Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2014

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-34504

ADDUS HOMECARE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**20-5340172**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2300 Warrenville Rd. Downers Grove, IL	**60515**
(Address of principal executive offices)	**(Zip code)**

630-296-3400
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer, "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock $0.001 par value
Shares outstanding at July 31, 2014: 10,981,688

Table of Contents

ADDUS HOMECARE CORPORATION

FORM 10-Q

INDEX

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

ADDUS HOMECARE CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
As of June 30, 2014 and December 31, 2013
(amounts and shares in thousands, except per share data)

	(Unaudited) June 30, 2014	(Audited) December 31, 2013
Assets		
Current assets		
Cash	$ 19,541	$ 15,565
Accounts receivable, net of allowances of $4,051 and $4,140 at June 30, 2014 and December 31, 2013, respectively	48,725	61,354
Prepaid expenses and other current assets	4,555	6,235
Deferred tax assets	8,326	8,326
Total current assets	81,147	91,480
Property and equipment, net of accumulated depreciation and amortization	6,958	2,634
Other assets		
Goodwill	64,324	60,026
Intangibles, net of accumulated amortization	11,753	8,762
Investments in joint ventures	900	900
Other assets	53	132
Total other assets	77,030	69,820
Total assets	$ 165,135	$ 163,934
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 4,769	$ 4,633
Accrued expenses	37,438	41,945
Deferred revenue	3	59
Total current liabilities	42,210	46,637
Deferred tax liabilities	3,441	3,441
Total liabilities	$ 45,651	$ 50,078
Stockholders' equity		
Common stock—$.001 par value; 40,000 authorized and 10,982 and 10,913 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively	$ 11	$ 11
Additional paid-in capital	83,617	83,072
Retained earnings	35,856	30,773
Total stockholders' equity	119,484	113,856
Total liabilities and stockholders' equity	$ 165,135	$ 163,934

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

ADDUS HOMECARE CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three and Six Months Ended June 30, 2014 and 2013
(amounts and shares in thousands, except per share data)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2014	2013	2014	2013
Net service revenues	$ 76,965	$ 65,755	$ 148,648	$ 128,753
Cost of service revenues	56,385	49,142	109,400	96,342
Gross profit	20,580	16,613	39,248	32,411
General and administrative expenses	15,399	12,092	29,802	23,602
Depreciation and amortization	1,083	541	1,578	1,087
Total operating expenses	16,482	12,633	31,380	24,689
Operating income from continuing operations	4,098	3,980	7,868	7,722
Interest income	(5)	—	(7)	—
Interest expense	156	142	312	350
Total interest expense, net	151	142	305	350
Income from continuing operations before income taxes	3,947	3,838	7,563	7,372
Income tax expense	1,218	1,256	2,480	2,103
Net income from continuing operations	$ 2,729	$ 2,582	$ 5,083	$ 5,269
Discontinued operations:				
Loss from home health business, net of tax	—	(150)	—	(687)
Gain on sale of home health business, net of tax	—	—	—	11,111
(Loss) earnings from discontinued operations	—	(150)	—	10,424
Net income	$ 2,729	$ 2,432	$ 5,083	$ 15,693
Net income per common share				
Basic income per share				
Continuing operations	$ 0.25	$ 0.24	$ 0.47	$ 0.49
Discontinued operations	—	(0.01)	—	0.97
Basic income per share	$ 0.25	$ 0.23	$ 0.47	$ 1.46
Diluted income per share				
Continuing operations	$ 0.25	$ 0.23	$ 0.46	$ 0.48
Discontinued operations	—	(0.01)	—	0.96
Diluted income per share	$ 0.25	$ 0.22	$ 0.46	$ 1.44
Weighted average number of common shares and potential common shares outstanding:				
Basic	10,903	10,785	10,878	10,779
Diluted	11,138	11,016	11,121	10,920

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

ADDUS HOMECARE CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Six Months Ended June 30, 2014
(amounts and shares in thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2013	10,913	$ 11	$ 83,072	$30,773	$ 113,856
Stock-based compensation	—	—	331	—	331
Shares issued	69	0	214	—	214
Net income	—	—	—	5,083	5,083
Balance at June 30, 2014	10,982	$ 11	$ 83,617	$35,856	$ 119,484

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

ADDUS HOMECARE CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2014 and 2013
(amounts and shares in thousands)
(Unaudited)

	For the Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities:		
Net income	$ 5,083	$ 15,693
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,578	1,087
Deferred income taxes	—	5,425
Stock-based compensation	331	217
Amortization of debt issuance costs	79	86
Provision for doubtful accounts	1,734	1,218
Gain on sale of home health business	—	(18,838)
Changes in operating assets and liabilities, net of acquired businesses:		
Accounts receivable	11,416	26,480
Prepaid expenses and other current assets	1,740	1,410
Accounts payable	(902)	1,298
Accrued expenses	(6,000)	320
Deferred revenue	(56)	(150)
Net cash provided by operating activities	15,003	34,246
Cash flows from investing activities:		
Acquisition of business	(7,233)	—
Acquisition of customer list	(50)	—
Net proceeds from sale of Home Health Business	—	19,659
Purchases of property and equipment	(3,958)	(407)
Net cash (used in) provided by investing activities	(11,241)	19,252
Cash flows from financing activities:		
Net repayments on term loan	—	(208)
Cash received from exercise of stock options	214	—
Net payments on revolving credit loan	—	(16,250)
Net cash provided by (used in) financing activities	214	(16,458)
Net change in cash	3,976	37,040
Cash, at beginning of period	15,565	1,737
Cash, at end of period	$ 19,541	$ 38,777
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 312	$ 317
Cash paid for income taxes	2,601	3,074
Supplemental disclosures of non-cash investing and financing activities:		
Tax benefit related to the amortization of tax goodwill in excess of book basis	80	80
Contingent and deferred consideration accrued for acquisitions	1,020	—

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

ADDUS HOMECARE CORPORATION
AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Summary of Significant Accounting Policies

Basis of Presentation and Description of Business

The consolidated financial statements include the accounts of Addus HomeCare Corporation ("Holdings") and its subsidiaries (together with Holdings, the "Company" or "we"). The Company is a comprehensive provider home and community based services to over 30,000 consumers through a network of 133 locations in 22 states. These services are primarily performed in the homes of the consumers and include assistance to the elderly, chronically ill and disabled with bathing, grooming, dressing, personal hygiene and medication reminders and other activities of daily living. Home and community based services are primarily performed under agreements with state and local governmental agencies and increasingly, managed care organizations.

Discontinued Operations

On February 7, 2013, subsidiaries of Holdings entered into an Asset Purchase Agreement with LHC Group, Inc. and certain of its subsidiaries (the "Home Health Purchase Agreement"). Pursuant to the Home Health Purchase Agreement, effective March 1, 2013, the purchasers acquired substantially all the assets of the Company's home health business in Arkansas, Nevada and South Carolina and 90% of its home health business in California and Illinois, with the Company retaining 10% ownership in such locations, for cash consideration of $20,000,000.

The Company's home health services were operated through licensed and Medicare certified offices that provided physical, occupational and speech therapy, as well as skilled nursing services to pediatric, adult infirm and elderly patients. Home health services were reimbursed from Medicare, Medicaid and Medicaid-waiver programs, commercial insurance and private payors (see note 2).

Principles of Consolidation

All intercompany balances and transactions have been eliminated in consolidation. Our investment in entities with less than 20% ownership or in which the Company does not have the ability to influence the operations of the investee are being accounted for using the cost method and are included in investments in joint ventures.

Revenue Recognition

The Company generates net service revenues by providing services directly to consumers. The Company receives payments for providing services from federal, state and local governmental agencies, commercial insurers and private consumers. Our continuing operations, which includes the results of operations previously included in our home and community segment and agencies in three states previously included in our home health segment, are principally provided based on authorized hours, determined by the relevant agency, at an hourly rate specified in agreements or fixed by legislation and recognized as revenues at the time services are rendered. Home and community based service revenues are reimbursed by state, local and other governmental programs which are partially funded by Medicaid or Medicaid waiver programs, with the remainder reimbursed through private duty and insurance programs.

Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change in the near term. The Company believes that it is in compliance in all material respects with all applicable laws and regulations.

Allowance for Doubtful Accounts

The Company establishes its allowance for doubtful accounts to the extent it is probable that a portion or all of a particular account will not be collected. The Company estimates its provision for doubtful accounts primarily by aging receivables utilizing eight aging categories, and applying its historical collection rates to each aging category, taking into consideration factors that might impact the use of historical collection rates or payor groups, with certain large payors analyzed separately from other payor groups. In the Company's evaluation of these estimates, it also considers delays in payment trends in individual states due to budget or funding issues, billing conversions related to acquisitions or internal systems, resubmission of bills with required documentation and disputes with specific payors. An allowance for doubtful accounts is maintained at a level management believes is sufficient to cover potential losses. However, actual collections could differ from the Company's estimates.

Property and Equipment

Property and equipment are recorded at cost and depreciated over the estimated useful lives of the related assets by use of the straight-line method except for internally developed software which is amortized by the sum-of-years digits method. Maintenance and repairs are charged to expense as incurred. The estimated useful lives of the property and equipment are as follows:

Computer equipment	3 – 5 years
Furniture and equipment	5 – 7 years
Transportation equipment	5 years
Computer software	5 – 10 years
Leasehold improvements	Lesser of useful life or lease term, unless probability of lease renewal is likely

Goodwill

The Company's carrying value of goodwill is the residual of the purchase price over the fair value of the net assets acquired from various acquisitions including the acquisition of Addus HealthCare, Inc. ("Addus HealthCare"). In accordance with Accounting Standards Codification ("ASC") Topic 350, "*Goodwill and Other Intangible Assets*" goodwill and intangible assets with indefinite useful lives are not amortized. The Company tests goodwill for impairment at the reporting unit level on an annual basis, as of October 1, or whenever potential impairment triggers occur, such as a significant change in business climate or regulatory changes that would indicate that an impairment may have occurred. The Company may use a qualitative test, known as "Step 0" or a two-step quantitative method to determine whether impairment has occurred. In Step 0, the Company can elect to perform an optional qualitative analysis and based on the results skip the two step analysis. In 2013, the Company elected to implement Step 0 and was not required to conduct the remaining two step analysis. The results of the Company's Step 0 assessment indicated that it was more likely than not that the fair value of its reporting unit exceeded its carrying value and therefore the Company concluded that there were no impairments for the year ended December 31, 2013. No impairment charges were recorded for the three or six months ended June 30, 2013.

Intangible Assets

The Company's identifiable intangible assets consist of customer and referral relationships, trade names, trademarks, state licenses and non-compete agreements. Amortization is computed using straight-line and accelerated methods based upon the estimated useful lives of the respective assets, which range from two to 25 years.

Intangible assets with finite lives are amortized using the estimated economic benefit method over the useful life and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company would recognize an impairment loss when the estimated future non-discounted cash flows associated with the intangible asset is less than the carrying value. An impairment change would then be recorded for the excess of the carrying value over the fair value. The Company estimates the fair value of these intangible assets using the income approach. No impairment charge was recorded for the three and six months ended June 30, 2014 or 2013.

The income approach, which the Company uses to estimate the fair value of its intangible assets (other than goodwill), is dependent on a number of factors including estimates of future market growth and trends, forecasted revenue and costs, expected periods the assets will be utilized, appropriate discount rates and other variables. The Company bases its fair value estimates on assumptions the Company believes to be reasonable but which are unpredictable and inherently uncertain. Actual future results may differ from those estimates. In addition, the Company makes certain judgments about the selection of comparable companies used in the market approach in determining valuation.

We also have indefinite-lived intangible assets that are not subject to amortization expense such as certificates of need and licenses to conduct specific operations within geographic markets. Our management has concluded that certificates of need and licenses have indefinite lives, as management has determined that there are no legal, regulatory, contractual, economic or other factors that would limit the useful life of these intangible assets and we intend to renew and operate the certificates of need and licenses indefinitely. The certificates of need and licenses are tested annually for impairment. No impairment was recorded for the three and six months ended June 30, 2014 or 2013.

Workers' Compensation Program

The Company's workers' compensation program has a $350,000 deductible component. The Company recognizes its obligations associated with this program in the period the claim is incurred. The cost of both the claims reported and claims incurred but not reported, up to the deductible, have been accrued based on historical claims experience, industry statistics and an actuarial analysis performed by an independent third party. The future claims payments related to the workers' compensation program are secured by letters of credit.

Interest Income

Legislation enacted in Illinois entitles designated service program providers to receive a prompt payment interest penalty based on qualifying services approved for payment that remain unpaid after a designated period of time. As the amount and timing of the receipt of these payments are not certain, the interest income is recognized when received and reported in the statement of operations as interest income. The Company did not receive any prompt payment interest for the three and six months ended June 30, 2014 or 2013.

Interest Expense

The Company's interest expense consists of interest costs on its credit facility and other debt instruments.

Income Tax Expense

The Company accounts for income taxes under the provisions of ASC Topic 740, *"Income Taxes."* The objective of accounting for income taxes is to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in its financial statements or tax returns. Deferred taxes, resulting from differences between the financial and tax basis of the Company's assets and liabilities, are also adjusted for changes in tax rates and tax laws when changes are enacted. ASC Topic 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. ASC Topic 740, also prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. In addition, ASC Topic 740 provides guidance on derecognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions.

Stock-based Compensation

The Company has two stock incentive plans, the 2006 Stock Incentive Plan (the "2006 Plan") and the 2009 Stock Incentive Plan (the "2009 Plan") that provide for stock-based employee compensation. The Company accounts for stock-based compensation in accordance with ASC Topic 718, " *Stock Compensation* ." Compensation expense is recognized on a graded method under the 2006 Plan and on a straight-line basis under the 2009 Plan over the vesting period of the awards based on the fair value of the options and restricted stock awards. Under the 2006 Plan, the Company historically used the Black-Scholes option pricing model to estimate the fair value of its stock based payment awards, but beginning October 28, 2009 under its 2009 Plan it began using an enhanced Hull-White Trinomial model. The determination of the fair value of stock-based payments utilizing the Black-Scholes model and the Enhanced Hull-White Trinomial model is affected by Holdings' stock price and a number of assumptions, including expected volatility, risk-free interest rate, expected term, expected dividends yield, expected forfeiture rate, expected turn-over rate, and the expected exercise multiple.

Net Income Per Common Share

Net income per common share, calculated on the treasury stock method, is based on the weighted average number of shares outstanding during the period. The Company's outstanding securities that may potentially dilute the common stock are stock options and restricted stock awards.

Included in the Company's calculation for the three and six months ended June 30, 2014 were 589,000 stock options outstanding, of which 218,000 and 225,000, respectively, were dilutive. In addition, there were 60,000 restricted stock awards outstanding, 18,000 of which were dilutive for the three and six months ended June 30, 2014, respectively.

Included in the Company's calculation for the three and six months ended June 30, 2013 were 677,000 stock options outstanding, of which 196,000 and 117,000, respectively, were dilutive. In addition, there were 99,000 restricted stock awards outstanding, 36,000 and 23,000 of which were dilutive for the three and six months ended June 30, 2013, respectively.

Estimates

The financial statements are prepared by management in conformity with Generally Accepted Accounting Principles ("GAAP"), and include estimated amounts and certain disclosures based on assumptions about future events. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, payables and debt. The carrying amounts reported in the consolidated balance sheets for cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments. The carrying value of the Company's long-term debt with variable interest rates approximates fair value based on instruments with similar terms.

The Company applies fair value techniques on a non-recurring basis associated with valuing potential impairment losses related to goodwill and indefinite-lived intangible assets and also when determining the fair value of contingent considerations. To determine the fair value in these situations, the Company uses Level 3 inputs such as discounted cash flows or if available, what a market participant would pay on the measurement date.

The Company utilizes the income approach to estimate the fair value of its intangible assets derived from acquisitions. In addition, discounted cash flows were used to estimate the fair value of the Company's investment in joint ventures.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The Company is currently evaluating the impact of its pending adoption of ASU 2014-09 on its consolidated financial statements and has not yet determined the method by which it will adopt the standard in 2017.

2. Discontinued Operations

During December 2012, in anticipation of the sale of substantially all of the assets used in its home health business (the "Home Health Business"), the Company reported the operating results of the Home Health Business as discontinued operations in accordance with ASC 360-10-45, "*Impairment or Disposal of Long-Lived Assets.*" On February 7, 2013, the Company entered into the Home Health Purchase Agreement, pursuant to which subsidiaries of LHC Group, Inc. agreed to acquire substantially all the assets of the Home Health Business in Arkansas, Nevada and South Carolina and 90% of the Home Health Business in California and Illinois, with the Company retaining 10% ownership in such locations, for cash consideration of $20,000,000. The transaction was consummated effective March 1, 2013. In addition, the results of operations for an agency in Pennsylvania that was sold on December 30, 2013 and an agency in Idaho that was closed on November 30, 2012 are included in discontinued operations.

The Company has included the financial results of the Home Health Business in discontinued operations for all periods presented. In connection with the discontinued operations presentation, certain financial statement footnotes have also been updated to reflect the impact of discontinued operations.

The following table presents the net service revenues and earnings attributable to discontinued operations, which include the financial results for the three and six months ended June 30, 2014 and 2013:

	For the Three Months Ended June 30, (Amounts in Thousands)		For the Six Months Ended June 30, (Amounts in Thousands)	
	2014	2013	2014	2013
Net service revenues	$ —	$ —	$ —	$ 6,476
Loss before income taxes	—	(254)	—	(1,165)
Income tax benefit	—	(104)	—	(478)
Net loss from discontinued operations	$ —	$ (150)	$ —	$ (687)

The following table presents the net gain on the sale of the Home Health Business, which was recorded March 1, 2013.

	Gain (Amounts in Thousands)
Gain before income taxes	$ 18,838
Income tax benefit	(7,727)
Net income from discontinued operations	$ 11,111

Pursuant to the Home Health Purchase Agreement, the Company retained $0 and $625,000 of accounts receivable, net as of June 30, 2014 and December 31, 2013, respectively. In addition, the Company retained the related accrued expenses and accounts payable associated with the Home Health Business as of June 30, 2014 and December 31, 2013.

3. Acquisitions

Effective June 1, 2014, the Company acquired Cura Partners, LLC, which conducts business under the name Aid & Assist at Home, LLC ("Aid & Assist"), in order to further expand the Company's presence in the State of Tennessee. The total consideration transferred in the transaction was $8,253,000, comprised of $7,233,000 in cash and $1,020,000 representing the estimated fair value subject to the achievement of certain performance targets set forth in an earn-out agreement. The related acquisition costs were $536,000 and were expensed as incurred. The results of operations from this acquired entity are included in the Company's statement of operations from the date of the acquisition.

The Company's acquisition of Aid & Assist has been accounted for in accordance with ASC Top 805, "*Business Combination,*" and the resultant goodwill and other intangible assets will be accounted for under ASC Topic 350 "*Goodwill and Other Intangible Assets*". The acquisition was recorded at its fair value as of June 1, 2014. The total purchase price is $8,253,000 and is comprised of:

	Total (Amounts in Thousands)
Cash	$ 7,233
Contingent earn-out obligation (net of $148 discount)	1,020
Total purchase price	$ 8,253

The contingent earn-out obligation has been recorded at its fair value of $1,020,000, which is the present value of the Company's obligation to pay up to $1,168,000 based on probability-weighted estimates of the achievement of certain performance targets, as defined.

Under business combination accounting, the total purchase price will be allocated to Aid & Assist's net tangible and identifiable intangible assets based on their estimated fair values. Based upon management's preliminary valuation, the total purchase price has been allocated as follows:

	Total (Amounts in Thousands)
Goodwill	$ 4,378
Identifiable intangible assets	3,950
Accounts receivable (net)	521
Furniture, fixtures and equipment	65
Other current assets	60
Accrued liabilities	(553)
Accounts payable	(168)
Total purchase price allocation	$ 8,253

Identifiable intangible assets acquired consist of trade names and trademarks, customer relationships and non-compete agreements. The estimated fair value of identifiable intangible assets was determined by the Company's management. It is anticipated that the net intangible and identifiable intangible assets are deductible for tax purposes. These estimates are provisional and are subject to change.

The Aid & Assist acquisition accounted for $1,063,000 of net service revenues from continuing operations for the three and six months ended June 30, 2014.

The Company acquired two home and community based businesses during 2013 and the first quarter of 2014 to further its presence in both existing states and to expand into new states. On November 1, 2013, the Company acquired two agencies located in South Carolina from the Medi Home Private Care Division of Medical Services of America, Inc. On January 24, 2014, the Company acquired an additional four agencies located in Tennessee and two agencies located in Ohio from the Medi Home Private Care Division of Medical Services of America, Inc. On December 1, 2013, the Company acquired the assets of Coordinated Home Health Care, LLC, a personal care business located in New Mexico, which included sixteen offices located in southern New Mexico. The combined purchase price for the foregoing acquisitions was $12,325,000 paid at closing and a maximum of $2,250,000 in future cash consideration based on certain performance criteria. The related acquisition costs totaled $660,000 and were expensed as incurred. The results of operations from these acquired entities are included in the Company's statements of operations from the dates of the respective acquisitions.

The Company's acquisition of the assets of Coordinated Home Health Care, LLC has been accounted for in accordance with ASC Top 805, "*Business Combinations*" and the resultant goodwill and other intangible assets will be accounted for under ASC Topic 350 "Goodwill and Other Intangible Assets". Assets acquired and liabilities assumed were recorded at their fair values as of December 1, 2013. The total purchase price was $12,825,000 and is comprised of:

	Total (Amounts in Thousands)
Cash	$ 11,725
Contingent earn-out obligation (net of discount of $1,125)	1,100
Total purchase price	$ 12,825

The contingent earn-out obligation was recorded at its fair value of $1,100,000, which is the present value of the Company's obligation to up to $2,250,000 based on probability-weighted estimates of the achievement of certain performance targets, as defined.

