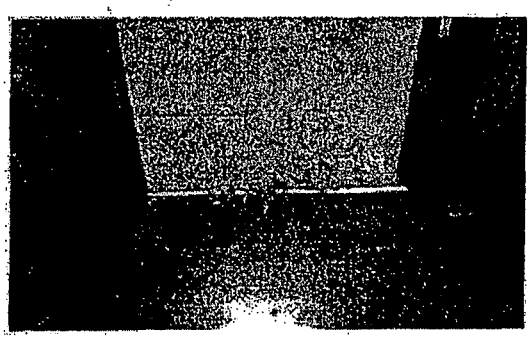
Recorded Client Services/Billing/West Offices Inspection Times: 11/26/2013 9:17:27 AM - 11/26/2013 10:18:09 AM

Processing/Phlebotomy

Interior Floors — **Visible Damage Noted**

☑ Carpet ☑ Ceramic/Vinyl ☑ Worn ☑ Cracked

Damaged frayed carpet at office entry. This is a potential trip hazard. Suggest repairs/replacement.



Interior Walls — **No Visible Damage Noted**

☑ Drywall ☑ Acoustic Tile ☐ Nail Pops ☐ Stain

Ceilings — **No Visible Damage Noted**

☑ Unsecured/Loose ☑ Acoustic Tile ☑ Stains

Interior Lighting/Receptacles — **Operational**

☐ Damaged ☐ No Ground ☐ Install Cover Plates ☐ Faulty 3-Way

Heat Source — **Operational**

☑ Air Register ☐ Electric ☐ Radiator ☐ Missing Vent Cover

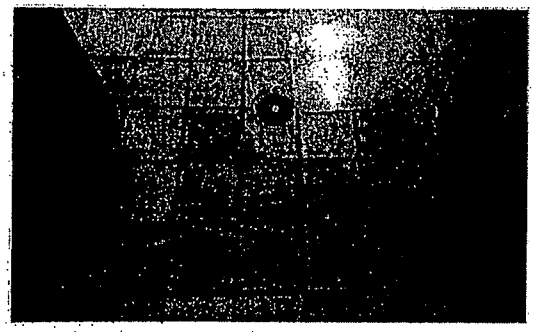
Recorded Processing/Phlebotomy Inspection Times: 11/26/2013 9:17:27 AM - 11/26/2013 10:22:09 AM

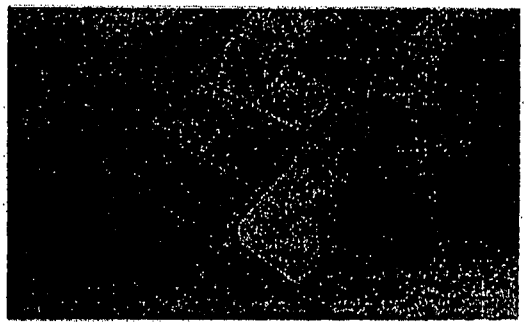
South
Labs/Halls/Waiting Area

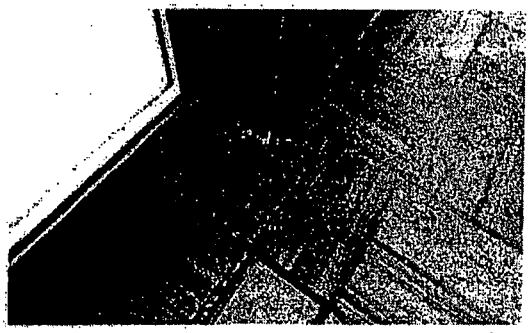
Interior Floors **Visible Damage Noted**

☑ Carpet ☑ Ceramic/Vinyl ☑ Worn ☑ Cracked

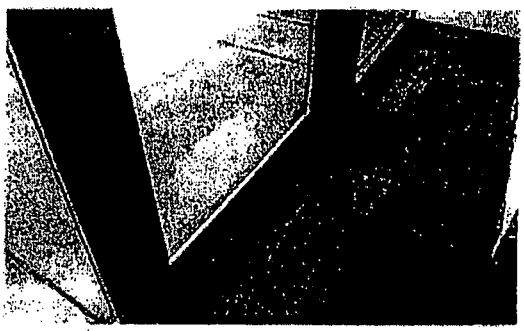
Several areas of deteriorating and/or cracked floor tiles noted. Suggest repairs to correct.







