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CONFIDENTIAL

VIA ELECTRONIC MAIL

June 5, 2007

Mr. B. Michael Verne
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
7th & Pennsylvania Avenue, NW
Washington, DC 20580

Dear Mike:

I am writing to confirm my understanding of a telephone conversation we had on May 23, 2007 relating to the applicability of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act") to proposed transactions.

Proposed Transactions

Company A will purchase all of the stock of Company B for less than $59.8 million cash. The employees of Company B (physicians) will be offered the opportunity to sign employment agreements containing a non-compete and a commitment to stay for at least three years (the "Employment Agreements"). Those that sign will receive one-time payments made upon commencement of employment ranging from $50,000 to $125,000, depending on how long their tenure was at Company B and the length of time the physician commits to remain employed with Company A (either three or five years). Those that do not sign may stay under their present employment agreements without any additional cash payment. Both shareholder and non-shareholder employees will be offered the chance to sign new employment agreements and receive a cash payment as an incentive for remaining with Company A. The form of non-compete, which is part of the agreements, is very standard in the industry and the states in which Company B operates.

In addition, certain physicians who have signed the Employment Agreements and commit to stay ten years with Company A will receive, after their tenth year, an amount equal to up to a certain percentage of their compensation (the "Ten Year Payments").

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The real estate leased and utilized by Company B for its business ("Real Estate") will not be sold at the time of the initial transaction. Company A will assume the leases of Company B for the Real Estate ("Leases"), but will not pay any premium for the Leases.

Company A also will assume bank debt of Company B ("Third Party Debt") as a part of the transaction. Further, Company A will assume the obligation for deferred compensation owed by Company B ("Deferred Compensation"). The Deferred Compensation is a largely unfunded retirement benefit that the physician employees of Company B receive upon retiring after a certain age. Company B has been paying this deferred compensation for a number of years as part of the ongoing operations of Company B.

The Real Estate is owned by three separate partnerships made up of different groups of physicians associated with Company B. There is no person or entity with the right to half or more of the profits or the right to half or more of the assets upon dissolution of any of the three partnerships. Accordingly, each partnership is its own ultimate parent entity. Each partnership will have a put option to sell, and Company A will have a call option to buy, Real Estate in 2008 or later.

Conclusions

With these facts, in our particular scenario, we understand that neither the initial payments under the Employment Agreements or the Ten Year Payments comprise part of the value for the stock of Company B. Further, we understand that the taking over of the Leases, the assumption of the Third Party Debt, and the taking on of the Deferred Compensation obligation (whether this is treated as the assumption of a liability or not) also would not impact the transaction valuation for HSR purposes. Accordingly, as the transaction is the acquisition of the voting securities of a non-publicly traded corporation, Company B, with an established purchase price, the value of the transaction for HSR purposes is simply the cash purchase price of less than $59.8 million. See 16 C.F.R. § 801.10(a)(2)(i). Accordingly, you confirmed that the acquisition by Company A of the stock of Company B is HSR exempt.

We understand that the possible subsequent acquisition of Real Estate does not impact the conclusion that the initial transaction is HSR exempt. Much of the Real Estate consists of physician office buildings. While Company A would at the time of the acquisition of Real Estate already own the businesses conducted in the office buildings, the office buildings would be acquired pursuant to a separate acquisition from the acquisition of Company B and would be made from different ultimate parent entities. In evaluating the potential HSR reportability of the possible future acquisition of Real Estate, you confirmed that the office building exemption under 16 C.F.R. § 802.2(d) would apply to the office building parts of the Real Estate.

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Please let me know as soon as possible if you disagree with any of the conclusions discussed above, or if I have misunderstood any aspect of your advice. Thank you for your assistance in this matter.

Sincerely,

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AGREE
6/5/07

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