Under business combination accounting, the total purchase price was allocated to Coordinated Home Health Care, LLC's net tangible and identifiable intangible assets based on their estimated fair values. Based upon our management's valuation, the total purchase price was allocated as follows:

	Total (Amounts in Thousands)
Goodwill	$ 9,488
Identifiable intangible assets	3,300
Accounts receivable	888
Prepaid expenses	35
Furniture, fixtures and equipment	58
Deposits	15
Accounts payable	(81)
Accrued liabilities	(864)
Other liabilities	(14)
Total purchase price allocation	$ 12,825

Identifiable intangible assets acquired consist of trade names and trademarks, customer relationships and non-compete agreements. The estimated fair value of identifiable intangible assets was determined by our management. It is anticipated that the net intangible and identifiable intangible assets are deductible for tax purposes.

Acquisitions completed during the fourth quarter 2013 accounted for $5,446,000 and $10,911,000 of net service revenues from continuing operations for the three and six months ended June 30, 2014, respectively.

4. Goodwill and Intangible Assets

The Company's carrying value of goodwill is the residual of the purchase price over the fair value of the net assets acquired from various acquisitions including the acquisition of Addus HealthCare. In accordance with ASC Topic 350, "Goodwill and Other Intangible Assets," goodwill and intangible assets with indefinite useful lives are not amortized. The Company tests goodwill for impairment on an annual basis, as of October 1, or whenever potential impairment triggers occur, such as a significant change in business climate or regulatory changes that would indicate that impairment may have occurred.

The Company can elect to perform Step-0 an optional qualitative analysis and based on the results skip the remaining two steps. In 2013 and 2012, the Company elected to implement Step 0 and was not required to conduct the remaining two step analysis. In performing its goodwill assessment for 2013 and 2012, the Company evaluated the following factors that affect future business performance: macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, entity-specific events, reporting unit factors and company stock price. As a result of these assessments of these qualitative factors, the Company concluded that it was more likely than not that the fair values of the reporting unit goodwill as of December 31, 2013 exceed the carrying values of the unit. Accordingly, the first and second steps of the goodwill impairment test as described in ASC 350-20-35, which includes estimating the fair values of the Company, were not considered necessary.

The Company did not record any impairment charges for the three and six months ended June 30, 2014 or 2013. The Company will perform its annual impairment test for fiscal 2014 during the fourth quarter of 2014.

The following is a summary of the goodwill activity for the six months ended June 30, 2014:

	Goodwill (Amounts in Thousands)
Goodwill, at December 31, 2013	$ 60,026
Additions for Acquisitions	4,378
Adjustments to previously recorded goodwill	(80)
Goodwill, at June 30, 2014	$ 64,324

Adjustments to the previously recorded goodwill are primarily credits related to amortization of tax goodwill in excess of book basis.

The Company's identifiable intangible assets consist of customer and referral relationships, trade names, trademarks, state licenses and non-compete agreements. Amortization is computed using straight-line and accelerated methods based upon the estimated useful lives of the respective assets, which range from two to twenty five years.

The Company also has indefinite-lived assets that are not subject to amortization expense such as certificates of need and licenses to conduct specific operations within geographic markets. The Company has concluded that certificates of need and licenses have indefinite lives, as management has determined that there are no legal, regulatory, contractual, economic or other factors that would limit the useful life of these intangible assets and the Company intends to renew and operate the certificates of need and licenses indefinitely. The certificates of need and licenses are tested annually for impairment using the cost approach. Under this method assumptions are made about the cost to replace the certificates of need. No impairment charges were recorded in the three and six months ended June 30, 2014 and 2013.

The carrying amount and accumulated amortization of each identifiable intangible asset category consisted of the following for continuing operations at June 30, 2014 and December 31, 2013:

	Customer and referral relationships	Trade names and trade marks	State Licenses	Non-competition agreements	Total
	(Amounts in Thousands)				
Gross balance at December 31, 2013	$ 26,346	$ 5,281	$ 150	$ 1,508	$ 33,285
Accumulated amortization	(21,138)	(2,995)	—	(390)	(24,523)
Net Balance at December 31, 2013	5,208	2,286	150	1,118	8,762
Gross balance at January 1, 2014	26,346	5,281	150	1,508	33,285
Additions	50	—	—	—	50
Additions for acquisitions	1,500	1,900	—	550	3,950
Accumulated amortization	(21,736)	(3,213)	—	(583)	(25,532)
Net Balance at June 30, 2014	$ 6,160	$ 3,968	$ 150	$ 1,475	$ 11,753

Amortization expense for continuing operations related to the identifiable intangible assets amounted to $735,000 and $1,009,000 for the three and six months ended June 30, 2014, respectively. Amortization expense for continuing and discontinued operations related to the identifiable intangible assets amounted to $339,000 and $678,000 for the three and six months ended June 30, 2013, respectively. Goodwill and state licenses are not amortized pursuant to ASC Topic 350.

5. Details of Certain Balance Sheet Accounts

Prepaid expenses and other current assets consisted of the following:

	June 30, 2014 (Amounts in Thousands)	December 31, 2013 (Amounts in Thousands)
Prepaid health insurance	$ 1,623	$ 3,192
Prepaid workers' compensation and liability insurance	749	1,173
Prepaid rent	512	455
Workers' compensation insurance receivable	746	821
Other	925	594
	$ 4,555	$ 6,235

Accrued expenses consisted of the following:

	June 30, 2014 (Amounts in Thousands)	December 31, 2013 (Amounts in Thousands)
Accrued payroll	$ 12,665	$ 12,932
Accrued workers' compensation insurance	13,076	13,347
Accrued health insurance	1,607	3,731
Indemnification reserve (1)	1,596	3,224
Accrued payroll taxes	2,497	1,755
Accrued professional fees	1,415	1,319
Amounts due to LHCG (2)	134	2,196
Current portion of contingent earn-out obligation (3)	2,120	1,100
Other	2,328	2,341
	$ 37,438	$ 41,945

(1) As a condition of the sale of the Home Health Business to subsidiaries of LHC Group. Inc. ("LHCG") the Company is responsible for any adjustments to Medicare and Medicaid billings prior to the closing. In connection with an internal evaluation of the Company's billing processes, it discovered documentation errors in a number of claims that it had submitted to Medicare. Consistent with applicable law, the Company voluntarily remitted $1,840,000 to the government in March 2014. The Company, using its best judgment, has estimated a total of $1,596,000 for billing adjustments remaining.

(2) Amounts due to LHCG pursuant to a billing services arrangement between the Company and LHCG.

(3) The Company acquired certain assets of Coordinated Home Health Care and Aid & Assist on December 1, 2013 and June 1, 2014, respectively. The purchase agreements for the acquisitions contained provisions for earn-out payments. The contingent earn-out obligations have been recorded at their fair values of $1,100,000 and $1,020,000, which is the present value of the Company's obligations of up to $2,250,000 and $1,168,000 for Coordinated Home Health Care and Aid & Assist, respectively, based on probability- weighted estimates of the achievement of certain performance targets.

The Company provides health insurance coverage to qualified union employees providing home and community based services in Illinois through a Taft-Hartley multi-employer health and welfare plan under Section 302(c)(5) of the Labor Management Relations Act of 1947. The Company's insurance contributions equal the amount reimbursed by the State of Illinois. Contributions are due within five business days from the date the funds are received from the State. Amounts due of $1,305,000 and $3,163,000 for health insurance reimbursements and contributions were reflected in prepaid insurance and accrued insurance at June 30, 2014 and December 31, 2013, respectively.

6. Long-Term Debt

The Company had no long-term debt outstanding as of June 30, 2014 and December 31, 2013.

Senior Secured Credit Facility

The Company's credit facility provides a $55,000,000 revolving line of credit expiring November 2, 2014 and includes a $15,000,000 sublimit for the issuance of letters of credit and previously included a $5,000,000 term loan that matured and was paid on January 5, 2013. Substantially all of the subsidiaries of Holdings are co-borrowers, and Holdings has guaranteed the borrowers' obligations under the credit facility. The credit facility is secured by a first priority security interest in all of Holdings' and the borrowers' current and future tangible and intangible assets, including the shares of stock of the borrowers.

The availability of funds under the revolving credit portion of the credit facility, as amended, is based on the lesser of (i) the product of adjusted EBITDA, as defined in the credit agreement, for the most recent 12-month period for which financial statements have been delivered under the credit agreement multiplied by the specified advance multiple, up to 3.25, less the outstanding senior indebtedness and letters of credit, and (ii) $55,000,000 less the outstanding revolving loans and letters of credit. Interest on the revolving line of credit amounts outstanding under the credit facility is payable either at a floating rate equal to the 30-day LIBOR, plus an applicable margin of 4.6% or the LIBOR rate for term periods of one, two, three or six months plus a margin of 4.6%. Interest on the credit facility is paid monthly on or at the end of the relevant interest period, as determined in accordance with the credit agreement. The Company pays a fee equal to 0.5% per annum of the unused portion of the revolving portion of the credit facility. Issued stand-by letters of credit are charged at a rate of 2.0% per annum payable monthly. The Company did not have any amounts outstanding on the credit facility and the total availability under the revolving credit loan facility was $40,004,000 and $42,279,000, as of June 30, 2014 and December 31, 2013, respectively.

The credit facility contains customary affirmative covenants regarding, among other things, the maintenance of records, compliance with laws, maintenance of permits, maintenance of insurance and property and payment of taxes. The credit facility also contains certain customary financial covenants and negative covenants that, among other things, include a requirement to maintain a minimum fixed charge coverage ratio, a requirement to stay below a maximum senior leverage ratio and a requirement to stay below a maximum permitted amount of capital expenditures, as well as restrictions on guarantees, indebtedness, liens, dividends, distributions, investments and loans, subject to customary carve outs, restrictions on the Company's ability to enter into transactions other than in the ordinary course of business, a restriction on the ability to consummate more than three acquisitions in any calendar year, or for the purchase price of any one acquisition to exceed $500,000, in each case without the consent of the lenders, restrictions on mergers, transfers of assets, acquisitions, equipment, subsidiaries and affiliate transactions, subject to customary carve outs, and restrictions on fundamental changes and lines of business. The Company was in compliance with all of its credit facility covenants at June 30, 2014 and December 31, 2013.

On August 11, 2014, the Company renewed the credit facility for a period of five years on essentially the same terms as the expiring facility. See Note 12 to the Condensed Consolidated Financial Statements for additional information.

7. Income Taxes

A reconciliation of the continuing operations statutory federal tax rate of 35.0% for the three and six months ended June 30, 2014 and 2013 is summarized as follows:

	Three Months Ended June 30,	
	2014	2013
Federal income tax at statutory rate	35.0%	35.0%
State and local taxes, net of federal benefit	5.9	6.0
Jobs tax credits, net [1]	(8.4)	(10.2)
Nondeductible meals and entertainment	0.3	1.9
Effective income tax rate	32.8%	32.7%

	Six Months Ended June 30,	
	2014	2013
Federal income tax at statutory rate	35.0%	35.0%
State and local taxes, net of federal benefit	5.9	6.0
Jobs tax credits, net [2]	(9.9)	(14.4)
Nondeductible meals and entertainment	(0.1)	1.9
Effective income tax rate	30.9%	28.5%

(1) Included in the jobs tax credit for the three months ended June 30, 2013 was a one-time benefit of a 3.0% reduction from our statutory tax rate for the jobs tax credits estimated to be earned for the three months ended March 31, 2013, but recorded in the three months ended June 30, 2013.

(2) Included in the jobs tax credit for the six months ended June 30, 2013 was a one-time benefit of a 7.2% reduction from our statutory tax rate for the jobs tax credits earned in 2012 but not recorded until 2013. The federal employment opportunity tax credits were reinstated in 2013 and were not an allowable deduction in 2012.

8. Segment Data

The Company historically segregated its results into two distinct reporting segments: the home & community segment and the home health segment. As a result of the sale of the Home Health Business, the Company has reported the operating results for the Home Health Business in discontinued operations. Therefore, all of the Company's operations are reported as one operating segment.

9. Commitments and Contingencies

Legal Proceedings

The Company is a party to legal and/or administrative proceedings arising in the ordinary course of its business. It is the opinion of management that the outcome of such proceedings will not have a material effect on the Company's financial position and results of operations.

Employment Agreements

The Company has entered into employment agreements with certain members of senior management. The terms of these agreements are up to four years and include non-compete and nondisclosure provisions, as well as provide for defined severance payments in the event of termination.

10. Significant Payors

A substantial portion of the Company's net service revenues and accounts receivables are derived from services performed for federal, state and local governmental agencies. One state governmental agency accounted for 54.2% and 59.1% of the Company's net service revenues for the three months ended June 30, 2014 and 2013, respectively. One state governmental agency accounted for 54.6% and 59.3% of the Company's net service revenues for the six months ended June 30, 2014 and 2013, respectively.

The related receivables due from the state agency represented 54% of the Company's accounts receivable at June 30, 2014, and 66% of the Company's accounts receivable at December 31, 2013.

11. Concentration of Cash

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash. The Company maintains cash with financial institutions which, at times, may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk on cash.

12. Subsequent Event

On July 12, 2014, the Company executed a 48-month capital lease agreement for $2,650,000 with First American Commercial Bancorp, Inc. to finance furniture and equipment at the Company's new corporate headquarters in Downers Grove, IL.

On August 11, 2014, the Company entered into a new $55,000,000 revolving line of credit with Fifth Third Bank (the "New Credit Facility"), which will replace the credit facility in place at June 30, 2014 (the "Expiring Credit Facility"). The New Credit Facility matures on November 2, 2019 and has the same material terms as the Expiring Credit Facility described in Note 6 to the Condensed Consolidated Financial Statements, with the exception of an increase in the capital expenditures permitted without prior consent from the administrative agent from $1,250,000 annually to $5,000,000 for 2014 and $2,500,000 per year thereafter and an increase in the value of the acquisitions permitted without prior consent from the administrative agent from $500,000 to $2,000,000 per year and an increase in the sublimit for the issuance of letters of credit from $15,000,000 to $27,500,000. Further, interest on the revolving line of credit may be payable at (i) a floating rate equal to the 30-day LIBOR, plus a margin of 4.6%, (ii) the LIBOR rate for term periods of one, two or three months, plus a margin of 4.6% or (iii) the base rate, plus a margin of 1.6%, where the base rate is equal to the greatest of (a) the rate of interest last quoted by The Wall Street Journal as the "prime rate", (b) the sum of the federal funds rate, plus a margin of 0.5% and (c) the sum of the adjusted LIBOR that would be applicable to a loan with a one month interest period advanced on such day, plus a margin of 3%.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion together with our unaudited condensed consolidated financial statements and the related notes. This discussion contains forward-looking statements about our business and operations. Our actual results may differ materially from those we currently anticipate.

Overview

We are a comprehensive provider of home and community based services to over 30,000 consumers through a network of 133 locations in 22 states. Our services are primarily performed in the homes of consumers and include assistance to the elderly, chronically ill and disabled with bathing, grooming, dressing, personal hygiene and medication reminders and other activities of daily living. Home and community based services are primarily performed under agreements with state and local government agencies and increasingly, managed care organizations.

Effective March 1, 2013, we sold substantially all of the assets used in our Home Health Business in Arkansas, Nevada and South Carolina, and 90% of the Home Health Business in California and Illinois, to LHCG for a cash purchase price of approximately $20,000,000. We retained a 10% ownership interest in the Home Health Business in California and Illinois. The assets sold included 19 home health agencies and two hospice agencies in five states. On December 30, 2013 we sold one home health agency in Pennsylvania for approximately $200,000. In November 2012, we ceased operations of a home health agency located in Idaho and abandoned efforts to sell this location in December 2013. Through our former home health agencies, we previously provided physical, occupational and speech therapy, as well as skilled nursing services, to pediatric, adult infirm and elderly patients. The results of the Home Health Business sold or held for sale are reflected as discontinued operations for all periods presented herein. Continuing operations include the results of operations previously included in our home & community segment and three agencies previously included in our home health segment. Following the sale of the Home Health Business, we manage and internally report our business in one segment.

We believe the sale of the Home Health Business positions us for future growth by allowing us to focus both management and financial resources on changes in the home and community based services industry and the needs of managed care organizations as they become increasingly responsible for state sponsored programs. We have improved our capital structure and liquidity and are concentrating our efforts on the business that is growing and providing all of our profitability and disposing of the business that was unprofitable. We have improved our overall financial position by eliminating our debt and adding substantial amounts in cash reserves to our balance sheet. A summary of our results for the three and six months ended June 30, 2014 and 2013 are provided in the tables below:

	For the Three Months Ended June 30, (Amounts in Thousands)	
	2014	2013
Net service revenues – continuing operations	$ 76,965	$ 65,755
Net income from continuing operations	2,729	2,582
Earnings from discontinued operations	—	(150)
Net income	$ 2,729	$ 2,432
Total assets	$ 165,135	$ 155,155

	For the Six Months Ended June 30, (Amounts in Thousands)	
	2014	2013
Net service revenues – continuing operations	$ 148,648	$ 128,753
Net service revenues – discontinued operations	—	6,476
Net income from continuing operations	5,083	5,269
Earnings from discontinued operations	—	10,424
Net income	$ 5,083	$ 15,693
Total assets	$ 165,135	$ 155,155

The home and community based services we provide are primarily social in nature and include assistance with bathing, grooming, dressing, personal hygiene and medication reminders, and other activities of daily living. We provide these services on a long-term, continuous basis, with an average duration of approximately 17 months per consumer. Our adult day centers provide a comprehensive program of skilled and support services and designated medical services for adults in a community-based group setting. Services provided by our adult day centers include social activities, transportation services to and from the centers, the provision of meals and snacks, personal care and therapeutic activities such as exercise and cognitive interaction.

We utilize a coordinated care model that is designed to enhance consumer outcomes and satisfaction; prevent the need for and thus, lower the cost of acute care treatment; and reduce service duplication. Through our coordinated care model, we utilize our home care aides to observe and report changes in the condition of our consumers for the purpose of early intervention in the disease process, thereby preventing or reducing the cost of medical services by avoiding emergency room visits, and/or reducing the need for hospitalization. Changes in condition are evaluated by appropriately trained managers and referred to appropriate medical personnel including the consumers' primary care physicians and managed care plans for treatment and follow-up. We also will coordinate the services provided by our team with those of selected health care agencies. We believe this approach to the provision of care to our consumers and the integration of our services into the broader healthcare industry is particularly attractive to managed care providers and others who are ultimately responsible for the healthcare needs of our consumers and related costs.

Our ability to grow our net service revenues is closely correlated with the number of consumers to whom we provide services. Our growth depends on our ability to maintain existing payor client relationships, establish relationships with new payors, enter into new contracts and increase referral sources. Our growth is also dependent upon the authorization by state agencies of new consumers to receive our services. We believe there are several market opportunities for growth. The U.S. population of persons aged 65 and older is growing, and the U.S. Census Bureau estimates that this population will more than double by 2050. Additionally, we believe the overwhelming majority of consumers in need of care generally prefer to receive care in their homes or community-based settings. Finally, we believe the provision of home and community based services is more cost-effective than the provision of similar services in an institutional setting for long-term care.

We have historically grown our business primarily through organic growth in existing service areas and the expansion into new service areas, complemented by selective acquisitions. Our acquisitions have historically been focused on facilitating entry into new states and increasing our market penetration in states we already serve.

Effective June 1, 2014, we acquired Cura Partners, LLC, which conducts business under the name Aid & Assist at Home, LLC ("Aid & Assist"), in order to further expand our presence in the State of Tennessee. The total consideration transferred in the transaction was $8,253,000, comprised of $7,233,000 in cash and $1,020,000 representing the estimated in fair value of future cash consideration subject to the achievement of certain performance targets set forth in an earn-out agreement. The related acquisition costs were $536,000 and were expensed as incurred. The results of operations from this acquired entity are included in our statements of operations from the date of the acquisition.

We acquired two home and community based businesses during 2013 and the first quarter of 2014 to further our presence in both existing states and to expand into new states. On November 1, 2013 we acquired two agencies located in South Carolina from the Medi Home Private Care Division of Medical Services of America, Inc. On January 24, 2014, we acquired an additional four agencies located in Tennessee and two agencies located in Ohio from the Medi Home Private Care Division of Medical Services of America, Inc. On December 1, 2013 we acquired the assets of Coordinated Home Health Care, LLC, a personal care business located in New Mexico, which included sixteen offices located in southern New Mexico. The combined purchase price for the foregoing acquisitions was $12,325,000 paid at closing and a maximum of $2,250,000 in future cash consideration based on certain performance criteria. The related acquisitions costs totaled $660,000 and were expensed as incurred. The results of operations from these acquired entities are included in our statements of operations from the dates of the respective acquisitions.

Business

The results of the Home Health Business sold are reflected as discontinued operations for all periods presented herein. Continuing operations include the results of operations previously included in our home & community segment and three agencies previously included in our home health segment. Following the sale of the Home Health Business, we manage and internally report our business in one segment.

As of June 30, 2014, we provided our home and community based services in 133 locations across 22 states. As of December 31, 2013, we provided our home and community based services in 121 locations across 21 states.

Our payor clients are principally federal, state and local governmental agencies and increasingly managed care organizations. The federal, state and local programs under which the agencies operate are subject to legislative, budgetary and other risks that can influence reimbursement rates. Our commercial insurance carrier payor clients are typically for-profit companies and are continuously seeking opportunities to control costs. We are beginning to experience and anticipate a further transition of business from government payors to managed care organizations with which we are seeking to grow our business given our emphasis on coordinated care and the prevention of unnecessary costly acute care. We are also seeking to grow our private duty business. Managed care payors are commercial insurance carriers who are under contract with various federal and state governmental agencies to manage the provision of home and community based services. Their objective is to lower total health care costs by integrating the provision of home and community based services with those benefit programs responsible for the provision of acute care services to their consumers.