Employee/Patient Entry



Employee/Patient Entry

South
Labs/Halls/Waiting Area

Wear

Wear

PILLAR TO POST
HOME INSPECTORS

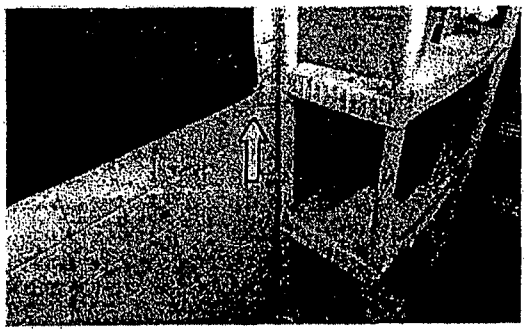
Date: 26-Nov-2013 665 Ohio Pike , Cincinnati, OH 45245

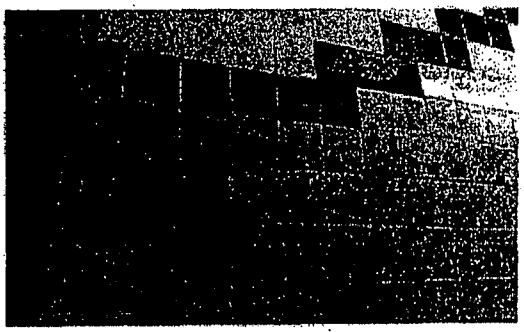
South
Labs/Halls/Waiting Area

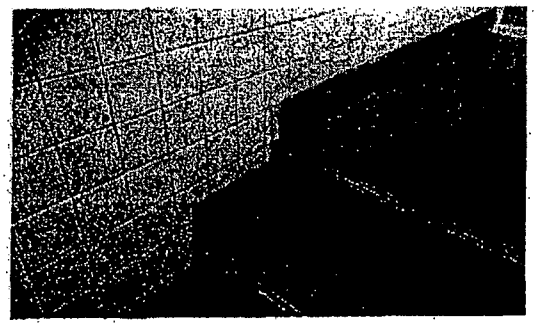
Interior Walls **Visible Damage Noted**

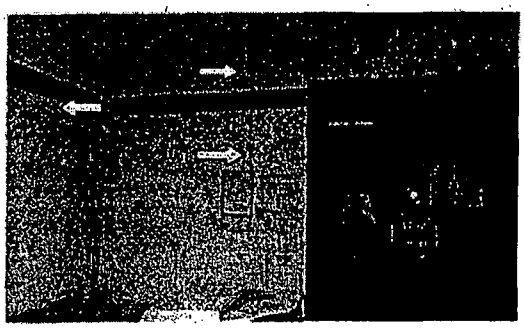
☑ Drywall ☑ Ceramic Tile ☐ Nail Pops ☐ Stain

Several cracked ceramic tiles noted at the south wall of structure which indicated areas of settlement. Tiles should be repaired or replaced for safety to prevent abrasions or cuts due to sharp edges.









Ceilings **No Visible Damage Noted**

☑ Unsecured/Loose ☑ Acoustic Tile ☑ Stains

Interior Lighting/Receptacles **Operational**

☐ Damaged ☐ No Ground ☐ Install Cover Plates ☐ Faulty 3-Way

South
Labs/Halls/Waiting Area

Heat Source				Operational
☑ Air Register	☐ Electric	☐ Radiator	☐ Missing Vent Cover	

Recorded South Labs/Halls/Waiting Area Inspection Times: 11/26/2013 9:17:27 AM - 11/26/2013 10:19:58 AM

Additional Comments

About Your Inspection Report

Thank you for the opportunity to inspect your property today. Your inspector performed the inspection on the property to note visible defects and potential visible defects using the Standards of Practice of the National Association of Home Inspectors and per the terms and conditions in the Visual Inspection Agreement. Both of these documents are included with your report package.

It is very important to READ the entire inspection report, visual inspection agreement and standards of practice to fully understand the entire scope of report.