For the three and six months ended June 30, 2014 and 2013 our payor revenue mix for continuing operations was:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
State, local and other governmental programs	89.4%	93.7%	90.1%	94.2%
Managed care	6.2	0.9	5.3	0.5
Private duty	3.3	4.2	3.4	4.1
Commercial	1.1	1.2	1.2	1.2
	100.0%	100.0%	100.0%	100.0%

We derive a significant amount of our net service revenues from our continuing operations in Illinois, which represented 61.1% and 66.0% of our total net service revenues from continuing operations for the three months ended June 30, 2014 and 2013, respectively. Net service revenues from our operations in Illinois represented 61.3% and 65.8% of our total net service revenues for the six months ended June 30, 2014 and 2013, respectively.

A significant amount of our net service revenues from continuing operations are derived from one payor client, the Illinois Department on Aging, which accounted for 54.2 % and 59.1% of our total net service revenues from continuing operations for the three months ended June 30, 2014 and 2013, respectively. The Illinois Department of Aging accounted for 54.6 % and 59.3% of our total net service revenues from continuing operations for the six months ended June 30, 2014 and 2013, respectively.

We measure the performance of our business using a number of different metrics, including billable hours, billable hours per business day, revenues per billable hour and the number of consumers, or census.

Components of our Statements of Operations

Net Service Revenues

We generate net service revenues from continuing operations by providing our services directly to consumers. We receive payment for providing such services from our payor clients, including federal, state and local governmental agencies, commercial insurers and private consumers.

Net service revenues from continuing operations are typically generated based on services rendered and reimbursed on an hourly basis. Our net service revenues from continuing operations were generated principally through reimbursements by state, local and other governmental programs which are partially funded by Medicaid programs, and to a lesser extent from private duty and insurance programs. Net service revenues from continuing operations are principally provided based on authorized hours, determined by the relevant agency, at an hourly rate, which is either contractual or fixed by legislation, and recognized as net service revenues at the time services are rendered.

Cost of Service Revenues

We incur direct care wages, payroll taxes and benefit-related costs from continuing operations in connection with providing our services. We also provide workers' compensation and general liability coverage for these employees.

Employees are also reimbursed for their travel time and related travel costs.

General and Administrative Expenses

Our general and administrative expenses from continuing operations consist of expenses incurred in connection with our activities and as part of our central administrative functions.

Our general and administrative expenses from continuing operations consist principally of supervisory personnel, care coordination and office administration costs. These expenses include wages, payroll taxes and benefit-related costs; facility rent; operating costs such as utilities, postage, telephone and office expenses; and bad debt expense. We have initiated efforts to centralize administrative tasks currently conducted at the branch locations. The costs related to these initiatives are included in the general and administrative expenses from continuing operations. Other centralized expenses from continuing operations include administrative departments of accounting, information systems, human resources, billing and collections and contract administration, as well as national program coordination efforts for marketing and private duty. These expenses primarily consist of compensation, including stock-based compensation, payroll taxes, and related benefits; legal, accounting and other professional fees; rents and related facility costs; and other operating costs such as software application costs, software implementation costs, travel, general insurance and bank account maintenance fees.

Depreciation and Amortization Expenses

We amortize our intangible assets with finite lives, consisting of customer and referral relationships, trade names, trademarks and non-compete agreements, principally on accelerated methods based upon their estimated useful lives. Depreciable assets consist principally of furniture and equipment, network administration and telephone equipment, and operating system software. Depreciable and leasehold assets are depreciated or amortized on a straight-line method over their useful lives or, if less and if applicable, their lease terms.

Interest Income

Legislation enacted in Illinois entitles designated service program providers to receive a prompt payment interest penalty based on qualifying services approved for payment that remain unpaid after a designated period of time. As the amount and timing of the receipt of these payments are not certain, the interest income is recognized when received and reported in the statement of operations as interest income. While we may be owed additional prompt payment interest, the amount and timing of receipt of such payments remains uncertain and we have determined that we will continue to recognize prompt payment interest income when received. The state amended its prompt payment interest terms, effective July 1, 2011, which changed the measurement period for outstanding invoices from a 60-day to a 90-day outstanding period. We believe this change in terms will reduce future amounts paid for prompt payment interest.

Interest Expense

Interest expense from continuing operations consists of interest costs on our credit facility and other debt instruments.

Income Tax Expense

All of our income from continuing operations is from domestic sources. We incur state and local taxes in states in which we operate. The differences from the federal statutory rate of 35.0% in 2014 and 2013 are principally due to state taxes and the use of federal employment tax credits.

Discontinued Operations

Discontinued operations consists of the results of operations, net of tax for our Home Health Business that was sold effective March 1, 2013 and the results of operations for an agency in Pennsylvania that was sold on December 30, 2013 and an agency in Idaho that was closed in November 2012.

Results of Operations

The following tables set forth, for the periods indicated, our unaudited consolidated results of operations.

Three Months Ended June 30, 2014 Compared to Three Months Ended June 30, 2013

	For the Three Months Ended June 30,					
	2014		2013		Change	
	Amount	% Of Net Service Revenues	Amount	% Of Net Service Revenues	Amount	%
	(Amounts in Thousands, Except Percentages)					
Net service revenues	$76,965	100.0%	$65,755	100.0%	$11,210	17.0%
Cost of service revenues	56,385	73.3	49,142	74.7	7,243	14.7
Gross profit	20,580	26.7	16,613	25.3	3,967	23.9
General and administrative expenses	15,399	20.0	12,092	18.4	3,307	27.3
Depreciation and amortization	1,083	1.4	541	0.8	542	100.2
Total operating expenses	16,482	21.4	12,633	19.2	3,849	30.5
Operating income from continuing operations	4,098	5.3	3,980	6.1	118	3.0
Interest income	(5)	—	—	—	(5)	
Interest expense	156	0.2	142	0.2	14	
Total interest expense, net	151	0.2	142	0.2	9	6.3
Income from continuing operations before income taxes	3,947	5.1	3,838	5.8	109	2.8
Income tax expense	1,218	1.6	1,256	1.9	(36)	(2.9)
Net income from continuing operations	2,729	3.5	2,582	3.9	147	5.7

	For the Three Months Ended June 30,					
	2014		2013		Change	
	Amount	% Of Net Service Revenues	Amount	% Of Net Service Revenues	Amount	%
	(Amounts in Thousands, Except Percentages)					
Discontinued operations:						
Loss from Home Health Business, net of Tax	—	—	(150)	(0.2)	150	(100.0)
Net income	$ 2,729	3.5%	$ 2,432	3.7%	$ 297	12.2%
Business Metrics (Actual Numbers, Except Billable Hours in Thousands)						
Average billable census	30,523		26,173		4,350	16.6%
Billable hours	4,536		3,872		664	17.1
Average Billable hours per census per month	50		49		1	2.0
Billable hours per business day	72,006		59,569		12,437	20.9
Revenues per billable hour	$ 16.97		$ 16.98		$ (0.01)	(0.1)%

Net service revenues from state, local and other governmental programs accounted for 89.4% and 93.7 % of net service revenues for the three months ended June 30, 2014 and 2013, respectively. Managed care, private duty and commercial payors accounted for the remainder of net service revenues.

Net service revenues increased $11,210,000, or 17.0%, to $76,965,000 for the three months ended June 30, 2014 compared to $65,755,000 for the same period in 2013. The increase was primarily due to a 16.6% increase in average billable census, of which 8.7% is same store census growth and 7.9% is related to acquisitions.

Gross profit, expressed as a percentage of net service revenues, increased to 26.7% for the second quarter of 2014, compared to 25.3 % the same period in 2013. The increase was primarily due to lower than anticipated worker's compensation expense and recent acquisitions providing higher margins.

General and administrative expenses, expressed as a percentage of net service revenues increased to 20.0 % for the three months ended June 30, 2014, from 18.4% for the three months ended June 30, 2013. General and administrative expenses increased to $15,399,000 as compared to $12,092,000 for the three months ended June 30, 2014 and 2013, respectively. The increase in general and administrative expenses was due to an increase in the general and administrative costs related to acquisitions, one time acquisition expenses, move costs and increased expenditures related to information technology for the three months ended June 30, 2014 as compared to 2013.

Depreciation and amortization, expressed as a percentage of net service revenues, increased to 1.4% for the second quarter of 2014, from 0.8% for the same period in 2013. Amortization of intangibles, which are principally amortized using accelerated methods, totaled $735,000 and $339,000 for the three months ended June 30, 2014 and 2013, respectively.

Six Months Ended June 30, 2014 Compared to Six Months Ended June 30, 2013

	For the Six Months Ended June 30,					
	2014		2013		Change	
	Amount	% Of Net Service Revenues	Amount	% Of Net Service Revenues	Amount	%
	(Amounts in Thousands, Except Percentages)					
Net service revenues	$148,648	100.0%	$128,753	100.0%	$19,895	15.5%
Cost of service revenues	109,400	73.6	96,342	74.8	13,058	13.6
Gross profit	39,248	26.4	32,411	25.2	6,837	21.1
General and administrative expenses	29,802	20.0	23,602	18.3	6,200	26.3
Depreciation and amortization	1,578	1.1	1,087	0.8	491	45.2
Total operating expenses	31,380	21.1	24,689	19.2	6,691	27.1
Operating income from continuing operations	7,868	5.3	7,722	6.0	146	1.9
Interest income	(7)	—	—	—	(7)	
Interest expense	312	0.2	350	0.3	(38)	
Total interest expense, net	305	0.2	350	0.3	(45)	(12.9)
Income from continuing operations before income taxes	7,563	5.1	7,372	5.7	191	2.6

	For the Six Months Ended June 30,					
	2014		2013		Change	
	Amount	% Of Net Service Revenues	Amount	% Of Net Service Revenues	Amount	%
	(Amounts in Thousands, Except Percentages)					
Income tax expense	2,480	1.7	2,103	1.6	379	18.0
Net income from continuing operations	5,083	3.4	5,269	4.1	(186)	(3.5)
Discontinued operations:						
Earnings from Home Health Business, net of Tax	—	—	10,424	8.1	(10,424)	(100.0)
Net income	$ 5,083	3.4%	$15,693	12.2%	$(10,610)	(67.6)%
Business Metrics (Actual Numbers, Except Billable Hours in Thousands)						
Average billable census	30,010		26,501		3,509	13.2%
Billable hours	8,773		7,586		1,187	15.6
Average Billable hours per census per month	49		48		1	2.1
Billable hours per business day	69,076		58,806		10,270	17.5
Revenues per billable hour	$ 16.94		$ 16.97		$ (0.03)	(0.2)%

Net service revenues from state, local and other governmental programs accounted for 90.1% and 94.2% of net service revenues for the six months ended June 30, 2014 and 2013, respectively. Managed care, private duty and commercial payors accounted for the remainder of net service revenues.

Net service revenues increased $19,895,000, or 15.5%, to $148,648,000 for the six months ended June 30, 2014 compared to $128,753,000 for the same period in 2013. The increase was primarily due to a 13.2% increase in average billable census, of which 6.3% is same store census growth and 6.9% is related to acquisitions.

Gross profit, expressed as a percentage of net service revenues, increased to 26.4% for the six months ended June 30, 2014, compared to 25.2 % the same period in 2013. The increase was primarily due to lower than anticipated worker's compensation expense and recent acquisitions providing higher margins.

General and administrative expenses, expressed as a percentage of net service revenues increased to 20.0 % for the six months ended June 30, 2014, from 18.3% for the six months ended June 30, 2013. General and administrative expenses increased to $29,802,000 as compared to $23,602,000 for the six months ended June 30, 2014 and 2013, respectively. The increase in general and administrative expenses was due to an increase in acquisition expenses, legal and consulting fees and personnel costs for the six months ended June 30, 2014 as compared to 2013.

Depreciation and amortization, expressed as a percentage of net service revenues, increased to 1.1% from 0.8% for the six months ended June 30, 2014 and 2013, respectively. Amortization of intangibles, which are principally amortized using accelerated methods, totaled $1,009,000 and $678,000 for the six months ended June 30, 2014 and 2013, respectively.

Interest Income

Legislation enacted in Illinois entitles designated service program providers to receive a prompt payment interest penalty based on qualifying services approved for payment that remain unpaid after a designated period of time. As the amount and timing of the receipt of these payments are not certain, the interest income is recognized when received and reported in the income statement caption, interest income. We received no prompt payment interest for the three and six months ended June 30, 2014 or 2013. While we may be owed additional prompt payment interest, the amount and timing of receipt of such payments remains uncertain and we have determined that we will continue to recognize prompt payment interest income when received. The state amended its prompt payment interest terms, effective July 1, 2011, which changed the measurement period for outstanding invoices from a 60-day to a 90-day outstanding period. We believe this change in terms will reduce future amounts paid for prompt payment interest.

Interest Expense, Net

For the three months ended June 30, 2013 as compared to June 30, 2014, interest expense, net increased from $142,000 to $151,000. For the six months ended June 30, 2013 as compared to June 30, 2014, interest expense, net decreased from $350,000 to $305,000.

Income Tax Expense

Our effective tax rates from continuing operations for the three months ended June 30, 2014 and 2013 were 32.8 % and 32.7%, respectively. The principal difference between the Federal and State statutory rates and our effective tax rate is federal employment opportunity tax credits.

Our effective tax rates from continuing operations for the six months ended June 30, 2014 and 2013 were 30.9 % and 28.5%, respectively. The principal difference between the Federal and State statutory rates and our effective tax rate is federal employment opportunity tax credits.

Discontinued Operations

Effective March 1, 2013, we sold substantially all of the assets used in our home health business as described in Item 1. Therefore, we have segregated the Home Health Business operating results and presented them separately as discontinued operations for all periods presented (see note 2– "Discontinued Operations" of the Notes to the Consolidated Financial Statements included elsewhere herein).

See tables below that depict the results of discontinued operations.

	For the Three Months Ended June 30, (Amounts in Thousands)	
	2014	2013
Net service revenues	$ —	$ —
Cost of service revenues	—	—
Gross profit	—	—
General and administrative expenses	—	254
Operating loss from discontinued operations	—	(254)
Income tax benefit	—	(104)
Net loss from discontinued operations	$ —	$ (150)

No revenues or expenses were recorded for the three month period ended June 30, 2014 related to the Home Health Business as the business has been disposed of. The losses for the three months ended June 30, 2013 were primarily due to the wind down of our Home Health Business.

	For the Six Months Ended June 30, (Amounts in Thousands)	
	2014	2013
Net service revenues	$ —	$ 6,476
Cost of service revenues	—	3,713
Gross profit	—	2,763
General and administrative expenses	—	3,928
Operating loss from discontinued operations	—	(1,165)
Income tax benefit	—	(478)
Net loss from discontinued operations	$ —	$ (687)

No revenues or expenses were recorded for the six months ended June 30, 2014 related to the Home Health Business as the business has been disposed of. The losses for the six months ended June 30, 2013 were primarily due to the wind down of our Home Health Business and reduced sales, higher costs to treat consumers and our inability to reduce fixed general and administrative costs at a rate consistent with revenue declines.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are cash from operations and borrowings under our credit facility. At June 30, 2014 and December 31, 2013, we had cash balances of $19,541,000 and $15,565,000, respectively.

As of June 30, 2014 and December 31, 2013, we had no balances outstanding under the revolving credit portion of our credit facility. After giving effect to the amount drawn on our credit facility, approximately $12,421,000 of outstanding letters of credit and borrowing limits based on an advanced multiple of adjusted EBITDA, we had $40,004,000 and $42,279,000 available for borrowing under the credit facility as of June 30, 2014 and December 31, 2013, respectively.

We used approximately $16,300,000 of the proceeds from the sale of the Home Health Business to pay down the outstanding amount of the revolving credit facility during the first quarter of 2013. In addition, in consideration for our lender's consent to the sale of the Home Health Business, we agreed to work in good faith to negotiate an amendment to our credit facility to amend certain provisions of the credit agreement. Cash flows from operating activities represent the inflow of cash from our payor clients and the outflow of cash for payroll and payroll taxes, operating expenses, interest and taxes. Due to its revenue deficiencies and financing issues, the State of Illinois has reimbursed us on a delayed basis with respect to our various agreements including with our largest payor, the Illinois Department on Aging. The open receivable balance from the State of Illinois decreased by $12,084,000, from $44,409,000 as of December 31, 2013 to $32,325,000 as of June 30, 2014.

The State of Illinois has reimbursed us for services on an accelerated basis in the most recent quarter. Their payments have been sporadic and delayed in the past. Should payments become delayed in the future, the delays may adversely impact our liquidity and may result in the need to increase borrowings under our credit facility.

Credit Facility

During the fiscal quarter ended June 30, 2014 we operated under a previously existing credit facility the ("Expiring Credit Facility"). On August 11, 2014, we renewed our credit facility for a period of five years on essentially the same terms as the Expiring Credit Facility (the "New Credit Facility"). See Note 12 to the Condensed Consolidated Financial Statements for additional information.

Our Expiring Credit Facility provided a $55,000,000 revolving line of credit which was set to expire on November 2, 2014, and included $15,000,000 sublimit for the issuance of letters of credit and previously included a $5,000,000 term loan that matured and was paid on January 5, 2013. Substantially all of the subsidiaries of Holdings were co borrowers, and Holdings guaranteed the borrowers' obligations under the Expiring Credit Facility. The Expiring Credit Facility was secured by a first priority security interest in all of Holdings' and the borrowers' current and future tangible and intangible assets, including the shares of stock of the borrowers.

The availability of funds under the revolving credit portion of the Expiring Credit Facility was based on the lesser of (i) the product of adjusted EBITDA, as defined, for the most recent 12-month period for which financial statements had been delivered under the credit facility agreement multiplied by the specified advance multiple, up to 3.25, less the outstanding senior indebtedness and letters of credit, and (ii) $55,000,000 less the outstanding revolving loans and letters of credit. Interest on the revolving line of credit and term loan amounts outstanding under the credit facility is payable either at a floating rate equal to the 30-day LIBOR, plus an applicable margin of 4.6% or the LIBOR rate for term periods of one, two, three or six months plus a margin of 4.6%. Interest on the credit facility was paid monthly on or at the end of the relevant interest period, as determined in accordance with the credit facility agreement. We paid a fee equal to 0.5% per annum of the unused portion of the revolving portion of the credit facility. Issued stand-by letters of credit were charged at a rate of 2.0% per annum payable monthly. We did not have any amounts outstanding on our credit facility as of June 30, 2014 or December 31, 2013 and the total availability under the revolving credit loan facility was $42,579,000 as of June 30, 2014.

The Expiring Credit Facility contained customary affirmative covenants regarding, among other things, the maintenance of records, compliance with laws, maintenance of permits, maintenance of insurance and property and payment of taxes. The Expiring Credit Facility also contained certain customary financial covenants and negative covenants that, among other things, include a requirement to maintain a minimum fixed charge coverage ratio, a requirement to stay below a maximum senior leverage ratio and a requirement to stay below a maximum permitted amount of capital expenditures, as well as restrictions on guarantees, indebtedness, liens, dividends, distributions, investments and loans, subject to customary carve outs, restrictions on our ability to enter into transactions other than in the ordinary course of business, a restriction on the ability to consummate more than three acquisitions in any calendar year, or for the purchase price of any one acquisition to exceed $500,000 in each case without the consent of the lenders, restrictions on mergers, transfers of assets, acquisitions, equipment, subsidiaries and affiliate transactions, subject to customary carve outs, and restrictions on fundamental changes and lines of business. We were in compliance with all of our credit facility covenants at June 30, 2014 and December 31, 2013.

The New Credit Facility matures on November 2, 2019 and has the same material terms as the Expiring Credit Facility described in above, with the exception of an increase in the capital expenditures permitted without prior consent from the administrative agent from $1,250,000 annually to $5,000,000 for 2014 and $2,500,000 per year thereafter and an increase in the value of the acquisitions permitted without prior consent from the administrative agent from $500,000 to $2,000,000 per year and an increase in the sublimit for the issuance of letters of credit from $15,000,000 to $27,500,000. Further, interest on the revolving line of credit may be payable at (i) a floating rate equal to the 30-day LIBOR, plus a margin of 4.6%, (ii) the LIBOR rate for term periods of one, two or three months, plus a margin of 4.6% or (iii) the base rate, plus a margin of 1.6%, where the base rate is equal to the greatest of (a) the rate of interest last quoted by The Wall Street Journal as the "prime rate", (b) the sum of the federal funds rate, plus a margin of 0.5% and (c) the sum of the adjusted LIBOR that would be applicable to a loan with a one month interest period advanced on such day, plus a margin of 3%.

While our growth plan is not entirely dependent on the completion of acquisitions, if we do not have sufficient cash resources or availability under our credit facility, or we are otherwise prohibited from making acquisitions, our growth could be limited unless we obtain additional equity or debt financing or unless we obtain the necessary consents from our lenders. We believe the available borrowings under our credit facility which, when taken together with cash from operations, will be sufficient to cover our working capital needs for at least the next 12 months.

Cash Flows

The following table summarizes our cash flows for the six months ended June 30, 2014 and 2013:

	For the Six Months Ended June 30, (Amounts in Thousands)	
	2014	2013
Net cash provided by operating activities	$ 15,003	$ 34,246
Net cash (used in) provided by investing activities	(11,241)	19,252
Net cash provided by (used in) financing activities	214	(16,458)

Six Months Ended June 30, 2014 Compared to Six Months Ended June 30, 2013

Net cash provided by operating activities was $15,003,000 for the six months ended June 30, 2014, compared to cash provided by operations of $34,246,000 for the same period in 2013. This decrease in cash provided by operations was primarily due to a decrease in cash from changes in net working capital for the six months ended June 30, 2014 as compared to the same period in 2013.

Net cash used in investing activities was $11,241,000 for the six months ended June 30, 2014. Our investing activities for the six months ended June 30, 2014 included purchases of property and equipment related to our corporate headquarters in Downers Grove, IL, the purchase of a new payroll system and the acquisition of Aid & Assist as previously described in Note 3 to the Condensed Consolidated Financial Statements. Our investing activities for the six months ended June 30, 2013 were $19,659,000 in net proceeds received from the sale of the Home Health Business and the purchase of $407,000 of property and equipment.

Net cash provided by financing activities was $214,000 for the six months ended June 30, 2014 as compared to net used by financing activities of $16,458,000 for the six months ended June 30, 2013. Our financing activities for the six months ended June 30, 2014 were primarily driven by the exercise of employee stock options. Our financing activities for the six months ended June 30, 2013 were primarily driven by net payments of $16,250,000 on the revolving credit portion of our credit facility, and $208,000 in payments on our term loan.

Outstanding Accounts Receivable

Gross accounts receivable as of June 30, 2014 and December 31, 2013 was approximately $52,776,000 and $65,494,000, respectively. Outstanding accounts receivable, net of the allowance for doubtful accounts, decreased by $12,718,000 as of June 30, 2014 as compared to December 31, 2013. The decrease in accounts receivable is primarily attributable to an increase in payments we received from the State of Illinois during the first six months of 2014.

We establish our allowance for doubtful accounts to the extent it is probable that a portion or all of a particular account will not be collected. Our provision for doubtful accounts is estimated and recorded primarily by aging receivables utilizing eight aging categories and applying our historical collection rates to each aging category, taking into consideration factors that might impact the use of historical collection rates or payor groups, with certain large payors analyzed separately from other payor groups. In our evaluation of these estimates, we also consider delays in payment trends in individual states due to budget or funding issues, billing conversions related to acquisitions or internal systems, resubmission of bills with required documentation and disputes with specific payors. An allowance for doubtful accounts is maintained at a level management believes is sufficient to cover potential losses. However, actual collections could differ from our estimates.

Our collection procedures include review of account agings and direct contact with our payors. We have historically not used collection agencies. An uncollectible amount, not governed by amount or aging, is written off to the allowance account only after reasonable collection efforts have been exhausted.

The following tables detail our accounts receivable before reserves by payor category, showing Illinois governmental payors separately, and the related allowance amount at June 30, 2014 and December 31, 2013:

	June 30, 2014				
	0-90 Days	91-180 Days	181-365 Days	Over 365 Days	Total
	(Amounts in Thousands, Except Percentages)				
Continuing Operations					
Illinois governmental based programs	$29,742	$ 1,005	$ 514	$ 1,064	$32,325
Other state, local and other governmental programs	14,450	1,796	1,288	(15)	17,519
Private duty and commercial	2,539	320	28	(5)	2,882
	46,731	3,121	1,830	1,044	52,726
Aging % continuing operations	89.6%	5.9%	3.5%	2.0%	
Medicare	—	—	—	50	50
Other state, local and other governmental programs	—	—	—	—	—
Private duty and commercial	—	—	—	—	—
Illinois governmental based programs	—	—	—	—	—
	—	—	—	50	50
Total	$46,731	$ 3,121	$ 1,830	$ 1,094	$52,776
Aging % of total	89.5%	5.9%	3.5%	2.1%	
Allowance for doubtful accounts					$ 4,051
Reserve as % of gross accounts receivable					7.7%

	December 31, 2013				
	0-90 Days	91-180 Days	181-365 Days	Over 365 Days	Total
	(Amounts in Thousands, Except Percentages)				
Continuing Operations					
Illinois governmental based programs	$40,584	$ 2,912	$ 430	$ 483	$44,409
Other state, local and other governmental programs	14,551	1,659	914	116	17,240
Private duty and commercial	2,586	380	142	112	3,220
	57,721	4,951	1,486	711	64,869
Aging % continuing operations	89.0%	7.6%	2.3%	1.0%	
Medicare	—	—	744	—	744
Other state, local and other governmental programs	—	—	—	—	—
Private duty and commercial	—	—	(119)	—	(119)
Illinois governmental based programs	—	—	—	—	—
	—	—	625	—	625
Total	$57,721	$ 4,951	$ 2,111	$ 711	$65,494
Aging % of total	88.1%	7.6%	3.2%	1.1%	
Allowance for doubtful accounts					$ 4,140
Reserve as % of gross accounts receivable					6.3%

We calculate our continuing operations days sales outstanding (“DSO”) by taking the accounts receivable outstanding net of the allowance for doubtful accounts divided by the total net service revenues for the last quarter, multiplied by the number of days in that quarter. Our DSOs from continuing operations were 62 days and 85 days at June 30, 2014 and December 31, 2013, respectively. The DSOs for our largest payor, the Illinois Department on Aging, at June 30, 2014 and December 31, 2013 were 61 days and 97 days, respectively.

Off-Balance Sheet Arrangements

As of June 30, 2014, we did not have any off-balance sheet guarantees or arrangements with unconsolidated entities.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States. The preparation of the financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and

expense and related disclosures. We base our estimates and judgments on historical experience and other sources and factors that we believe to be reasonable under the circumstances; however, actual results may differ from these estimates. We consider the items discussed below to be critical because of their impact on operations and their application requires our judgment and estimates.

Revenue Recognition

The majority of our revenues for the three and six months ended June 30, 2014 and 2013 from continuing operations are derived from Medicaid and Medicaid waiver programs under agreements with various state and local authorities. These agreements provide for a service term from one year to an indefinite term. Services are provided based on authorized hours, determined by the relevant state or local agency, at an hourly rate specified in the agreement or fixed by legislation. Services to other payors, such as private or commercial clients, are provided at negotiated hourly rates and recognized in net service revenues as services are provided. We provide for appropriate allowances for uncollectible amounts at the time the services are rendered.

Accounts Receivable and Allowance for Doubtful Accounts

We are paid for our services primarily by state and local agencies under Medicaid or Medicaid waiver programs, managed care organizations, commercial insurance companies and private consumers. While our accounts receivable are uncollateralized, our credit risk is somewhat limited due to the significance of governmental payors to our results of operations. Laws and regulations governing the governmental programs in which we participate are complex and subject to interpretation. Amounts collected may be different than amounts billed due to client eligibility issues, insufficient or incomplete documentation, services at levels other than authorized and other reasons unrelated to credit risk.

Legislation enacted in Illinois entitles designated service program providers to receive a prompt payment interest penalty based on qualifying services approved for payment that remain unpaid after a designated period of time. As the amount and timing of the receipt of these payments are not certain, the interest income is recognized when received and reported in the income statement caption, interest income. We did not receive any prompt payment interest for the three and six months ended June 30, 2014 or 2013. While we may be owed additional prompt payment interest, the amount and timing of receipt of such payments remains uncertain and we have determined that we will continue to recognize prompt payment interest income when received.

We establish our allowance for doubtful accounts to the extent it is probable that a portion or all of a particular account will not be collected. Our allowance for doubtful accounts is estimated and recorded primarily by aging receivables utilizing eight aging categories and applying our historical collection rates to each aging category, taking into consideration factors that might impact the use of historical collection rates or payor groups, with certain large payors analyzed separately from other payor groups. In our evaluation of these estimates, we also consider delays in payment trends in individual states due to budget or funding issues, billing conversions related to acquisitions or internal systems, resubmission of bills with required documentation and disputes with specific payors. Historically, we have not experienced any write-off of accounts as a result of a state operating with budget deficits. While we regularly monitor state budget and funding developments for the states in which we operate, we consider losses due to state credit risk on outstanding balances as remote. We believe that our recorded allowance for doubtful accounts is sufficient to cover potential losses; however, actual collections in subsequent periods may require changes to our estimates.

Goodwill

Our carrying value of goodwill is the residual of the purchase price over the fair value of the net assets acquired from various acquisitions including the acquisition of Addus HealthCare, Inc, accordance with ASC Topic 350, *"Goodwill and Other Intangible Assets* ," goodwill and intangible assets with indefinite useful lives are not amortized. We test goodwill for impairment at the reporting unit level on an annual basis, as of October 1, or whenever potential impairment triggers occur, such as a significant change in business climate or regulatory changes that would indicate that an impairment may have occurred. We may use a qualitative test, known as "Step 0" or a two-step quantitative method to determine whether impairment has occurred. We can elect to perform Step 0 an optional qualitative analysis and based on the results skip the remaining two steps. In 2013, we elected to implement Step 0. The results of our Step 0 assessment indicated that it was more likely than not that the fair value of our reporting unit exceeded its carrying value and therefore we concluded that there were no impairments for the year ended December 31, 2013. No impairment charges were recorded for the three or six months ended June 30, 2013.

Long-Lived Assets

We review our long-lived assets and finite lived intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. To determine if impairment exists, we compare the estimated future undiscounted cash flows from the related long-lived assets to the net carrying amount of such assets. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset, generally determined by discounting the estimated future cash flows. No impairment charge was recorded for the year ended December 31, 2013 or the three or six months ended June 30, 2014.

Indefinite-lived Assets

We also have indefinite-lived assets that are not subject to amortization expense such as certificates of need and licenses to conduct specific operations within geographic markets. Our management has concluded that certificates of need and licenses have indefinite lives, as management has determined that there are no legal, regulatory, contractual, economic or other factors that would limit the useful life of these intangible assets and we intend to renew and operate the certificates of need and licenses indefinitely. The certificates of need and licenses are tested annually for impairment. No impairment was recorded for the year ended December 31, 2013 or the three or six months ended June 30, 2014.

Workers' Compensation Program

Our workers' compensation insurance program has a $350,000 deductible component. We recognize our obligations associated with this program in the period the claim is incurred. The cost of both the claims reported and claims incurred but not reported, up to the deductible, have been accrued based on historical claims experience, industry statistics and an actuarial analysis performed by an independent third party. We monitor our claims quarterly and adjust our reserves accordingly. These costs are recorded primarily in the cost of services caption in the consolidated statement of operations. Under the agreement pursuant to which we acquired Addus HealthCare, claims under our workers' compensation insurance program that relate to December 31, 2005 or earlier are the responsibility of the selling shareholders in the acquisition, subject to certain limitations. In August 2010, the FASB issued Accounting Standards Update No 2010-24, Health Care Entities (Topic 954), *"Presentation of Insurance Claims and Related Insurance Recoveries"* ("ASU 2010-24"), which clarifies that companies should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. As of June 30, 2014 and December 31, 2013, we recorded $746,000 and $821,000 in workers' compensation insurance recovery receivables and a corresponding increase in its workers' compensation liability. The workers' compensation insurance recovery receivable is included in our prepaid expenses and other current assets on the balance sheet.

Income Taxes

We account for income taxes under the provisions of ASC Topic 740, *"Accounting for Income Taxes."* The objective of accounting for income taxes is to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. Deferred taxes, resulting from differences between the financial and tax basis of our assets and liabilities, are also adjusted for changes in tax rates and tax laws when changes are enacted. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. ASC Topic 740, also prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. In addition, ASC Topic 740 provides guidance on derecognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Historically, we have been exposed to market risk due to fluctuation in interest rates. As of June 30, 2014, we have had no outstanding long-term indebtedness and therefore no current exposure.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2014. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act, is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures, as of June 30, 2014, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were not effective due to the material weaknesses identified in Management's Annual Report on Internal Control Over Financial Reporting, which have not been completely remediated. We had one material weakness in information technology controls due to an aggregation of deficiencies relating to segregation of duties, user access, and change management controls in key information technology systems. We had a second material weakness in payroll processes due to an aggregation of deficiencies relating to the information technology deficiencies described above, ineffective controls over payroll changes, and ineffective review and monitoring controls. To remediate these material weaknesses, we have engaged an expert consultant in information technology controls to assist in improving the design and effectiveness of controls in this area. In addition, we are redesigning human resources and payroll process controls that will remediate deficiencies identified in payroll in advance of the implementation of a comprehensive payroll and human resources information system.

In light of the material weaknesses, we performed additional analysis and other post-closing procedures to ensure that our financial statements were prepared in accordance with generally accepted accounting principles. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations, changes in shareholder's equity and cash flows for the periods presented.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have engaged an expert consultant in information technology controls to assist in improving the design and effectiveness of controls in this area. In addition, we are redesigning human resources and payroll process controls that will remediate deficiencies identified in payroll in advance of the implementation of a comprehensive payroll and human resources information system.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Legal Proceedings

The Company is a party to legal and/or administrative proceedings arising in the ordinary course of its business. It is the opinion of management that the outcome of such proceedings will not have a material effect on the Company's financial position and results of operations.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the risk factors discussed under the caption "Risk Factors" set forth in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2013. There have been no material changes to the risk factors previously disclosed under the caption "Risk Factors" in our Annual Report on Form 10-K. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results.

Item 6. Exhibits

3.1	Amended and Restated Certificate of Incorporation of the Company dated as of November 2, 2009 (filed on November 20, 2009 as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q and incorporated by reference herein)
3.2	Amended and Restated Bylaws of the Company, as amended by the First Amendment to the Amended and Restated Bylaws (filed on May 9, 2013 as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q and incorporated by reference herein)
4.1	Form of Common Stock Certificate (filed on October 2, 2009 as Exhibit 4.1 to Amendment No. 4 to the Company's Registration Statement on Form S-1 and incorporated by reference herein)
10.1	Amended and Restated Credit and Guaranty Agreement, among Addus HealthCare, Inc., Addus HealthCare (Idaho), Inc., Addus HealthCare (Indiana), Inc., Addus HealthCare (Nevada), Inc., Addus HealthCare (New Jersey), Inc., Addus HealthCare (North Carolina), Inc., Benefits Assurance Co., Inc., Fort Smith Home Health Agency, Inc., Little Rock Home Health Agency, Inc., Lowell Home Health Agency, Inc., PHC Acquisition Corporation, Professional Reliable Nursing Service, Inc., Addus HealthCare (Delaware), Inc. and Cura Partners, LLC, as borrowers, Addus HomeCare Corporation, the other credit parties from time to a time a party thereto, the various institutions from time to time a party thereto, as lenders, and Fifth Third Bank as agent and L/C issuer.*
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101	Financial statements from the quarterly report on Form 10-Q of Addus HomeCare Corporation for the quarter ended June 30, 2014, filed on August 11, 2014, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) the Notes to Condensed Consolidated Financial Statements.*

* Filed herewith
** Furnished herewith

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ADDUS HOMECARE CORPORATION

Date: August 11, 2014 By: /S/ MARK S. HEANEY

Mark S. Heaney
President and Chief Executive Officer
(As Principal Executive Officer)

Date: August 11, 2014 By: /S/ DENNIS B. MEULEMANS

Dennis B. Meulemans
Chief Financial Officer
(As Principal Financial Officer)

Exhibits

3.1	Amended and Restated Certificate of Incorporation of the Company dated as of November 2, 2009 (filed on November 20, 2009 as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q and incorporated by reference herein)
3.2	Amended and Restated Bylaws of the Company, as amended by the First Amendment to the Amended and Restated Bylaws (filed on May 9, 2013 as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q and incorporated by reference herein)
4.1	Form of Common Stock Certificate (filed on October 2, 2009 as Exhibit 4.1 to Amendment No. 4 to the Company's Registration Statement on Form S-1 and incorporated by reference herein)
10.1	Amended and Restated Credit and Guaranty Agreement, among Addus HealthCare, Inc., Addus HealthCare (Idaho), Inc., Addus HealthCare (Indiana), Inc., Addus HealthCare (Nevada), Inc., Addus HealthCare (New Jersey), Inc., Addus HealthCare (North Carolina), Inc., Benefits Assurance Co., Inc., Fort Smith Home Health Agency, Inc., Little Rock Home Health Agency, Inc., Lowell Home Health Agency, Inc., PHC Acquisition Corporation, Professional Reliable Nursing Service, Inc., Addus HealthCare (Delaware), Inc. and Cura Partners, LLC, as borrowers, Addus HomeCare Corporation, the other credit parties from time to a time a party thereto, the various institutions from time to time a party thereto, as lenders, and Fifth Third Bank as agent and L/C issuer.*
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101	Financial statements from the quarterly report on Form 10-Q of Addus HomeCare Corporation for the quarter ended June 30, 2014, filed on August 11, 2014, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) the Notes to Condensed Consolidated Financial Statements.*

* Filed herewith
** Furnished herewith

Exhibit 10.1

AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Among

ADDUS HEALTHCARE, INC., an Illinois corporation,
ADDUS HEALTHCARE (IDAHO), INC., a Delaware corporation,
ADDUS HEALTHCARE (INDIANA), INC., a Delaware corporation,
ADDUS HEALTHCARE (NEVADA), INC., a Delaware corporation,
ADDUS HEALTHCARE (NEW JERSEY), INC., a Delaware corporation,
ADDUS HEALTHCARE (NORTH CAROLINA), INC., a Delaware corporation,
BENEFITS ASSURANCE CO., INC., a Delaware corporation,
FORT SMITH HOME HEALTH AGENCY, INC., an Arkansas corporation,
LITTLE ROCK HOME HEALTH AGENCY, INC., an Arkansas corporation,
LOWELL HOME HEALTH AGENCY, INC., an Arkansas corporation,
PHC ACQUISITION CORPORATION, a California corporation,
PROFESSIONAL RELIABLE NURSING SERVICE, INC., a California corporation,
ADDUS HEALTHCARE (SOUTH CAROLINA), INC., a Delaware corporation,
ADDUS HEALTHCARE (DELAWARE), INC., a Delaware corporation,
CURA PARTNERS, LLC, a Tennessee limited liability company,

and any other Person that becomes a Borrower hereunder,
as Borrowers

ADDUS HOMECARE CORPORATION, a Delaware corporation,
as Guarantor

and

the other Credit Parties

Various Lenders
From Time to Time Party Hereto

and

FIFTH THIRD BANK,
an Ohio banking corporation,
as Agent and L/C Issuer

Dated as of August 11, 2014

FIFTH THIRD BANK,
as Lead Arranger and Sole Book Runner

Table of Contents

AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

This Amended and Restated Credit and Guaranty Agreement is entered into as of August 11, 2014, by and among, **ADDUS HEALTHCARE, INC.**, an Illinois corporation ("*Addus Healthcare*"), **ADDUS HEALTHCARE (IDAHO), INC.**, a Delaware corporation ("*Addus Idaho*"), **ADDUS HEALTHCARE (INDIANA), INC.**, a Delaware corporation ("*Addus Indiana*"), **ADDUS HEALTHCARE (NEVADA), INC.**, a Delaware corporation ("*Addus Nevada*"), **ADDUS HEALTHCARE (NEW JERSEY), INC.**, a Delaware corporation ("*Addus New Jersey*"), **ADDUS HEALTHCARE (NORTH CAROLINA), INC.**, a Delaware corporation ("*Addus North Carolina*"), **BENEFITS ASSURANCE CO., INC.**, a Delaware corporation ("*Benefits Assurance*"), **FORT SMITH HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Fort Smith*"), **LITTLE ROCK HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Little Rock*"), **LOWELL HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Lowell*"), **PHC ACQUISITION CORPORATION**, a California corporation ("*PHC Acquisition*"), **PROFESSIONAL RELIABLE NURSING SERVICE, INC.**, a California corporation ("*Professional Reliable*"), **ADDUS HEALTHCARE (SOUTH CAROLINA), INC.**, a Delaware corporation ("*Addus South Carolina*"), **ADDUS HEALTHCARE (DELAWARE), INC.**, a Delaware corporation ("*Addus Delaware*"), **CURA PARTNERS, LLC**, a Tennessee limited liability company ("*Cura*"; Addus Healthcare, Addus Idaho, Addus Indiana, Addus Nevada, Addus New Jersey, Addus North Carolina, Benefits Assurance, Fort Smith, Little Rock, Lowell, PHC Acquisition, Professional Reliable, Addus South Carolina, Addus Delaware, Cura and each other Person that becomes a "Borrower" hereunder pursuant to a Joinder Agreement are collectively referred to herein as the "*Borrowers*" and individually referred to herein, each a "*Borrower*"), and **ADDUS HOMECARE CORPORATION**, a Delaware corporation ("*Holdings*"), the other Credit Parties from time to time party hereto, the various institutions from time to time party to this Agreement, as Lenders, and **FIFTH THIRD BANK**, an Ohio banking corporation, as Agent and L/C Issuer.

RECITALS

WHEREAS, certain Borrowers, Holdings, Agent and the Lenders entered into that certain Loan and Security Agreement, dated as of November 2, 2009 (as amended, supplemented or otherwise modified prior to the date hereof, the "*Original Loan Agreement*"), pursuant to which Lenders made available to such Borrowers certain loans and other extensions of credit; and

WHEREAS, Addus Healthcare acquired all of the membership interests of Cura (the "*Cura Acquisition*"), which acquisition was consummated on or about June 2, 2014 prior to the execution and delivery of this Agreement, all pursuant to the terms of that certain Membership Interest Purchase Agreement, dated as of May 31, 2014, by and among Addus Healthcare, as purchaser, Stuart Brunson, David Coppeans, Steven Elkins and Joseph Dean, as sellers (the "*Sellers*"), Stuart Brunson, as the seller representative, and Cura (the "*Cura Purchase Agreement*"); and

WHEREAS, Borrowers, the other Credit Parties, Agent and Lenders desire to amend and restate the Original Loan Agreement and certain other documents executed in connection therewith, to provide for, among other things, (a) the joinder of Cura as a "Borrower", (b) an extension of the maturity date applicable to the Revolving Loan Commitment to November 2, 2019 and (c) an amendment to the Capital Expenditure limitations set forth in Section 6.22(d); and

WHEREAS, to secure Borrowers' Obligations under the Loan Documents (as may be amended and restated in connection herewith), the Credit Parties are reaffirming their prior grant to Agent, for the benefit of Agent and Lenders, of a Lien on substantially all of such Credit Parties' real and/or personal property and, as set forth in the Loan Documents, each of the Credit Parties (i) shall be Borrowers or Guarantors, as applicable, hereunder jointly and severally liable for all Loans and related Obligations, (ii) shall guaranty the Obligations of each other Credit Party hereunder as set forth in Section 11 hereof, and (iii) shall grant to Agent, for the benefit of the Lenders, a Lien on its Collateral to secure such Obligations; and

WHEREAS, this Agreement shall become effective, and shall amend and restate the Original Loan Agreement, upon the execution of this Agreement by Borrowers, the other Credit Parties, Agent and the Lenders and upon the satisfaction of the conditions contained in Section 3 hereof; and from and after such effective time, (i) all references made to the Original Loan Agreement in the Loan Documents or in any other instrument or document executed and/or delivered pursuant thereto shall, without any further action, be deemed to refer to this Agreement and (ii) the Original Loan Agreement shall be amended and restated in its entirety hereby, provided, however, the obligations to repay the loans and advances arising under the Original Loan Agreement shall continue in full force and effect and the Liens securing payment thereof shall be continuing but shall now be governed by the terms of this Agreement and the other Loan Documents; and

NOW, **THEREFORE**, in consideration of any Loan (including any Loan by renewal or extension) hereafter made to Borrowers by Agent and/or Lenders, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Credit Parties, the parties agree to amend and restate the Original Loan Agreement as follows:

SECTION 1

DEFINITIONS; INTERPRETATION.