Further evaluation prior to close is recommended so a qualified professional contractor can evaluate our concerns further and inspect the remainder of the system or component for any additional concerns that may be outside our area of expertise or the scope of our inspection.

After any repairs are completed, documentation should be provided to the satisfaction of you, the buyer, prior to the close of the sale.

Limitations

Additional Comments

General Home Maintenence Recommendations

Refer to the Pillar To Post Maintenance Schedule included in your inspection package or visit www.Livingwithmyhome.com for additional maintenance tips.

GRADING - Maintain grading around home so that it slopes away from the foundation.

GUTTERS - Keep gutters clean from leaves and debris.

SMOKE/CARBON MONOXIDE DETECTORS - It is recommended that new smoke/carbon dioxide detectors be installed on every level or in every unit for safety and checked periodically.

FURNACE FILTER - A clean filter is helpful for proper operation of heating units. Dirty filters cause poor circulation, waste energy,can be unhealthy and should be cleaned/replaced often.

HEATING/COOOLING SYSTEMS - Have your heating and cooling systems maintained regularly.

GFCI - It is recommended to upgrade all electrical receptacles in potentially wet locations to a GFCI type for safety if not yet installed. Test all GFCI's monthly.

Recorded Additional Comments Inspection Times: 11/26/2013 9:17:27 AM - 11/26/2013 9:17:27 AM

Report Commentary

PILLAR TO POST
HOME INSPECTORS

Date: 26-Nov-2013 665 Ohio Pike , Cincinnati, OH 45245

not the entire report. The complete report may include additional information of concern to the
mended that the client read the entire report.

1.0 Exterior

1.1 Exterior Wall Surface — Visible Damage Noted

Several bricks at the rear walls around dumpster are beginning to spall. If deterioration of the brick is left unrepaired the structure will be affected. It is recommended that a professional brick contractor be contacted to evaluate and perform repairs.

Settlement noted at the west wall and south west corner of the structure. This may worsen with time. Suggest further assessment by a professional engineer to determine repairs.

1.2 Exterior Doors — Visible Damage Noted

Left rear steel doors are rusted and beginning to deteriorate. Suggest further assessment by a professional door contractor to determine the scope of needed repairs.

1.3 Exterior Electrical/Lighting/Receptacle/Wiring — Operational

Loose wires from security and old lighting noted.

2.0 Roof Structure

2.1 Fascia/Soffit — Visible Damage Noted

Several areas of the aluminum fascia have missing rivets. This may allow the trims to loosen and potentially damages. Suggest repairs to correct.

4.0 All Bathrooms

4.1 Walls/Ceiling

Several cracked ceramic tiles noted at both men's and women's bathrooms. Tiles should be repaired or replaced for safety to prevent abrasions or cuts due to sharp edges.

4.2 Floors — Visible Damage Noted

The bathroom floors are in poor condition at both men's and women's bathrooms. Several cracked, broken and missing floor tile noted. Bacterial growth and contamination concerns. Suggest repairs for the health and safety of the occupants.

5.0 Client Services/Billing/West Offices

5.1 Interior Floors — Visible Damage Noted

Client Services/Billing: Carpeted areas of the client services and billing areas are in poor condition. Areas of loose carpet in walkways may create a trip hazard and several areas of torn carpet noted.

Report Commentary

PILLAR TO POST
HOME INSPECTORS

Date: 26-Nov-2013 665 Ohio Pike , Cincinnati, OH 45245

not the entire report. The complete report may include additional information of concern to the
mended that the client read the entire report.

5.2 Ceilings — **No Significant Visible Damage Noted**

Stains observed on several of the acoustic ceiling tiles through out the structure. This suggest previous and possible active leaks. The stained area was measured with a moisture meter and was normal. It should be assumed that the leaks are active and roof contractors should be contacted to further asses the roof covering for repairs.

6.0 Processing/Phlebotomy

6.1 Interior Floors — **Visible Damage Noted**

Damaged frayed carpet at office entry. This is a potential trip hazard. Suggest repairs/replacement.

7.0 South Labs/Halls/Waiting Area

7.1 Interior Floors — **Visible Damage Noted**

Several areas of deteriorating and/or cracked floor tiles noted. Suggest repairs to correct.