Section 1.1 Definitions. The following terms when used herein shall have the following meanings:

"*Account Debtor*" means an account debtor as that term is defined the UCC.

"ACH" is defined in Section 2.15(a) hereof.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person (other than a Person that is a Subsidiary), or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Subsidiary).

"*Acquisition Diligence Deliveries*" shall mean, with respect to any Target, a due diligence package including the following materials, each in form and substance reasonably satisfactory to Agent: (A) copies of the Target's two most recent annual income statements and balance sheets, together with the audit opinions thereon, if any, of the Target's independent accountants, together with available interim financial statements, (B) if available, any asset or business appraisals, (C) a general description of the business to be acquired, (D) a general description of the competitive position of the business to be acquired within its industry, (E) a summary of pending and known threatened litigation adversely affecting the business or assets to be acquired, (F) a description of the method of financing such Acquisition, including sources and uses, (G) a listing of locations of all personal and real Property to be acquired, (H) a description of any change in management of the Credit Parties and their Subsidiaries, after giving effect to such Acquisition, (I) all material agreements to be assumed or acquired, (J) if the Target owns or leases, or if the assets to be acquired includes, any real property or if otherwise requested by Agent, environmental reports and related information regarding any such Property owned, leased or otherwise used (other than leased property used solely as office space), (K) draft copies of all proposed Acquisition Documents and all related transaction documents for such Acquisition, together with all schedules thereto (followed by updated drafts as the same are generated and fully executed copies thereof within five (5) Business Days after the closing of such Acquisition), (L) a pro forma consolidated and consolidating balance sheet, income statement and cash flow statement of the Credit Parties and their Subsidiaries (the "*Acquisition Pro Forma*"), based on most recently available financial statements, which shall be complete and shall fairly present in all material respects the assets, liabilities, financial condition and results of operations of the Credit Parties and their Subsidiaries in accordance with GAAP consistently applied, but taking into account such Acquisition, the funding of all Loans and the incurrence or assumption of all other Indebtedness and repayment of Indebtedness in connection therewith, and (M) a copy of all other business and financial information reasonably requested by the Agent.

"*Acquisition Documents*" shall mean all agreements, instruments and documents executed and/or delivered in connection with any Acquisition.

"*Addus Delaware*" shall have the meaning set forth in the preamble to this Agreement.

"*Addus FEA*" shall mean Addus FEA, Inc., an Illinois corporation.

"*Addus Healthcare*" shall have the meaning set forth in the preamble to this Agreement. For the avoidance of doubt, as of the Restatement Closing Date, Addus Healthcare owns and controls one hundred percent (100%) of the outstanding capital stock of Addus FEA, Addus Idaho, Addus Indiana, Addus Nevada, Addus New Jersey, Addus North Carolina, Benefits Assurance, Fort Smith, Lowell, Little Rock, PHC Acquisition, Professional Reliable, Addus Delaware and Addus South Carolina.

"*Addus Idaho*" shall have the meaning set forth in the preamble to this Agreement.

"*Addus Indiana*" shall have the meaning set forth in the preamble to this Agreement.

"*Addus Nevada*" shall have the meaning set forth in the preamble to this Agreement.

"*Addus New Jersey*" shall have the meaning set forth in the preamble to this Agreement.

"*Addus North Carolina*" shall have the meaning set forth in the preamble to this Agreement.

"*Addus South Carolina*" shall have the meaning set forth in the preamble to this Agreement.

"Adjusted LIBOR" means, for any Borrowing of Eurodollar Loans, a rate per annum equal to the quotient of (i) LIBOR, divided by (ii) one (1) *minus* the Reserve Percentage.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Agent.

"Affiliate" means, with respect to a specified Person, (a) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified and (b) any officer or director of such Person. Notwithstanding the foregoing, no portfolio company of Sponsor or its Affiliates (other than the Credit Parties and their Subsidiaries) shall be deemed an Affiliate of any Credit Party.

"Agent" means Fifth Third Bank, an Ohio banking corporation, in its capacity as administrative agent for itself and the other Lenders and any successor pursuant to Section 9.6 hereof.

"Agent Parties" is defined in Section 10.8(d)(ii) hereof.

"Agreement" means this Amended and Restated Credit and Guaranty Agreement, as the same may be amended, modified, restated or supplemented from time to time pursuant to the terms hereof.

"*Applicable Advance Multiple*" means (i) from the Original Closing Date through December 31, 2009, 2.75 to 1.0 and (ii) for each date of determination thereafter, the maximum permitted Senior Leverage Ratio, expressed as the quotient of such ratio, for the most recently specified test date set forth in Section 6.22(a) as of or prior to such date of determination; provided that, in no event shall the Applicable Advance Multiple exceed 3.25 to 1.0.

"Applicable Law" is defined in Section 10.08(g) hereof.

"Applicable Margin" means, (a) with respect to the Commitment Fees payable under Section 2.13 hereof, 0.50%, (b) with respect to Reimbursement Obligations, 4.60%, (c) with respect to Base Rate Loans under the Revolving Credit, 1.60%, (d) with respect to Eurodollar Loans and Daily Floating LIBOR Loans under the Revolving Credit, 4.60%, and (e) with respect to the L/C Fees payable under Section 2.13 hereof, 2.00%.

"*Applicable Percentage*" means, with respect to any Revolving Lender, the percentage of the total Revolving Credit Commitments represented by such Revolving Lender's Revolving Credit Commitment, provided that if the Revolving Credit Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments.

"*Application*" is defined in Section 2.3(b) hereof.

"*Approved Fund*" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"*Assignment and Assumption*" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.10), and accepted by the Agent, in substantially the form of Exhibit F attached hereto or any other form approved by the Agent.

"*Authorized Representative*" means those Persons shown on the list of officers or other authorized individuals provided by the Credit Parties pursuant to Section 3.2 hereof or on any update of any such list provided by the Credit Parties to the Agent, or any further or different officers or authorized individuals of the Credit Parties so named by any Authorized Representative of the Credit Parties in a written notice to the Agent.

"*Banking Services Obligations*" means the liability of any Credit Party or any Subsidiary owing to any of the Lenders, or any Affiliates of such Lenders, arising out of (a) the execution or processing of electronic transfers of funds by automatic clearing house (ACH) transfer, return items, overdrafts, interstate depository network services, wire transfer or otherwise to or from the deposit accounts of any Credit Party or any Subsidiary now or hereafter maintained with any of the Lenders or their Affiliates, (b) the acceptance for deposit or the honoring for payment of any check, draft or other item with respect to any such deposit accounts, (c) credit card and purchasing card services provided to any Credit Party by a Lender while such Person is a Lender hereunder, and (d) any other deposit, disbursement, and cash management services afforded to any Credit Party or any Subsidiary by any of such Lenders or their Affiliates.

"*Bankruptcy Code*" shall mean the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., as in effect from time to time, and any successor statute thereto.

"*Base Rate*" means for any day the greatest of: (a) the rate of interest last quoted by The Wall Street Journal (or such other national publication selected by the Agent) from time to time as the "prime rate" as in effect on such day, with any change in the Base Rate resulting from a change in said prime rate to be effective as of the date of the relevant change in said prime rate (it being acknowledged that such rate may not be the Agent's best or lowest rate), (b) the sum of (x) the Federal Funds Rate, *plus* (y) 1/2 of 1% and (c) the sum of (x) the Adjusted LIBOR that would be applicable to a Eurodollar Loan with a 1 month Interest Period advanced on such day (or, if such day is not a Business Day, the immediately preceding Business Day) *plus* (y) three percent (3.00%).

"*Base Rate Loan*" means a Loan bearing interest at a rate specified in Section 2.4(a) hereof.

"*Benefits Assurance*" shall have the meaning set forth in the preamble to this Agreement.

"*Borrower(s)*" is defined in the introductory paragraph of this Agreement.

"*Borrower Representative*" is defined in Section 12.1 hereof.

"*Borrowing*" means the total of Loans of a single type advanced, continued for an additional Interest Period, or converted from a different type into such type by the Lenders under a Credit on a single date and, in the case of Eurodollar Loans, for a single Interest Period. Borrowings of Loans are made and maintained ratably from each of the Lenders under a Credit according to their Percentages of such Credit. A Borrowing is *"advanced"* on the day the Lenders advance funds comprising such Borrowing to Borrower Representative, is *"continued"* on the date a new Interest Period for the same type of Loans commences for such Borrowing, and is *"converted"* when such Borrowing is changed from one type of Loan to the other, all as requested by Borrower Representative pursuant to Section 2.5(a) hereof. Borrowings of Swing Loans are made by the Agent in accordance with the procedures set forth in Section 2.11 hereof.

"*Borrowing Base*" means, as of any date of calculation, (i) the product of (a) EBITDA multiplied by (b) the Applicable Advance Multiple as of such date, minus (ii) outstanding Senior Funded Debt (other than the sum of the outstanding Revolving Loans, Swing Loans and L/C Obligations). For purposes of calculating the Borrowing Base as of any date of calculation, EBITDA shall be calculated for the twelve (12) month period ending on the date most recently ended for which financial statements described in Section 6.1(a) of Holdings and its Subsidiaries on a consolidated basis were delivered to Agent.

"*Business Day*" means any day (other than a Saturday or Sunday) on which banks are not authorized or required to close in Ohio and Illinois and, if the applicable Business Day relates to the advance or continuation of, or conversion into, or payment of a Eurodollar Loan, any day on which banks are dealing in Dollar deposits in the interbank Eurodollar market in London, England.

"*Capital Expenditures*" means, with respect to any Person for any period, the aggregate amount of all expenditures (whether paid in cash or accrued as a liability) by such Person during that period for the acquisition or leasing (pursuant to a Capital Lease) of fixed or capital assets or additions to property, plant, or equipment (including replacements, capitalized repairs, and improvements) which should be capitalized on the balance sheet of such Person in accordance with GAAP, but excluding expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored, or (b) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

"*Capital Lease*" means any lease of Property which in accordance with GAAP is classified as a capital lease.

"*Capitalized Lease Obligation*" means, for any Person, the amount of the liability shown on the balance sheet of such Person in respect of a Capital Lease determined in accordance with GAAP.

"*Cash Collateral*" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"*Cash Collateralize*" means, to pledge and deposit with or deliver to the Agent, (a) for the benefit of one or more of the L/C Issuers or Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Agent and each applicable L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Agent and each applicable L/C Issuer, or (b) for the benefit of any Lender that has provided Banking Services Obligations.

"*Cash Equivalents*" shall mean, as to any Person: (a) investments in direct obligations of the United States of America or of any agency or instrumentality thereof whose obligations constitute full faith and credit obligations of the United States of America, *provided* that any such obligations shall mature within one (1) year of the date of issuance thereof; (b) investments in commercial paper rated at least P-1 by Moody's and at least A-1 by S&P maturing within ninety (90) days from the date of issuance thereof; (c) investments in certificates of deposit issued by any Lender or by any United States commercial bank having capital and surplus of not less than $250,000,000 which have a maturity of one (1) year or less; (d) investments in repurchase obligations with a term of not more than seven (7) days for underlying securities of the types described in clause (a) above entered into with any bank meeting the qualifications specified in clause (c) above, provided all such agreements require physical delivery of the securities securing such repurchase agreement, except those delivered through the Federal Reserve Book Entry System; and (e) investments in money market funds that invest solely, and which are restricted by their respective charters to invest solely, in investments of the type described in the immediately preceding subsections (a), (b), (c), and (d) above; and (f) other short-term liquid investments approved in writing by the Agent.

"*CERCLA*" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 *et seq.*, and any future amendments.

"*CHAMPVA*" means, collectively, the Civilian Health and Medical Program of the Department of Veteran Affairs, a program of medical benefits covering retirees and dependents of former members of the armed services administered by the United States Department of Veteran Affairs, and all laws, rules, regulations, manuals, orders, guidelines or requirements pertaining to such program, including, without limitation, (i) all federal statutes (whether set forth in 38 U.S.C. §§ 1701 *et seq.* or elsewhere) affecting such program or, to the extent applicable to TRICARE, and (ii) all rules, regulations (including 38 C.F.R. § 1701 *et seq.*), manuals, orders and administrative, reimbursement and other guidelines of all Governmental Authorities promulgated in connection with such program (whether or not having the force of law), in each case as the same may be amended, supplemented or otherwise modified from time to time.

"*Change in Law*" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"*Change of Control*" means the (a) acquisition, directly or indirectly, by any Person or group (within the meaning of Section 13(d)(3) of the Exchange Act) (other than the Sponsor or any other one or more funds created and Controlled by, or under common Control with, Eos Partners, L.P.) of beneficial ownership of more than 33% of the aggregate outstanding voting or economic power of the Equity Interests of Holdings, or (b) the majority of the seats (other than vacant seats) on the board of directors (or similar governing body) of Holdings cease to be occupied by Persons who either (a) were members of the board of directors of Holdings on the Restatement Closing Date or (b) were nominated for election by the board of directors of Holdings, a majority of whom were directors on the Restatement Closing Date or whose election or nomination for election was previously approved by a majority of such directors, or (c) the failure of (i) Holdings to own and have voting control, directly or indirectly, of one hundred percent (100%) of the issued and outstanding voting Equity Interest of Addus Healthcare, or (ii) Addus Healthcare to own and have voting control, directly or indirectly, of one hundred percent (100%) of the issued and outstanding voting Equity Interest of any Subsidiary.

"*Class*" means, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swing Loans.

"*CMS*" shall mean the federal Centers for Medicare and Medicaid Services (formerly the federal Health Care Financing Administration), and any successor Governmental Authority.

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

"*Collateral*" means all properties, rights, interests, and privileges from time to time subject to the Liens granted to the Agent for the benefit of the Lenders, or any security trustee therefor, by the Collateral Documents, but in no event shall include any Excluded Assets or Excluded Vehicles.

"*Collateral Access Agreement*" is defined in the Security Agreement.

"*Collateral Account*" is defined in Section 7.4(b) hereof.

"*Collateral Documents*" means the Mortgages, the Security Agreement, the Collateral Access Agreements, and all other mortgages, deeds of trust, security agreements, pledge agreements, account control agreements, assignments, financing statements and other documents as shall from time to time secure or relate to the Obligations, the Rate Management Obligations, and the Banking Services Obligations, or any part thereof.

"*Collection Account*" means a collection, non-interest-bearing DDA depository account maintained at Agent, including, without limitation, all Government Receivables Lockbox Accounts.

"*Collections*" is defined in the Security Agreement.

"*Commitment Fee*" is defined in Section 2.13(a) of this Agreement.

"*Commitments*" means the Revolving Credit Commitments.

"*Commodity Exchange Act*" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"*Communications*" has the meaning set forth in Section 10.8(d)(ii).

"*Compliance Certificate*" is defined in Section 6.1(d) of this Agreement.

"*Connection Income Taxes*" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"*Contingent Obligation*" shall mean as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided*, *however,* that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"*Control*" means the possession, directly or indirectly, of the power to vote 10% or more of the Equity Interests (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power, directly or indirectly, to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "*Controlling*" and "*Controlled*" have meanings correlative thereto.

"*Control Agreement*" is defined in the Security Agreement.

"*Controlled Disbursement Account*" is defined in Section 2.15(a) hereof.

"*Credit*" means any of the Revolving Credit.

"*Credit Event*" means the advancing of any Loan, the continuation of or conversion into a Eurodollar Loan, or the issuance of, or extension of the expiration date or increase in the amount of, any Letter of Credit.

"*Credit Parties*" means each Borrower and each Guarantor a party to this Agreement.

"*Credit Party Subordinated Debt*" is defined in Section 10.24 hereof.

"Cura Acquisition" is defined in the Recitals to this Agreement.

"Cura Purchase Agreement" is defined in the Recitals to this Agreement.

"*Cura Purchase Documents*" means the Cura Purchase Agreement and all agreements, instruments and documents executed or delivered in connection therewith.

"*Current State Tax Liens*" is defined in Section 6.27 hereof.

"*Daily Floating LIBOR*" means, for each day, the rate of interest rounded upwards, if necessary, to the next 1/8 of 1% and adjusted for reserves Agent determines are applicable to the relevant advances, fixed by the British Bankers' Association (or any successor) at 11:00 a.m., London time, relating to quotations for one month London InterBank Offered Rates on U.S. Dollar deposits as published on Bloomberg LP (or any successor), or, if no longer provided by Bloomberg LP, such rate as shall be determined in good faith by the Agent from such sources as it shall determine to be comparable to Bloomberg LP (or any successor) as determined by Agent at approximately 10:00 a.m. Cincinnati, Ohio time.

"*Daily Floating LIBOR Loan*" means a Loan bearing interest at a rate specified in Section 2.4(c).

"*Damages*" means all damages including, without limitation, punitive damages, liabilities, costs, expenses, losses, judgments, diminutions in value, fines, penalties, demands, claims, cost recovery actions, lawsuits, administrative proceedings, orders, response actions, removal and remedial costs, compliance costs, investigation expenses, consultant fees, attorneys' and paralegals' fees and litigation expenses.

"*Debtor Relief Laws*" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"*Default*" means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

"*Defaulting Lender*" means, subject to Section 8.7(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Agent and the Borrower Representative in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent, any L/C Issuer, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Loans) within two (2) Business Days of the date when due, (b) has notified the Borrower Representative, the Agent or any L/C Issuer or any Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Agent or the Borrower Representative, to confirm in writing to the Agent and the Borrower Representative that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Borrower Representative), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.7(b)) upon delivery of written notice of such determination to the Borrower Representative, each L/C Issuer, each Swing Line Lender and each Lender.

"*Disclosure Statement*" shall mean that certain disclosure statement executed and delivered by the Credit Parties to the Agent as of the Restatement Closing Date (as the same shall be modified and updated from time to time in accordance with the terms of this Agreement).

"*Disposition*" means the sale, lease, conveyance or other disposition of Property, other than sales or other dispositions expressly permitted under Section 6.13 hereof (other than clauses (f) and (h) thereof).

"*Dollars*" and "*$*" each means the lawful currency of the United States of America.

"*Domestic Subsidiary*" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

"*Earlier Projections*" is defined in Section 3.2(s) hereof.

"*Earnout Liabilities*" shall mean Indebtedness consisting of "earnouts" and similar contingent payment obligations of any Credit Party (x) as of the Restatement Closing Date, relating to the agreements set forth on Schedule 2 hereof and (y) after the Restatement Closing Date, issued in connection with any Acquisitions permitted under this Agreement and subordinated in right of payment to the Obligations in a manner satisfactory to Agent, in its sole discretion exercised in a good faith and commercially reasonable manner.

"*EBITDA*" means, with reference to any period, without duplication, Net Income for such period *plus* the sum of all amounts deducted in arriving at such Net Income amount in respect of (a) Interest Expense for such period, (b) federal, state, and local income taxes for such period, (c) [reserved], (d) depreciation of fixed assets and amortization of intangible assets for such period, (e) non-recurring fees, costs and expenses for such period incurred in connection with entering into this Agreement, the other Loan Documents and the transactions contemplated thereby on the Restatement Closing Date in an aggregate amount not to exceed $325,000, (f) all other extraordinary or non-recurring expenses and losses for such period in an amount reasonably acceptable to Agent, (g) non-recurring due diligence costs and expenses for such period incurred in connection with closed Acquisitions permitted under this Agreement, (h) non-cash charges (or minus non-cash gains), including non-cash equity based compensation expenses, for such period, (i) negative adjustments (or minus positive adjustments) to contingent consideration recognized in connection with Acquisitions permitted under this Agreement, and (j) stock-based compensation expense recognized on the issuance of stock-based incentives issued to directors and employees of the Credit Parties for such period.

"*Eligible Assignee*" means any Person that meets the requirements to be an assignee under Section 10.10(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.10 (b)(iii)).

"*Environmental Claim*" means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding or claim (whether administrative, judicial or private in nature) arising (a) pursuant to, or in connection with an actual or alleged violation of, any Environmental Law, (b) in connection with any Hazardous Material, (c) from any abatement, removal, remedial, corrective or response action in connection with a Hazardous Material, Environmental Law or order of a Governmental Authority, issued pursuant to any Environmental Law, or (d) from any actual or alleged damage, injury, threat or harm to health, environmental safety, natural resources or the environment from any Hazardous Material.

"*Environmental Law*" means any current or future Legal Requirement pertaining to (a) the protection of health, safety and the indoor or outdoor environment, (b) the conservation, management or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material or (e) pollution (including any Release to air, land, surface water or groundwater), and any amendment, rule, regulation, order or directive issued thereunder.

"*Equity Interests*" shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, including equity appreciation rights, whether now outstanding or issued or acquired after the date of this Agreement, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent of such ownership interest.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

"*ERISA Affiliate*" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414 of the Code.

"*ERISA Event*" means (a) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations thereunder (excluding those for which notice to the PBGC has been waived as of the date hereof) with respect to a Pension Plan; (b) the failure to meet the Pension Funding Rules with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Code), the failure to make by its due date any minimum required contribution or any required installment under Section 430(j) of the Code with respect to any Pension Plan or the failure to make by its due date any required contribution to a Multiemployer Plan; (c) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (d) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan; (e) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) notification that a Multiemployer Plan is in reorganization or is in endangered or critical status within the meaning of Section 432 of the Code or Section 305 of ERISA; or (h) the imposition of any material liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"*Eurodollar Loan*" means a Loan bearing interest at the rate specified in Section 2.4(b) hereof.

"*Event of Default*" means any event or condition identified as such in Section 7.1 hereof.

"*Event of Loss*" means, with respect to any Property, any of the following: (a) any loss, destruction or damage of such Property or (b) any condemnation, seizure, or taking, by exercise of the power of eminent domain or otherwise, of such Property, or confiscation of such Property or the requisition of the use of such Property.

"*Excess Availability*" shall mean, as of any date of determination by Agent, the Revolving Loan Availability in each case as of the close of business on such date and assuming, for purposes of calculation, that all accounts payable (other than those accounts payable which are being disputed in good faith as approved by Agent for any amounts in excess of $25,000 in the aggregate) which remain unpaid more than ninety (90) days after the due dates thereof as of the close of business on such date are treated as additional Revolving Loans outstanding on such date.

"*Excess Interest*" is defined in Section 10.18 hereof.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Excluded Accounts*" is defined in Section 4.1.

"*Excluded Assets*" is defined in Section 4.1.

"*Excluded Swap Obligation*" means, with respect to any guarantor of a Swap Obligation, including the grant of a security interest to secure the guaranty of such Swap Obligation, any Swap Obligation if, and to the extent that, such Swap Obligation is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty or grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Swap Obligation or security interest is or becomes illegal.

"*Excluded Taxes*" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower Representative under Section 8.6(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 8.5, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 8.5(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"*Excluded Vehicles*" is defined in Section 4.1.

"*Facilities*" means the Revolving Credit.

"*FATCA*" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements entered into in connection with the implementation of such Sections.

"*Federal Funds Rate*" means, for any day, the rate determined by the Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum quoted to the Agent at approximately 10:00 a.m. (Eastern time) (or as soon thereafter as is practicable) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) by two or more Federal funds brokers selected by the Agent for sale to the Agent at face value of Federal funds in the secondary market in an amount equal or comparable to the principal amount owed to the Agent for which such rate is being determined.

"*Fifth Third*" means Fifth Third Bank, an Ohio banking corporation, in its individual capacity and any successor thereof.

"*Fixed Charge Coverage Ratio*" means, as of the date of determination thereof, the ratio of (a) EBITDA for such period minus (i) unfinanced Capital Expenditures for such period (for the avoidance of doubt, exclusive of Capital Expenditures financed with the proceeds of purchase money Indebtedness or Capital Leases to the extent permitted pursuant to Section 6.22 hereof), (ii) income taxes paid in cash for such period, and (iii) dividends paid in cash and permitted for such period, all as determined for the Credit Parties and their Subsidiaries on a consolidated basis (without duplication) in accordance with GAAP, to (b) Fixed Charges, in each case, for the four fiscal quarters then ended.

"*Fixed Charges*" means, with reference to any period, for the Credit Parties and their Subsidiaries on a consolidated basis, without duplication, the sum of (a) all scheduled or required (other than in connection with the Revolving Loans) payments of principal actually made during such period with respect to Indebtedness of the Credit Parties and their Subsidiaries, including, without limitation, all Capitalized Lease Obligations, plus (b) any payment in connection with a permanent Revolving Credit Commitment reduction, plus (c) the cash portion of any Interest Expense for such period. Notwithstanding the foregoing, in no event shall any of the following be deemed Fixed Charges: (a) [reserved], (b) one-time payments pursuant to that certain Contingent Payment Agreement dated September 19, 2006 by and among Addus Holding corporation, Addus Acquisition Corporation, Addus Management Corporation, Addus Healthcare, W. Andrew Wright and the contingent payment recipients (as defined therein), and (c) payment of the Earnout Liabilities.

"*Foreign Lender*" means (a) if a Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if a Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Fort Smith" shall have the meaning set forth in the preamble to this Agreement.

"*Fronting Exposure*" means, at any time there is a Defaulting Lender, (a) with respect to any L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such L/C Issuer other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to any Swing Line Lender, such Defaulting Lender's Applicable Percentage of outstanding Swing Loans made by such Swing Line Lender other than Swing Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders.

"*Fund*" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"*Funding Account*" is defined in Section 2.5(d) hereof.

"*GAAP*" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"*Government Receivables*" is defined in the Security Agreement.

"*Government Receivables Lockbox*" means a lockbox maintained at the Agent receiving Government Receivables.

"*Government Receivables Lockbox Account*" is defined in the Security Agreement.

"Government Receivables Lockbox Account Agreement" is defined in the Security Agreement.

"*Governmental Authority*" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank).

"*Guarantied Obligations*" is defined in Section 11.1 hereof.

"*Guarantors*" means, collectively, each Person who now or hereafter guarantees payment or performance of the whole or any part of the Obligations. Each Borrower hereunder is a Guarantor of the Obligations of the other Borrowers hereunder pursuant to Section 11 hereof. As of the Restatement Closing Date, Holdings is the sole non-Borrower Guarantor.

"*Guaranty*" and "*Guaranties*" means Section 11 of this Agreement and each separate guaranty, in form and substance satisfactory to the Agent, delivered by any Guarantor.

"*Hazardous Material*" means any substance, chemical, compound, product, solid, gas, liquid, waste, byproduct, pollutant, contaminant or material which is listed, identified, classified or regulated as "hazardous" or "toxic" or words of like import pursuant to an Environmental Law, including without limitation, asbestos, polychlorinated biphenyls and petroleum (including crude oil or any fraction thereof).

"*Health Care Laws*" means (i) all federal and state fraud and abuse laws, including, but not limited to, the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7(b)), the Stark Law (42 U.S.C. § 1395nn), the False Claims Act (31 U.S.C. § 3729 *et seq*.), Sections 1320a-7 and 1320a-7a of Title 42 of the United States Code, and the regulations promulgated pursuant to such statutes; (ii) HIPAA; (iii) Medicare and the Medicare Regulations; (iv) Medicaid and the Medicaid Regulations; (v) TRICARE and the TRICARE regulations; (vi) CHAMPVA and the CHAMPVA regulations; (vii) the Clinical Laboratory Improvement Amendments of 1999 (42 U.S.C. § 263a *et seq*.); (viii) quality, safety and accreditation standards and requirements of all applicable federal and state laws or regulatory bodies; (ix) licensure, registration and approval laws and regulations; (x) all laws and regulations governing billing for health care items and services; (xi) any and all other applicable health care laws, regulations, manual provisions, policies and administrative guidance; and (xii) each of (i) through (xi) as may be amended from time to time thereto.

"HHS" means the United States Department of Health and Human Services or any successor.

"*HIPAA*" means the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191), and any successor statute thereto, and any and all rules and regulations promulgated from time to time thereunder, as amended from time to time.

"*Holdings*" is defined in the introductory paragraph of this Agreement. For the avoidance of doubt, Holdings owns and controls one hundred percent (100%) of the outstanding Equity Interests of Addus Healthcare.

"*Indebtedness*" means for any Person (without duplication) (a) all indebtedness of such Person for borrowed money, whether current or funded, or secured or unsecured, (b) all indebtedness for the deferred purchase price of Property or services, it being understood that the term "Indebtedness" shall not include (i) trade payables or (ii) accrued expenses, in each case arising in the ordinary course of business, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of a default are limited to repossession or sale of such Property), (d) all indebtedness secured by a purchase money mortgage or other Lien to secure all or part of the purchase price of Property subject to such mortgage or Lien, (e) all obligations under leases which shall have been or must be, in accordance with GAAP, recorded as Capital Leases in respect of which such Person is liable as lessee, (f) any liability in respect of bankers acceptances or letters of credit, (g) any indebtedness, whether or not assumed, secured by Liens on Property acquired by such Person at the time of acquisition thereof, (h) all obligations under any so-called "synthetic lease" transaction entered into by such Person, (i) all obligations under any so-called "asset

securitization" transaction entered into by such Person, (j) earnouts, seller notes and similar deferred purchase price payment obligations of such Person, (k) all Contingent Obligations with respect to liabilities which otherwise constitute "Indebtedness" and (l) all equity securities of such Person subject to repurchase or redemption prior to the Maturity Date (other than at the sole option of such Person).

"*Indemnified Taxes*" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning set forth in Section 10.13(b).

"*Information*" is defined in Section 10.23 hereof.

"*Information Certificate*" means that certain Information Certificate of the Credit Parties executed and delivered to the Agent on the Restatement Closing Date.

"*Insurer*" shall mean any Person that, in the ordinary course of its business or activities agrees to pay for healthcare goods and services received by individuals, including a commercial insurance company, a nonprofit insurance company (such as a Blue Cross/Blue Shield entity), an employer or union that self-insures for employee or member health insurance and a health maintenance organization.

"*Intellectual Property*" means (i) the names of the Credit Parties and all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications thereof; (b) all patents, patent applications, and inventions and discoveries that may be patentable; (c) all copyrights in both published and unpublished works; and (d) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings and blue prints, all of the foregoing being owned, used, and/or licensed by Borrowers and the other Credit Parties (or any one or more of them).

"*Interest Expense*" means, with reference to any period, the sum of all interest charges (including fees incurred with respect to letters of credit and imputed interest charges with respect to Capitalized Lease Obligations and all amortization of debt discount and expense) of the Credit Parties and their Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"*Interest Period*" means, with respect to Eurodollar Loans, the period commencing on the date a Borrowing of Loans is advanced, continued or created by conversion and ending: in the case of a Eurodollar Loan, 1, 2 or 3 months thereafter; *provided, however,* that:

(i) whenever the last day of any Interest Period would otherwise be a day that is not a Business Day, the last day of such Interest Period shall be extended to the next succeeding Business Day, *provided* that, if such extension would cause the last day of an Interest Period for a Borrowing of Eurodollar Loans to occur in the following calendar month, the last day of such Interest Period shall be the immediately preceding Business Day; and

(ii) for purposes of determining an Interest Period for a Borrowing of Eurodollar Loans, a month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month; *provided, however,* that if there is no numerically corresponding day in the month in which such an Interest Period is to end or if such an Interest Period begins on the last Business Day of a calendar month, then such Interest Period shall end on the last Business Day of the calendar month in which such Interest Period is to end.

"*Interim Balance Sheet*" is defined in Section 5.3 hereof.

"IRS" means the United States Internal Revenue Service.

"*Joinder Agreement*" means an agreement pursuant to which a new Credit Party becomes a party to this Agreement, substantially in form of Exhibit G.

"*L/C Fee*" is defined in Section 2.13(b) of this Agreement.

"*L/C Issuer*" means (a) Fifth Third in its capacity as issuer of Letters of Credit hereunder and any successor L/C Issuer or (b) any additional issuer of Letters of Credit hereunder as may be required by any beneficiary of such Letter of Credit and is acceptable to Agent and any successor thereof.

"*L/C Obligations*" means the aggregate undrawn face amounts of all outstanding Letters of Credit (including all automatic increases provided for in such Letters of Credit, whether or not any such automatic increase has become effective) and all unpaid Reimbursement Obligations.

"*L/C Sublimit*" means $27,500,000, as reduced pursuant to the terms hereof.

"*Legal Requirement*" means any treaty, convention, statute, law, regulation, ordinance, license, permit, governmental approval, injunction, judgment, order, consent decree or other requirement of any Governmental Authority.

"*Lenders*" means the Persons listed on Schedule 1 and any other Person that shall have become party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context requires otherwise, the term "Lenders" includes the Swing Line Lenders. In addition to the foregoing, for the purpose of identifying the Persons entitled to share in the Collateral and the Proceeds thereof under, and in accordance with the provisions of, this Agreement and the Collateral Documents, the term "Lender" shall include Affiliates of a Lender to which any permitted Rate Management Obligations or Banking Services Obligations is owed.

"*Letter of Credit*" is defined in Section 2.3(a) hereof.

"*LIBOR*" means, for an Interest Period for a Borrowing of Eurodollar Loans, (a) the LIBOR Index Rate for such Interest Period, if such rate is available, and (b) if the LIBOR Index Rate cannot be determined, the rates of interest per annum (rounded upwards, if necessary, to the nearest 1/8th of 1%) and adjusted for reserves if Agent is required to maintain reserves with respect to relevant advances, fixed by the British Bankers' Association (or any successor thereto

or replacement thereof) at 11:00 a.m., London time, relating to quotations for the applicable Interest Period, London InterBank Offered Rates on U.S. Dollar deposits as published on the Reuters Screen, or, if no longer provided by on the Reuters Screen, such rate as shall be determined in good faith by the Agent from such sources as it shall determine to be comparable to the Reuters Screen (or any successor) as determined by Agent at approximately 10:00 a.m. Cincinnati, Ohio time on the first day of a LIBOR Interest Period and which has a maturity corresponding to the maturity of the LIBOR Interest Period "*LIBOR Rate*." Notwithstanding anything to the contrary contained in any Loan Document, at any time during which a Rate Management Agreement is in effect with respect to any Eurodollar Loans hereunder, the foregoing provision that rounds to the next 1/8th of 1% shall be disregarded and no longer of any force and effect with respect to such Eurodollar Loan subject to such Rate Management Agreement.

"*LIBOR Index Rate*" means, for any Interest Period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in Dollars for a period equal to such Interest Period, which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. (London, England time) on the day two (2) Business Days before the commencement of such Interest Period.

"*Lien*" means any deed of trust, mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"*Little Rock*" shall have the meaning set forth in the preamble to this Agreement.

"*Loan*" means any Revolving Loan or Swing Loan, whether outstanding as a Base Rate Loan, Eurodollar Loan or Daily Floating LIBOR Loans as permitted hereunder, each of which is a *"type"* of Loan hereunder.

"*Loan Documents*" means this Agreement, the Notes, the Applications, the Collateral Documents, the Guaranties, the Rate Management Agreements, Banking Services Obligations agreements, any Subordination Agreement, and each other agreement, instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

"*Lockboxes*" means, collectively, any and all Government Receivables Lockboxes, Non-Government Receivables Lockboxes, and Private Pay Receivables Lockboxes.

"*Material Adverse Effect*" means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property or financial condition of the Credit Parties and their Subsidiaries taken as a whole, (b) a material impairment of the ability of any Credit Party or any Subsidiary to perform its obligations under any Loan Document or (c) a material adverse effect upon (i) the legality, validity, binding effect or enforceability against any Credit Party or any Subsidiary of any Loan Document or the rights and remedies of the Agent and the Lenders thereunder or (ii) the perfection or priority of any Lien granted under any Collateral Document.

"*Material Contract*" means, with respect to any Person, each contract or agreement (a) to which such Person is a party involving aggregate consideration payable to or by such Person of $250,000 or more in any year or (b) otherwise material to the business, condition (financial or

otherwise), operations, performance, properties or prospects of such Person or (c) any other contract, agreement, permit or license, written or oral, of the Borrower and its Subsidiaries as to which the breach, nonperformance, cancellation or failure to renew by any party thereto, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

"*Maturity Date*" means November 2, 2019.

"*Maximum Liability*" is defined in Section 11.9.

"*Maximum Rate*" is defined in Section 10.18 hereof.

"*Medicaid*" means, collectively, the certain program of medical assistance, funded jointly by the federal government and states, for impoverished individuals who are aged, blind and/or disabled, and for members of families with dependent children, which program is more fully described in Title XIX of the Social Security Act (42 U.S.C. §§ 1396 *et seq*.), and the Medicaid Regulations.

"*Medicaid Regulations*" means, collectively, (i) all federal statutes (whether set forth in Title XIX of the Social Security Act or elsewhere) affecting Medicaid, (ii) all applicable provisions of all federal rules, regulations, manuals and orders of all Governmental Authorities promulgated pursuant to or in connection with the statutes described in clause (i) above and all federal administrative, reimbursement and other guidelines of all Governmental Authorities having the force of law promulgated pursuant to or in connection with the statutes described in clause (i) above, (iii) all state statutes and plans for medical assistance enacted in connection with the statutes and provisions described in clauses (i) and (ii) above and (iv) all applicable provisions of all rules, regulations, manuals and orders of all Governmental Authorities promulgated pursuant to or in connection with the authorities promulgated pursuant to or in connection with the statutes described in clause (iii) above and all state administrative, reimbursement and other guidelines of all Governmental Authorities having the force of law promulgated pursuant to or in connection with the statutes described in clause (iii) above, in each case as may be amended, supplemented or otherwise modified from time to time.

"*Medicare*" means, collectively, the certain federal program providing health insurance for eligible elderly and other individuals, under which physicians, hospitals, skilled nursing homes, home health care and other providers are reimbursed for certain covered services they provide to the beneficiaries of such program, which program is more fully described in Title XVIII of the Social Security Act (42 U.S.C. §§ 1395 *et seq*.), and the Medicare Regulations.

"*Medicare Regulations*" means, collectively, all federal statutes (whether set forth in Title XVIII of the Social Security Act or elsewhere) affecting Medicare and any successor statute(s), together with all applicable provisions of all rules, regulations, manuals and orders and administrative, reimbursement and other guidelines of all Governmental Authorities (including, without limitation, HHS, CMS, the Office of the Inspector General for HHS, or any other Person succeeding to the functions of any of the foregoing) promulgated pursuant to or in connection with any of the foregoing having the force of law, in each case as may be amended, supplemented or otherwise modified from time to time.

"*Minimum Collateral Amount*" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 105% of the Fronting Exposure of all L/C Issuers with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by the Agent and the L/C Issuers in their sole discretion.

"*Moody's*" means Moody's Investors Service, Inc.

"*Mortgages*" means, collectively, any and all mortgages or deeds of trust (if any) delivered to the Agent pursuant to Section 4.2 hereof, as the same may be amended, modified, supplemented or restated from time to time.

"*Multiemployer Plan*" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

"*Multiple Employer Plan*" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"*Net Cash Proceeds*" means, as applicable, (a) with respect to any Disposition by a Person, cash and cash equivalent proceeds received by or for such Person's account, net of (i) reasonable direct costs relating to such Disposition and (ii) sale, use or other transactional Taxes paid or payable by such Person as a direct result of such Disposition, (b) with respect to any Event of Loss of a Person, cash and cash equivalent proceeds received by or for such Person's account (whether as a result of payments made under any applicable insurance policy therefor or in connection with condemnation proceedings or otherwise), net of reasonable direct costs incurred in connection with the collection of such proceeds, awards or other payments, and (c) with respect to any offering of equity securities of a Person or the issuance of any Indebtedness by a Person, cash and cash equivalent proceeds received by or for such Person's account, net of reasonable legal, underwriting, and other fees and expenses incurred as a direct result thereof.

"*Net Income*" means, with reference to any period, the net income (or net loss) of the Credit Parties and their Subsidiaries for such period computed on a consolidated basis in accordance with GAAP; *provided* that, there shall be excluded from Net Income (a) the net income (or net loss) of any Person accrued prior to the date it becomes a Subsidiary of, or has merged into or consolidated with, any Credit Party or another Subsidiary, and (b) the net income (or net loss) of any Person (other than a Subsidiary) in which any Credit Party or any Subsidiary has an Equity Interest, except to the extent of the amount of dividends or other distributions actually paid to any Credit Party or any Subsidiary during such period, (c) gains and losses or charges relating to the disposition of assets (other than the sale of inventory in the ordinary course of business), (d) gains and losses or charges relating to discontinued operations, (e) extraordinary gains and losses or charges, (f) the impact of any purchase accounting treatment or changes in accounting principles, and (g) the net income (or net loss) of any Subsidiary of any Borrower that is not a Credit Party shall be adjusted to include only that percentage of net income (or net loss) of such Subsidiary that corresponds to the percentage of ownership interest in such Subsidiary that is pledged to Agent, for the benefit of itself and the Lenders, pursuant to Section 4 of this Agreement.

"*Non-Consenting Lender*" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all affected Lenders in accordance with the terms of Section 10.11 and (ii) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"*Non-Government Receivables*" means an Account that is not a Government Receivable or a Private Pay Receivable.

"*Non-Government Receivables Lockbox*" means a lockbox maintained at the Agent receiving Non-Government Receivables.

"*Non-Paying Guarantor*" is defined in Section 11.10.

"Notes" means and includes the Revolving Notes and the Swing Note.

"Notional Amount" is defined in Section 6.10 hereof.

"Obligations" means all obligations of any Borrower to pay principal and interest on the Loans, all Reimbursement Obligations owing under the Applications, all fees and charges payable hereunder, and all other payment obligations (monetary (including post-petition interest, allowed or not) or otherwise) of any Credit Party or any Subsidiary of any Credit Party arising under or in relation to any Loan Document, all Rate Management Obligations permitted hereunder, and all Banking Services Obligations, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired. Notwithstanding the foregoing, the term Obligations shall exclude any Excluded Swap Obligation.

"*Original Closing Date*" means November 2, 2009.

"*Original Loan Agreement*" is defined in the Recitals to this Agreement.

"*Original Post-Closing Agreement*" is defined in Section 6.27 hereof.

"*Other Connection Taxes*" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"*Other Taxes*" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 8.6).

"*Outstanding Indebtedness*" shall have the meaning set forth in Section 1.4 of this Agreement.

"*Outstanding Revolving Advances*" shall have the meaning set forth in Section 1.4 of this Agreement.

"*Outstanding Term Loan*" shall have the meaning set forth in Section 1.4 of this Agreement.

"*Participant*" has the meaning assigned to such term in clause (d) of Section 10.10.

"*Participant Register*" has the meaning specified in clause (d) of Section 10.10.

"*Participating Interest*" is defined in Section 2.3(d) hereof.

"*Participating Lender*" is defined in Section 2.3(d) hereof.