7.2 Interior Walls — **Visible Damage Noted**

Several cracked ceramic tiles noted at the south wall of structure which indicated areas of settlement. Tiles should be repaired or replaced for safety to prevent abrasions or cuts due to sharp edges.

PILLARTOPOST
HOME INSPECTORS

Invoice

Invoice#: 24206 - 22923 **Date:Nov/26/2013**

The Capuano Corporation
Tim Bausch
8857 Cincinnati-Dayton Road,Suite 204,West Chester,Ohio,45069
Email :cincinnati@pillartopost.com

Client Jay Braun
Cincinnati, OH

Property 665 Ohio Pike , Cincinnati, OH, 45245

Services

Service Name	Service Cost
Visual Inspection	$595.00
Termite Inspection (included with Home Inspection Price)	$0.00
SubTotal:	**$595.00**
Tax @ 0.00%	**$0.00**
Total :	**$595.00**

Thank you for your business

EXHIBIT
D
PENGAD 800-631-6989

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4760 Red Bank Expressway Suite 226 ♦ Cincinnati, Ohio 45227 ♦ Phone (513) 561-6633 ♦ Fax (513) 561-3554

January 27, 2014

Mr. Jay Braun, Vice President Sales
MedLab
671 Ohio Pike
Suite K
Cincinnati, Ohio 45245

RE: Budget costs for renovations

Dear Jay,

We are pleased to provide budgetary costs for certain interior and exterior renovations/repairs at the existing MedLab facility located at 665 Ohio Pike in Cincinnati, Ohio. Based upon our current knowledge of the building and understanding of the scope of work (attached), we believe **a budget estimate of between $124,800 and $139,900** could be used for planning purposes.

The attached Scope of Work Summary enumerates the various portions of the work. Please note the following:

General: Quantity take-offs are based upon drawings of the original Ryan's Family Steak House prepared by Overstreet Architectural Associates (undated) and Woolpert Consultants (dated March, 1990); and building renovation drawings for Kilbourne Microlabs prepared by PDT Architects/Planners (dated August 2001). These drawings were furnished to CCC by MedLab.

Division 1 – General Requirements: Because this is not a bid, it is very difficult to estimate General Conditions. For the purposes of this budget estimate, we have assumed a project duration of approximately 2 months.

Division 2 – Existing Conditions: This number includes removing all of the existing vinyl composition tile (VCT) flooring and carpeting throughout the facility.

Division 4 – Masonry: Because we believe replacing/repairing all of the spalled brick masonry would be cost-prohibitive, this number is for sealing the exterior brick around the entire building (not including the dumpster enclosure).

Division 7 – Thermal & Moisture Protection: This number includes replacement of the shingle roofing, and repair/replacement (as required) of the existing sheet metal coping, fascia and soffit around the entire building. We will also include an estimate for repairs (if required) to the existing single-ply EPDM roofing after weather permits us to access the roof to conduct an inspection.

Division 8 – Openings: This number contemplates replacing the 2 exterior hollow metal doors, frames and hardware as well as 12 of the interior solid core wood doors and hardware sets. (We can also provide unit costs for this work, if you expect to replace more or fewer of the interior doors.)

Division 9 – Finishes: This number includes replacing all of the acoustic ceiling panels, VCT, carpeting and resilient base throughout the facility. It also includes gypsum board repairs and painting the interior walls. *(NOTE: Cost for repairs/replacement of ceramic floor/wall tile is not included in the above number, but a budget cost of $10.00/SF can be used, if needed.)*

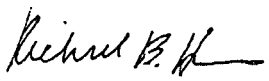
Division 10 – Specialties: We've included the cost to replace all of the toilet room accessories (toilet tissue dispensers, soap dispensers, grab bars, etc.).

Division 32 – Exterior Improvements: It's assumed that a number of the parking lot lighting fixtures may need to be replaced. Our budget estimate reflects the cost of replacing 7 fixtures.

As stated above this is only a budgetary estimate not a bid. However it should assist you in determining the magnitude of costs associated with the enumerated scope of work.

We appreciate the opportunity to be of service and look forward to the possibility of working with you on this project. If you should have any questions please feel free to call our office.