"*Participation Agreements*" means all participation and provider agreements with health maintenance organizations, insurance programs, Third Party Payors and preferred provider organizations with respect to the business of the Credit Parties.

"*PATRIOT Act*" is defined in Section 5.24(b) hereof.

"*Paying Guarantor*" is defined in Section 11.10 hereof.

"*Payment in Full*" means, as of any date of determination, that (a) the Obligations and the Guarantied Obligations (in each case, other than contingent indemnification obligations and reimbursement obligations in respect of which no claim for payment has yet been asserted by the Person entitled thereto, and Banking Services Obligations not then due and owing), as applicable, are fully paid and satisfied, (b) all Letters of Credit have been cancelled and returned to the applicable L/C Issuer or either (i) replaced by an irrevocable letter of credit, on terms acceptable to the applicable L/C Issuer, issued by a financial institution acceptable to the applicable L/C Issuer, or (ii) Cash Collateralized, in each case, in an amount at least equal to 105% of the L/C Obligations, as of such date and on terms satisfactory to the applicable L/C Issuer, and (c) the Commitments and this Agreement are terminated.

"*PBGC*" means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

"*Pension Funding Rules*" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"*Pension Plan*" means any Plan (including a Multiple Employer Plan but excluding a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the Pension Funding Rules.

"*Percentage*" means for any Lender its Applicable Percentage; and where the term "*Percentage*" is applied on an aggregate basis (including, without limitation, Section 10.11(b) hereof), such aggregate percentage shall be calculated by aggregating the separate components of the Applicable Percentage, and expressing such components on a single percentage basis.

"*Permitted Acquisition*" shall mean an Acquisition by any Credit Party or any Subsidiary in a transaction that satisfies each of the following requirements:

(i) the business acquired in connection with such Acquisition is (a) located in the United States and (b) not engaged, directly or indirectly, in any line of business other than the businesses in which Credit Parties are engaged on the Restatement Closing Date and any business activities that are substantially similar, related, or incidental thereto;

(ii) all transactions in connection with any such Acquisition shall be consummated, in all material respects, in accordance with all Applicable Laws;

(iii) both before and after giving effect to such Acquisition, (a) all representations and warranties contained herein and in the Loan Documents shall be true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) at and as if made as of the date of such Acquisition, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all respects as of such earlier date, and (b) no Default or Event of Default exists, or would result therefrom;

(iv) as soon as available, but not less than thirty (30) days prior to such Acquisition, the Borrower Representative has provided Agent (a) notice of such Acquisition and (b) the Acquisition Diligence Deliveries;

(v) there shall be no more than three (3) Acquisitions consummated by the Credit Parties in each calendar year; provided that, the purchase price for any one (1) such Acquisition shall not exceed $2,000,000.00 in the aggregate without Agent's prior written consent;

(vi) if such Acquisition is (A) an acquisition of the Equity Interests of a Person, the Acquisition is structured so that the acquired Person shall become a Wholly-Owned Subsidiary of a Credit Party (other than Holdings) and, if requested by Agent, in accordance with Section 4, a Borrower, in each case, pursuant to the terms of this Agreement; (B) an acquisition of assets, the Acquisition is structured so that a Credit Party (other than Holdings) shall acquire such assets; or (C) an acquisition by merger involving any Credit Party (other than Holdings), the acquisition is structured so that a Borrower is the surviving entity;

(vii) the Borrower Representative shall certify (and provide Agent with a pro forma calculation in form and substance reasonably satisfactory to Agent), to Agent and the Lenders that, after giving effect to the completion of such Acquisition, on a pro forma basis the Credit Parties shall be in compliance with the financial covenants set forth in Section 6.22;

(viii) Agent will be granted a first priority perfected Lien in all assets acquired pursuant thereto or, as contemplated by Section 4, in the assets and Equity Interests of the Target or any Subsidiary formed by any Credit Party (other than Holdings) to hold the assets and Equity Interests of the Target, and that, prior to consummation of the Permitted Acquisition, such Credit Party and the Target or newly formed Subsidiary shall have executed such documents and taken such actions (including without limitation, the delivery of (A) certified copies of the resolutions of the board of directors (or comparable governing board) of such Credit Party and the Target or newly formed Subsidiary of the Target authorizing such Permitted Acquisition and the granting of Liens described herein, (B) legal opinions, in form and content reasonably acceptable to Agent, with respect to the transactions described herein (C) consents of any Credit Party which is a party thereto, the Target or any such newly formed Subsidiary to the collateral assignment to Agent, for its benefit and the benefit of Lenders, of rights and indemnities under the related Acquisition Documents (provided that the Credit Parties shall use commercially reasonable efforts to obtain such consent from any counterparty to such Acquisition Documents) and (D) evidence of insurance of the business to be acquired consistent with the requirements of Section 6.3), as may be required by Agent in connection therewith;

(ix) on or prior to the date of such Permitted Acquisition, Agent shall have received, (a) copies of the Acquisition Documents, including, without limitation, all opinions, certificates, lien search results and other documents reasonably requested by Agent, (b) any amendments Agent may deem necessary to this Agreement, including, without limitation, a Joinder Agreement and any amendments to the financial covenants in Section 6.22, (c) amendments to the Schedules of the Disclosure Statement, to the extent necessary to make the representations and warranties in this Agreement true and correct after giving effect to the consummation of such Permitted Acquisition, and (d) to the extent Indebtedness is issued by a Credit Party in connection therewith, such Indebtedness shall be unsecured and Agent shall have received a Subordination Agreement (or subordination terms) from the holder of any seller promissory note or similar contingent purchase price payment obligation or Earnout Liabilities comprising such Indebtedness providing for the subordination in right of payment of such Indebtedness to the Liabilities, in form and substance satisfactory to Agent in its sole discretion exercised in a good faith and commercially reasonable manner; and

(x) a certificate, in form, scope and substance reasonably acceptable to the Agent of a Responsible Officer of the Borrower Representative confirming satisfaction of each of the foregoing conditions precedent shall have been delivered to Agent prior to such Acquisition.

"Permitted Contingent Obligations" shall mean (i) unsecured Rate Management Agreements entered into in the ordinary course of business for bona fide hedging purposes and not for speculation; (ii) Contingent Obligations arising under indemnity agreements to insurers incurred in the ordinary course of business to cause such insurers to issue insurance policies required or permitted by this Agreement; (iii) Contingent Obligations arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions permitted under Section 6.13; and (iv) Contingent Obligations arising in the ordinary course of business in respect of lease arrangements.

"*Permitted Discretion*" means a determination made in good faith and in the exercise of commercially reasonable (from the perspective of a secured lender) credit judgment.

"*Permitted Dissolutions*" means the liquidation or dissolution of any of Addus FEA, Fort Smith, Little Rock and/or Lowell, so long as any and all of such Person's remaining assets and business (if any) are transferred to an existing Borrower.

"*Permitted Lien*" is defined in Section 6.12 hereof.

"*Permitted Refinancing Indebtedness*" means, with respect to any Indebtedness, any extensions, renewals or refinancing of any such Indebtedness (as used in the definition, the refinancing Indebtedness); *provided*, that (a) the principal amount of such Indebtedness is not increased at the time of extension, renewal or refinancing except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder; (b) the refinancing Indebtedness is on the whole and in all material respects on terms no less favorable (as adjusted for current market conditions) to the Credit Parties than such Indebtedness; (c) the weighted average life to maturity of the refinancing Indebtedness is greater than the weighted average life to maturity of such Indebtedness; (d) if such Indebtedness is (i) Subordinated Debt, the refinancing Indebtedness is subordinated to the Obligations to the same extent that such Indebtedness is subordinated to the Obligations; or (ii) unsecured, such refinancing Indebtedness shall be unsecured; and (e) the refinancing Indebtedness is incurred by the same Person or Persons (or their successor(s)) that initially incurred (including, without limitation, by Guaranty) such Indebtedness.

"*Person*" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"*PHC Acquisition*" shall have the meaning set forth in the preamble to this Agreement.

"*Plan*" means any employee benefit plan within the meaning of Section 3(3) of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (a) is maintained by Borrower or any ERISA Affiliate or (b) to which Borrower or an ERISA Affiliate is then making or accruing an obligation to make contributions or has within the preceding five (5) plan years made contributions.

"Platform" is defined in Section 10.8(d)(i) hereof.

"Private Pay Receivables" means an Account with respect to which the Account Debtor is a natural person.

"Private Pay Receivables Lockbox" means a lockbox maintained at the Agent receiving Private Pay Receivables.

"Pro Forma Opening Statements" is defined in Section 3.2(s) hereof.

"*Professional Reliable*" shall have the meaning set forth in the preamble to this Agreement.

"*Property*" means, as to any Person, all types of real, personal, tangible, intangible or mixed property owned by such Person whether or not included in the most recent balance sheet of such Person and its Subsidiaries under GAAP.

"*Qualified ECP Guarantor*" shall mean, in respect of any Swap Obligation, each Credit Party that has total assets exceeding $10,000,000 at the time such Swap Obligation is incurred or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell, support or other agreement as contemplated by Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"*Rate Management Agreement*" means any agreement, device or arrangement providing for payments which are related to fluctuations of interest rates, exchange rates, forward rates, or equity prices, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and any agreement pertaining to equity derivative transactions (e.g., equity or equity index swaps, options, caps, floors, collars and forwards), including without limitation any ISDA Master Agreement between the Credit Parties (or any one or more of them) and Agent, any Lender, or any Affiliate of Agent or any Lender, and any schedules, confirmations and documents and other confirming evidence between the parties confirming transactions thereunder, all whether now existing or hereafter arising, and in each case as amended, modified or supplemented from time to time.

"*Rate Management Obligations*" means any and all obligations of any Borrower to Agent, any Lender, or any Affiliate of Agent or any Lender, whether absolute, contingent or otherwise and howsoever and whensoever (whether now or hereafter) created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under or in connection with (i) any and all Rate Management Agreements, and (ii) any and all cancellations, buy-backs, reversals, terminations or assignments of any Rate Management Agreement.

"*RCRA*" means the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 *et seq.*, and any future amendments.

"*Recipient*" means (a) the Agent, (b) any Lender and (c) any L/C Issuer, as applicable.

"*Register*" is defined in Section 10.10(c) hereof.

"*Reimbursement Obligation*" is defined in Section 2.3(c) hereof.

"*Related Parties*" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"*Release*" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migration into the environment.

"*Release Requirement*" is defined in Section 6.27 hereof.

"*Remittances*" means all checks, drafts, money orders, electronic funds transfers, and other items and all cash and other remittances of every kind due any Borrower on its Accounts or other Collateral.

"*Removal Effective Date*" is defined in Section 9.6(b) hereof.

"*Required Lenders*" means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders; *provided*, *however*, (a) if there are two (2) Lenders, Required Lenders shall mean both Lenders, and (b) Lenders that are Affiliates of one another shall be considered as one Lender. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"*Reserve Percentage*" means, for any Borrowing of Eurodollar Loans, the daily average for the applicable Interest Period of the maximum rate, expressed as a decimal, at which reserves (including, without limitation, any supplemental, marginal, and emergency reserves) are imposed during such Interest Period by the Board of Governors of the Federal Reserve System (or any successor) on *"eurocurrency liabilities"*, as defined in such Board's Regulation D (or in respect of any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets that include loans by non-United States offices of any Lender to United States residents), subject to any amendments of such reserve requirement by such Board or its successor, taking into account any transitional adjustments thereto. For purposes of this definition, the Eurodollar Loans shall be deemed to be *"eurocurrency liabilities"* as defined in Regulation D without benefit or credit for any prorations, exemptions or offsets under Regulation D.

"*Resignation Effective Date*" is defined in Section 9.6(a) hereof.

"*Responsible Officer*" means each of the chief executive officer, the president, the treasurer, the comptroller, the chief financial officer and the principal accounting officer of a Credit Party or Borrower Representative, as applicable, or any other officer or individual having substantially the same authority and responsibility.

"*Restatement Closing Date*" means the date of this Agreement or such later Business Day upon which each condition described in Section 3.2 shall be satisfied or waived in a manner acceptable to the Agent in its discretion.

"*Restatement Post-Closing Agreement*" means that certain Post-Closing Agreement between the Credit Parties and Agent dated as of the Restatement Closing Date.

"*Restricted Payment*" means (a) any dividend or other distribution, direct or indirect, on account of any shares (or equivalent) of any class of capital stock or other Equity Interest of any Credit Party or any of its Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares (or equivalent) of any class of capital stock or other Equity Interest of any Credit Party or any of its Subsidiaries, now or hereafter outstanding, (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of capital stock or other Equity Interest of any Credit Party or any of its Subsidiaries, now or hereafter outstanding, (d) any payment or prepayment of principal of, premium, if any, or interest on, redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Subordinated Debt (if any) of any Credit Party or any of its Subsidiaries, (e) any payment from any Credit Party to Holdings not expressly permitted by Section 6.15, and (f) the payment by any Credit Party or any of its Subsidiaries of any management, advisory or consulting fee to any Person or the payment of any extraordinary salary, bonus or other form of compensation to any Person who is directly or indirectly a significant partner, shareholder, owner or executive officer of any such Person, including, without limitation, pursuant to any management fee agreements.

"*Revolving Credit*" means the credit facility for making Revolving Loans, and Swing Loans and issuing Letters of Credit described in Sections 2.2, 2.3 and 2.11 hereof.

"*Revolving Credit Commitment*" means, as to any Lender, the obligation of such Lender to make Revolving Loans and to participate in Swing Loans and Letters of Credit issued for the account of Borrowers hereunder in an aggregate principal or face amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 1 attached hereto and made a part hereof, as the same may be reduced, increased or otherwise modified at any time or from time to time pursuant to the terms hereof. Borrowers and the Lenders acknowledge and agree that the Revolving Credit Commitments of the Lenders aggregate $55,000,000 on the Restatement Closing Date.

"*Revolving Credit Exposure*" means, as to any Revolving Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Revolving Lender's participation in L/C Obligations and Swing Loans at such time.

"*Revolving Credit Termination Date*" means the Maturity Date or such earlier date on which the Revolving Credit Commitments are terminated in whole pursuant to Section 2.10, 7.2 or 7.3 hereof.

"*Revolving Lender*" means, as of any date of determination, a Lender with a Revolving Credit Commitment or, if the Revolving Credit Commitments have terminated or expired, a Lender with Revolving Credit Exposure.

"*Revolving Loan*" is defined in Section 2.2 hereof and, as so defined, includes a Base Rate Loan, a Eurodollar Loan or a Daily Floating LIBOR Loan, each of which is a *"type"* of Revolving Loan hereunder.

"*Revolving Loan Availability*" means, as at any time, an amount, in Dollars, equal to:

(i) an amount equal to the lesser of: (a) the then existing Borrowing Base as determined based upon the most recent Compliance Certificate and (b) the then effective total Revolving Credit Commitment;

less (ii) the aggregate outstanding principal amount of all Revolving Loans and Swing Loans and all due but unpaid interest on the Loans, and all due but unpaid fees, commissions, expenses and other charges posted to any Borrower's loan account with the Agent; and

less (iii) the then existing L/C Obligations.

"*Revolving Loan Limit*" "means, at any time, the lesser of (i) the Revolving Credit Commitments minus the amount of Swing Loan outstandings minus all L/C Outstandings, and (ii) the Borrowing Base minus the amount of Swing Loan outstandings minus all L/C Outstandings.

"*Revolving Note*" is defined in Section 2.12(d) hereof.

"S&P" means Standard & Poor's Ratings Services Group, a division of The McGraw-Hill Companies, Inc.

"*Second Amendment*" shall mean that certain Joinder, Consent and Amendment No. 2 to Loan and Security Agreement dated as of the Second Amendment Effective Date by and among certain of the Borrowers, the other Credit Parties party thereto, Agent, for the benefit of itself and the other Lenders, and Lenders.

"*Second Amendment Effective Date*" shall mean July 26, 2010.

"*Security Agreement*" means that certain Amended and Restated Security Agreement dated the date of this Agreement by and among the Credit Parties and the Agent, as the same may be amended, modified, supplemented or restated from time to time.

"*Sellers*" is defined in the Recitals to this Agreement.

"*Senior Funded Debt*" means, at any time the same is to be determined, the aggregate of all Indebtedness of the Credit Parties and their Subsidiaries at such time determined on a consolidated basis in accordance with GAAP other than Subordinated Debt of the Credit Parties and their Subsidiaries as of such date.

"*Senior Leverage Ratio*" means, as of the date of determination thereof, the ratio of (a) Senior Funded Debt of the Credit Parties and their Subsidiaries as of such date to (b) EBITDA for the period of four (4) fiscal quarters then ended.

"*Settlement*" is defined in Section 2.11(d) hereof.

"*Settlement Date*" is defined in Section 2.11(d) hereof.

"*Sponsor*" means, collectively, Eos Capital Partners III, L.P., a Delaware limited partnership, and Eos Partners SBIC III, L.P., a Delaware limited partnership.

"*Subordinated Debt*" shall mean, collectively, (i) the Earnout Liabilities and (ii) all other Indebtedness of any Credit Party or any Subsidiary that is subordinated to the Obligations pursuant to a Subordination Agreement or the terms thereof in a manner satisfactory to the Agent, and contains terms, including, without limitation, payment terms, satisfactory to the Agent.

"*Subordinated Debt Documents*" shall mean, collectively, the Subordination Agreements and all other instruments, documents and agreements executed and/or delivered in connection with any Subordinated Debt, in each case as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms of the applicable Subordination Agreement.

"*Subordination Agreements*" shall mean, individually and collectively, all subordination agreements, intercreditor agreements, consent and similar agreements among any Credit Party, the Agent or any Lender and any holder of Indebtedness, whether entered into on or prior to the date hereof or from time to time hereafter, together with all modifications, amendments and restatements of any of the foregoing.

"*Subsidiary*" means, as to any particular parent corporation or organization, any other corporation or organization more than fifty percent (50%) of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent corporation or organization or by any one or more other entities which are themselves subsidiaries of such parent corporation or organization. Unless the context otherwise requires, the term *"Subsidiary"* means a Subsidiary of any Borrower and any direct or indirect Subsidiaries of any of the foregoing. For the avoidance of doubt, for purposes of this Agreement, the term "Subsidiary" shall include all of the Subsidiaries of the Credit Parties, including, without limitation, Addus FEA.

"*Swap Obligation*" means any Rate Management Obligation that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act, as amended from time to time.

"*Swing Line*" means the credit facility for making one or more Swing Loans described in Section 2.11 hereof.

"*Swing Line Lender*" means Fifth Third, in its capacity as lender of Swing Loans hereunder and any successor Swing Line Lender hereunder.

"*Swing Line Sublimit*" means $5,000,000, as reduced pursuant to the terms hereof.

"*Swing Loan*" and "*Swing Loans*" each is defined in Section 2.11(a) hereof.

"*Swing Note*" is defined in Section 2.12(d) hereof.

"*Target*" shall mean, with respect to any Acquisition, the Person that is, or whose assets or Equity Interests are, the subject of such Acquisition.

"*Taxes*" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"*Term Loan*" is defined in Section 2.1 hereof.

"*Third Party Payor*" means Medicare, Medicaid, TRICARE, CHAMPVA, Blue Cross and/or Blue Shield, state government insurers, and private insurers and any other Person which presently or in the future maintains Third Party Payor Programs.

"*Third Party Payor Programs***"** means all third party payor programs in which any Credit Party participates (including, without limitation, Medicare, Medicaid, TRICARE, CHAMPVA, or any other federal or state health care programs, as well as Blue Cross and/or Blue Shield, managed care plans, and any other private insurance programs).

"*Total Credit Exposure*" means, as to any Lender at any time, the unused Commitments and Revolving Credit Exposure of such Lender at such time.

"*Total Funded Debt*" means, at any time the same is to be determined, the aggregate of all Indebtedness of the Credit Parties and their Subsidiaries at such time determined on a consolidated basis in accordance with GAAP.

"*Total Leverage Ratio*" means, as of the date of determination thereof, the ratio of (a) Total Funded Debt of the Credit Parties and their Subsidiaries as of such date to (b) EBITDA for the period of four fiscal quarters then ended.

"*TRICARE"* means the program of medical benefits covering former and active members of the uniformed services and certain of their dependents, formally known as CHAMPUS, financed and administered by the United States Departments of Defense, Health and Human Services and Transportation, and all laws, rules, regulations, manuals, orders, guidelines or requirements pertaining to such program, including, without limitation, (i) all federal statutes (whether set forth in 10 U.S.C. §§ 1071 – 1106 or elsewhere) affecting such program and (ii) all rules, regulations (including 32 C.F.R. § 199), manuals, orders and administrative, reimbursement and other guidelines of all Governmental Authorities promulgated in connection with such program (whether or not having the force of law), in each case as the same may be amended, supplemented or otherwise modified from time to time.

"*UCC*" is defined in Section 1.2 hereof.

"*United States*" and "*U.S.*" means United States of America.

"*Unused Revolving Credit Commitments*" means, at any time, the difference between the Revolving Credit Commitments then in effect and the aggregate outstanding principal amount of Revolving Loans and L/C Obligations; *provided* that Swing Loans outstanding from time to time shall be deemed to reduce the Unused Revolving Credit Commitment of the Agent for purposes of computing the Commitment Fee under Section 2.13(a) hereof.

"*Updated Projections*" is defined in Section 3.2(v) hereof.

"*U.S. Borrower*" means any Borrower that is a U.S. Person.

"*U.S. Person*" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"*U.S. Tax Compliance Certificate*" has the meaning assigned to such term in Section 8.5(g)(ii)(B)(iii).

"*Voting Stock*" of any Person means capital stock or other Equity Interests of any class or classes (however designated) having ordinary power for the election of directors or other similar governing body of such Person (including, without limitation, general partners of a partnership), other than stock or other Equity Interests having such power only by reason of the happening of a contingency.

"*Wholly-Owned Subsidiary*" means, at any time, any Subsidiary of which all of the issued and outstanding shares of capital stock (other than directors' qualifying shares as required by law) or other Equity Interests are owned by any one or more of Holdings and Holdings' other Wholly-Owned Subsidiaries at such time.