Sincerely,
Richard B. Kern



Sr. Estimator
Cincinnati Commercial Contracting

SCOPE OF WORK SUMMARY for MEDLAB January 27, 2014
665 Ohio Pike, Cincinnati, OH 45245

Division 1 – General Requirements: **$18,000-23,000**

- General Conditions & Supervision
- Referral Fee to Coldwell Banker West Shell

Division 2 – Existing Conditions: **$3,500 - $4,000**

- VCT & Carpet Removal = 4,810 SF (+/-)

Division 3 – Concrete

N/A

Division 4 – Masonry: **$4,500 - $5,000**

- Exterior Brick Patching/Sealing = 6,500 SF (+/-)

Division 5 – Metals

N/A

Division 6 – Wood, Plastics & Composites

N/A

Division 7 – Thermal & Moisture Protection: **$33,000-35,000**

- Shingle Roofing Repairs
- EPDM Roofing Repairs
- Miscellaneous Sheet Metal Repairs (Fascia, Soffit, Gutters, Downspouts, Trim, etc.)

Division 8 – Openings: **$15,000 - $17,000**

- Exterior Insulated Hollow Metal Door, Frame & Hardware = 3 Total *(Replace 3)*
- ~~Interior Hollow Metal Door, Frame & Hardware~~ = 0 Total
- Interior Solid Core Wood Door, ~~HM Frame~~ & Hardware = 25 Total *(Replace 12)*

Division 9 – Finishes: **$33,000 - $37,000**

- Gypsum Board Spot Repair/Preparation = 18,000 SF (+/-)
- Ceramic Floor Tile = 5,910 SF (+/-)*
- Acoustical Ceiling Tiles = 6,900 SF (+/-)
- Resilient Flooring/Resilient Base = 400 SF (+/-)
- Carpeting/Resilient Base = 4,410 SF (+/-)
- Painting = 18,000 SF (+/-)

** Budget $10.00/SF to remove/replace floor and wall tile*

Division 10 – Specialties: **$800 - $900**

- Toilet Room Accessories = 11 Stalls

Division 11 – Equipment

N/A

Division 12 – Furnishings

N/A

Division 13 – Special Construction

N/A

Division 14 – Conveying Equipment

N/A

Division 21 – Fire Suppression

N/A

Division 22 – Plumbing

N/A

Division 23 – HVAC

N/A

Division 26 – Electrical

N/A

Division 31 – Earthwork

N/A

Division 32 – Exterior Improvements: **$17,000 - $18,000**

- Parking Lot Lighting Fixtures = 15 Total *(Replace 7)*

Division 33 – Utilities

N/A

Taft/

425 Walnut Street, Suite 1800 / Cincinnati, Ohio 45202-3957
Tel: 513.381.2838 / Fax: 513.381.0205
www.taftlaw.com

CASEY CANTRELL SWARTZ
(513) 357-9452
cswartz@taftlaw.com

January 29, 2014

FEDERAL EXPRESS

BMC Group, Inc.
18675 Lake Drive East
Chanhassen, MN 55317
(Attn: Laboratory Partners Claims Processing)

Re: *Case No. 13-12769*, Laboratory Partners, Inc.

Dear Sir or Madam:

Please file the enclosed Proof of Claim for Kilbourne-Braun LLC and return a time-stamped copy in the pre-paid self-addressed envelope. Thank you.

Sincerely,

Casey Cantrell Swartz (MTS)

Casey Cantrell Swartz

CCS/mts
Enclosures

14018291.1

From: (513) 357-9383
Michael Squeri
Taft Stettinius & Hollister
425 Walnut Street
Suite 1800
Cincinnati, OH 45202

Origin ID: LUKA

FedEx Express

J14101312270326

Ship Date: 29JAN14
ActWgt: 1.0 LB
CAD: 105909681/INET3490

Delivery Address Bar Code

Ref # KL069-GN003
Invoice #
PO #
Dept # CIN-

SHIP TO: (000) 000-0000 BILL SENDER

Attn: Laboratory Partners Claims Pr
BMC Group, Inc.
18675 Lake Drive East

CHANHASSEN, MN 55317

RECEIVED
JAN 30 2014
BMC GROUP

THU - 30 JAN 10:30A
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TRK# 7727 5642 8821
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