"*Withholding Agent*" means any Credit Party and the Agent.

Section 1.2 Interpretation. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references to time of day herein are references to Cincinnati, Ohio, time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting

computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement. All terms that are used in this Agreement without definition and which are defined in the Uniform Commercial Code of the State of Illinois as in effect from time to time ("*UCC*") shall have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide.

Section 1.3 Change in Accounting Principles. If, after the date of this Agreement, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 5.3 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either Borrower Representative or the Required Lenders may by notice to the Lenders and Borrower Representative, respectively, require that the Lenders and Borrower Representative negotiate in good faith to amend such covenants, standards, and term so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of Credit Parties and their Subsidiaries shall be the same as if such change had not been made. No delay by Borrower Representative or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.3, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, Credit Parties shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the date hereof. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (Codification of Accounting Standards 825-10) to value any Indebtedness or other liabilities of any Credit Party or any Subsidiary at "fair value", as defined therein. For the avoidance of doubt, notwithstanding any change in GAAP after the Restatement Closing Date that would require lease obligations that would be treated as operating leases as of the Restatement Closing Date to be classified and accounted for as Capital Leases or otherwise reflected on the consolidated balance sheet, such obligations shall continue to be excluded from the definition of Indebtedness.

Section 1.4 Outstanding Indebtedness. Each of Borrowers acknowledges and confirms that as of August 11, 2014, it is indebted to the Lenders without defense, set-off or counter-claim under the Original Loan Agreement in the principal amount of (i) $0.00 in respect of the term loan advanced in connection with the Original Loan Agreement ("*Outstanding Term Loan*"), and (ii) $14,995,600.00 in respect of the revolving loans, including any L/C Obligations, advanced in connection with the Original Loan Agreement (the "*Outstanding Revolving Advances*" and together with the Outstanding Term Loan, the "*Outstanding Indebtedness*"). This Agreement and the other Loan Documents amend and restate the Original Loan Agreement, and the Outstanding Indebtedness shall be deemed to constitute a Loan hereunder. The execution and delivery of this Agreement and the other Loan Documents, however, does not evidence or represent a refinancing, repayment, accord and/or satisfaction or novation of the Outstanding Indebtedness. All of Lenders' obligations to Borrowers with respect

to Loans to be made concurrently herewith (including the Outstanding Indebtedness, which is deemed to have been made on the Restatement Closing Date) or after the date hereof are set forth in this Agreement. All liens and security interests previously granted to Agent, pursuant to the Original Loan Agreement and/or the loan documents entered into in connection therewith, as applicable, are acknowledged and reconfirmed and remain in full force and effect and are not intended to be released, replaced or impaired.

SECTION 2

THE CREDIT FACILITIES.

Section 2.1 Term Loan. In connection with the Second Amendment to the Original Loan Agreement, each of the Lenders severally and not jointly made a term loan to Borrowers in an amount equal to its Pro Rata Share of Five Million and No/100 Dollars ($5,000,000.00) (the "*Term Loan*"). The Term Loan was repaid in full by Borrowers prior to the Restatement Closing Date.

Section 2.2 Revolving Credit Commitments. Prior to the Revolving Credit Termination Date, each Lender severally and not jointly agrees, subject to the terms and conditions hereof, to make revolving loans (each individually a *"Revolving Loan"* and, collectively, the *"Revolving Loans"*) in Dollars to Borrowers from time to time up to the amount of such Lender's Revolving Credit Commitment in effect at such time; *provided, however,* that no such Revolving Loan shall result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment or (b) the aggregate Revolving Credit Exposures of all Lenders exceeding the lesser of (x) the total Revolving Credit Commitments and (y) the Borrowing Base as determined based on the most recent Compliance Certificate. The Outstanding Revolving Advances shall be deemed to constitute an initial Revolving Loan on the Restatement Closing Date. Subject to the terms and conditions of this Agreement, Revolving Loans shall be made against the Revolving Loan Limit. The Revolving Loan Limit shall be determined by Agent based on the most recent Notice of Borrowing delivered to Agent in accordance with Section 2.5(a) hereof and such other information as may be available to Agent. If at any time the outstanding Revolving Loans exceed either the Revolving Loan Limit or the aggregate Revolving Credit Commitments, Borrowers shall immediately, and without the necessity of demand by Agent, pay to Agent such amount as may be necessary to eliminate such excess and Agent shall apply such payment as follows (i) to any outstanding Swing Loans, (ii) to outstanding Revolving Loans, and (iii) to Cash Collateralize outstanding L/C Obligations. Each Borrowing of Revolving Loans shall be made ratably by the Lenders in proportion to their respective Applicable Percentages. As provided in Section 2.5(a), and subject to the terms hereof, Borrower Representative may elect that each Borrowing of Revolving Loans be Base Rate Loans, Eurodollar Loans or Daily Floating LIBOR Loans. Revolving Loans may be repaid and reborrowed before the Revolving Credit Termination Date, subject to the terms and conditions thereof.

Section 2.3 Letters of Credit.

(a) *General Terms.* Subject to the terms and conditions hereof, as part of the Revolving Credit, the applicable L/C Issuer shall issue commercial and standby letters of credit

(each a *"Letter of Credit"*) for the account of the Borrowers in an aggregate undrawn face amount up to the L/C Sublimit; *provided, however,* no such Letter of Credit shall result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment or (b) the aggregate Revolving Credit Exposures of all Lenders exceeding the lesser of (x) the total Revolving Credit Commitments and (y) the Borrowing Base minus the L/C Obligations. Each Lender shall be obligated to reimburse the applicable L/C Issuer for such Lender's Applicable Percentage of the amount of each drawing under a Letter of Credit and, accordingly, each Letter of Credit shall constitute usage of the Revolving Credit Commitment of each Lender pro rata in an amount equal to its Applicable Percentage of the L/C Obligations then outstanding.

(b) *Applications.* At any time before the Revolving Credit Termination Date, the applicable L/C Issuer shall, at the request of Borrower Representative, issue one or more Letters of Credit in Dollars, in form and substance acceptable to the applicable L/C Issuer, with expiration dates no later than the earlier of (i) 12 months from the date of issuance (or which are cancelable not later than 12 months from the date of issuance and each renewal), or (ii) the Revolving Credit Termination Date, in an aggregate face amount as set forth above, upon the receipt of a duly executed application for the relevant Letter of Credit in the form then customarily prescribed by the applicable L/C Issuer for the Letter of Credit requested (each an *"Application"*), provided that any Letter of Credit may provide by its terms for the automatic renewal thereof for additional 12 month periods, but in no event beyond the date described in clause (ii) of this subsection unless such Letter of Credit is Cash Collateralized in an amount equal to 105% of the L/C Obligations pursuant to documentation reasonably satisfactory to the Agent in which case such Letter of Credit shall expire no later than the date that is 15 days prior to the first anniversary of the Revolving Credit Termination Date. If any Letter of Credit when issued would extend beyond the Revolving Credit Termination Date, Borrowers shall deliver to the Agent on the date such Letter of Credit is issued, Cash Collateral in an amount equal to 105% of the L/C Obligations pursuant to documentation reasonably satisfactory to the Agent and the L/C Issuer. Notwithstanding anything contained in any Application to the contrary: (x) Borrowers shall pay fees in connection with each Letter of Credit as set forth in Section 2.13(b) hereof, and (y) if the applicable L/C Issuer is not timely reimbursed for the amount of any drawing under a Letter of Credit on the date such drawing is paid, Borrowers' obligation to reimburse such L/C Issuer for the amount of such drawing shall bear interest (which each Borrower hereby promises to pay) from and after the date such drawing is paid at a rate per annum equal to the sum of 2.0% plus the Applicable Margin plus the Base Rate from time to time in effect (computed on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed). Without limiting the foregoing, the applicable L/C Issuer's obligation to issue, amend or extend the expiration date of a Letter of Credit is subject to the terms or conditions of this Agreement (including the conditions set forth in Section 3.1 and the other terms of this Section 2.3).

(c) *The Reimbursement Obligations.* Subject to Section 2.3(b) hereof, the obligation of Borrowers to reimburse the applicable L/C Issuer for all drawings under a Letter of Credit (a *"Reimbursement Obligation"*) shall be governed by the Application related to such Letter of Credit and this Agreement, except that reimbursement shall be made by no later than 1:00 p.m. (Eastern time) on the date when each drawing is to be paid if Borrower Representative has been informed of such drawing by such L/C Issuer on or before 11:00 a.m. (Eastern time) on

the date when such drawing is to be paid or, if notice of such drawing is given to Borrower Representative after 11:00 a.m. (Eastern time) on the date when such drawing is to be paid, by the end of such day, in immediately available funds at the Agent's principal office in Cincinnati, Ohio or such other office as the Agent may designate in writing to Borrower Representative, and the Agent shall thereafter cause to be distributed to such L/C Issuer such amount(s) in like funds; *provided* that Borrower Representative shall be deemed to have requested, subject to the conditions to borrowing set forth in this Agreement, that such Reimbursement Obligation be financed with a Base Rate Revolving Loan or Swing Loan in an equivalent amount and, to the extent so financed, the Borrowers' obligation to make such payment shall be discharged and replaced by the resulting Base Rate Revolving Loan or Swing Loan; *provided* that Borrower Representative shall be deemed to have requested, subject to the conditions to borrowing set forth in this Agreement, that such Reimbursement Obligation be financed with a Base Rate Revolving Loan or Swing Loan in an equivalent amount and, to the extent so financed, the Borrowers' obligation to make such payment shall be discharged and replaced by the resulting Base Rate Revolving Loan or Swing Loan. If Borrowers do not make any such reimbursement payment on the date due and the Participating Lenders fund their participations in the manner set forth in Section 2.3(d) below, then all payments thereafter received by the Agent in discharge of any of the relevant Reimbursement Obligations shall be distributed in accordance with Section 2.3(d) below. In addition, for the benefit of the Agent, each L/C Issuer and each Lender, each Borrower agrees that, notwithstanding any provision of any Application, its obligations under this Section 2.3(c) and each Application shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the Applications, under all circumstances whatsoever, including without limitation (i) any lack of validity or enforceability of any Loan Document; (ii) any amendment or waiver of or any consent to departure from all or any of the provisions of any Loan Document; (iii) the existence of any claim, set-off, defense or other right any Borrower may have at any time against a beneficiary of a Letter of Credit (or any Person for whom a beneficiary may be acting), the Agent, any L/C Issuer, any Lender or any other Person, whether in connection with this Agreement, another Loan Document, the transaction related to the Loan Document or any unrelated transaction; (iv) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (v) payment by the Agent or a L/C Issuer under a Letter of Credit against presentation to the Agent or a L/C Issuer of a draft or certificate that does not comply with the terms of the Letter of Credit, *provided* that the Agent's or L/C Issuer's determination that documents presented under the Letter of Credit comply with the terms thereof did not constitute gross negligence or willful misconduct of the Agent or L/C Issuer; or (vi) any other act or omission to act or delay of any kind by the Agent or a L/C Issuer, any Lender or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this Section 2.3(c), constitute a legal or equitable discharge of any Borrower's obligations hereunder or under an Application; *provided* that the foregoing shall not be construed to excuse any L/C Issuer from liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by each Credit Party to the extent permitted by applicable law) suffered by any Credit Party that are caused by such L/C Issuer's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of bad faith, gross negligence or willful misconduct on the part of the applicable

L/C Issuer (as determined by a final non-appealable decision of a court of competent jurisdiction), such L/C Issuer shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable L/C Issuer may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(d) *The Participating Interests.* Each Lender (other than the Lender acting as L/C Issuer) severally and not jointly agrees to purchase from the applicable L/C Issuer, and such L/C Issuer hereby agrees to sell to each such Lender (a *"Participating Lender"*), an undivided participating interest (a *"Participating Interest"*) to the extent of its Applicable Percentage in each Letter of Credit issued by, and each Reimbursement Obligation owed to, such L/C Issuer. Upon any Borrower's failure to pay any Reimbursement Obligation on the date and at the time required, or if any L/C Issuer is required at any time to return to any Borrower or to a trustee, receiver, liquidator, custodian or other Person any portion of any payment of any Reimbursement Obligation, each Participating Lender shall, not later than the Business Day it receives a certificate in the form of Exhibit A attached hereto from such L/C Issuer (with a copy to the Agent) to such effect, if such certificate is received before 1:00 p.m. (Eastern time), or not later than 1:00 p.m. (Eastern time) the following Business Day, if such certificate is received after such time, pay to the Agent for the account of such L/C Issuer an amount equal to such Participating Lender's Applicable Percentage of such unpaid Reimbursement Obligation together with interest on such amount accrued from the date such L/C Issuer made the related payment to the date of such payment by such Participating Lender at a rate per annum equal to: (i) from the date such L/C Issuer made the related payment to the date two (2) Business Days after payment by such Participating Lender is due hereunder, the Federal Funds Rate for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Participating Lender to the date such payment is made by such Participating Lender, the Base Rate in effect for each such day. Each such Participating Lender shall, after making its appropriate payment, be entitled to receive its Applicable Percentage of each payment received in respect of the relevant Reimbursement Obligation and of interest paid thereon, with the applicable L/C Issuer retaining its Applicable Percentage thereof as a Lender hereunder.

The several obligations of the Participating Lenders to the L/C Issuers under this Section 2.3 shall be absolute, irrevocable and unconditional under any and all circumstances and shall not be subject to any set-off, counterclaim or defense to payment which any Participating Lender may have or has had against any Borrower, any L/C Issuer, the Agent, any Lender or any other Person. Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of the Revolving Credit Commitment of any Lender, and each payment by a Participating Lender under this Section 2.3 shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) *Indemnification.* The Participating Lenders shall, to the extent of their respective Applicable Percentages, indemnify each L/C Issuer (to the extent not reimbursed by any Borrower) against any cost, expense (including reasonable counsel fees and disbursements),

claim, demand, action, loss or liability (except such as result from such L/C Issuer's gross negligence or willful misconduct as determined by a final non-appealable decision of a court of competent jurisdiction) that such L/C Issuer may suffer or incur in connection with any Letter of Credit issued by it. The obligations of the Participating Lenders under this Section 2.3(e) and all other parts of this Section 2.3 shall survive termination of this Agreement and of all Applications, Letters of Credit, and all drafts and other documents presented in connection with drawings thereunder.

(f) *Manner of Requesting a Letter of Credit.* Borrower Representative shall provide at least three (3) Business Days' advance written notice to the Agent (or such lesser notice as the Agent and the applicable L/C Issuer may agree in their sole discretion) of each request for the issuance of a Letter of Credit, each such notice to be accompanied by a properly completed and executed Application for the requested Letter of Credit and, in the case of an extension or amendment or an increase in the amount of a Letter of Credit, a written request therefor, in a form acceptable to the Agent and the applicable L/C Issuer, in each case, together with the fees called for by this Agreement. The Agent shall promptly notify the applicable L/C Issuer of the Agent's receipt of each such notice and such L/C Issuer shall promptly notify the Agent and the Lenders of the issuance of a Letter of Credit.

Section 2.4 Applicable Interest Rates.

(a) *Base Rate Loans.* Each Base Rate Loan made or maintained by a Lender shall bear interest (computed on the basis of a year of 365 or 366 days, as the case may be, and the actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced or created by conversion from a Eurodollar Loan until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Base Rate from time to time in effect, payable in arrears on the last Business Day of each month and at maturity (whether by acceleration or otherwise).

(b) *Eurodollar Loans.* Each Eurodollar Loan made or maintained by a Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, continued or created by conversion from a Base Rate Loan until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Adjusted LIBOR applicable for such Interest Period, payable in arrears on the last day of the Interest Period and at maturity (whether by acceleration or otherwise), and, if the applicable Interest Period is longer than three (3) months, on each day occurring every three (3) months after the commencement of such Interest Period.

(c) *Daily Floating LIBOR Loans*. Each Daily Floating LIBOR Loan made or maintained by a Lender shall bear interest (computed on the basis of a year of 360 days and the actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced or created by conversion from a Eurodollar Loan until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Daily Floating LIBOR from time to time in effect, payable in arrears on the last Business Day of each month and at maturity (whether by acceleration or otherwise).

(d) *Default Rate.* While any Event of Default exists or after acceleration of the Loans, Borrowers shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all Loans owing by them at a rate per annum equal to:

(i) for any Base Rate Loan (including any Swing Loan), the sum of two percent (2.0%) per annum plus the Applicable Margin plus the Base Rate from time to time in effect;

(ii) for any Eurodollar Loan, the sum of two percent (2.0%) per annum plus the rate of interest in effect thereon at the time of such default until the end of the Interest Period applicable thereto and, thereafter, at a rate per annum equal to the sum of two percent (2.0%) plus the Applicable Margin for Base Rate Loans plus the Base Rate from time to time in effect; and

(iii) for any Daily Floating LIBOR Loan, the sum of two percent (2.0%) per annum plus the Applicable Margin plus the Daily Floating LIBOR from time to time in effect;

provided, however, that in the absence of acceleration of the Loans, any increase in interest rates pursuant to this Section shall be made at the election of the Agent, acting at the request or with the consent of the Required Lenders, with written notice to Borrower Representative. While any Event of Default exists or after acceleration of the Loans, accrued interest shall be paid on demand of the Agent at the request or with the consent of the Required Lenders.

(e) *Rate Determinations.* The Agent shall determine each interest rate applicable to the Loans and the Reimbursement Obligations hereunder, and its determination thereof shall be conclusive and binding except in the case of demonstrable error.

Section 2.5 Manner of Borrowing Loans and Designating Applicable Interest Rates; Funding.

(a) *Notice to the Agent.* Borrower Representative shall give notice to the Agent by no later than 1:00 p.m. (Eastern time): (x) at least three (3) Business Days before the date on which Borrower Representative requests the Lenders to advance a Borrowing of Eurodollar Loans, (y) on the date Borrower Representative requests the Lenders to advance a Borrowing of Base Rate Loans and (z) on the date Borrower Representative requests the Lenders to advance a Borrowing of Daily Floating LIBOR Loans. The Loans included in each Borrowing shall bear interest initially at the type of rate specified in such notice. Thereafter, with respect to all such Loans, Borrower Representative may from time to time elect to change or continue the type of interest rate borne by each Borrowing or, subject to Section 2.6 hereof, a portion thereof, as follows: (i) if such Borrowing is of Eurodollar Loans, on the last day of the Interest Period applicable thereto, Borrower Representative may continue part or all of such Borrowing as Eurodollar Loans or convert part or all of such Borrowing into Base Rate Loans or Daily Floating LIBOR Loans or (ii) if such Borrowing is of Base Rate Loans or Daily Floating LIBOR Loans, on any Business Day, Borrower Representative may convert all or part of such Borrowing into Eurodollar Loans for an Interest Period or Interest Periods specified by Borrower

Representative. Borrower Representative shall give all such notices requesting the advance, continuation or conversion of a Borrowing to the Agent by telephone or telecopy (which notice shall be irrevocable once given and, if by telephone, shall be promptly confirmed in writing), substantially in the form attached hereto as Exhibit B (Notice of Borrowing) or Exhibit C (Notice of Continuation/Conversion), as applicable, or in such other form acceptable to the Agent. Notice of the continuation of a Borrowing of Eurodollar Loans for an additional Interest Period or of the conversion of part or all of a Borrowing of Base Rate Loans or Daily Floating LIBOR Loans into Eurodollar Loans must be given by no later than 1:00 p.m. (Eastern time) at least three (3) Business Days before the date of the requested continuation or conversion. All notices concerning the advance, continuation or conversion of a Borrowing shall specify the date of the requested advance, continuation or conversion of a Borrowing (which shall be a Business Day), the amount of the requested Borrowing to be advanced, continued or converted, the type of Loans to comprise such new, continued or converted Borrowing and, if such Borrowing is to be comprised of Eurodollar Loans, the Interest Period applicable thereto. Each Borrower agrees that the Agent may rely on any such telephonic or telecopy notice given by any Person the Agent in good faith believes is an Authorized Representative of Borrower Representative without the necessity of independent investigation (each Borrower hereby indemnifies the Agent from any liability or loss ensuing from such reliance other than any liability or loss incurred as a result of Agent's gross negligence or willful misconduct as determined by a final non-appealable decision of a court of competent jurisdiction) and, in the event any such notice by telephone conflicts with any written confirmation, such telephonic notice shall govern if the Agent has acted in reliance thereon. Notwithstanding anything to the contrary set forth in this Agreement, Swing Loans shall be Base Rate Loans and may not be converted or continued.

(b) *Notice to the Lenders*. The Agent shall give prompt telephonic or telecopy notice to each Lender of any notice from Borrower Representative received pursuant to Section 2.5(a) above and, if such notice requests the Lenders to make Eurodollar Loans, the Agent shall give notice to Borrower Representative and each Lender of the interest rate applicable thereto promptly after the Agent has made such determination.

(c) *Borrower Representative's Failure to Notify; Automatic Continuations and Conversions*. If Borrower Representative fails to give proper notice of the continuation or conversion of any outstanding Borrowing of Eurodollar Loans before the last day of its then current Interest Period within the period required by Section 2.5(a) or, whether or not such notice has been given, one or more of the conditions set forth in Section 3.1 for the continuation or conversion of a Borrowing of Eurodollar Loans would not be satisfied, and such Borrowing is not prepaid in accordance with Section 2.8(a), such Borrowing shall automatically be converted into a Borrowing of a Base Rate Loan. In the event Borrower Representative fails to give notice pursuant to Section 2.5(a) of a Borrowing equal to the amount of a Reimbursement Obligation and has not notified the Agent by 1:00 p.m. (Eastern time) on the day such Reimbursement Obligation becomes due that it intends to repay such Reimbursement Obligation through funds not borrowed under this Agreement, Borrower Representative shall be deemed to have requested a Borrowing of Base Rate Loans (or, at the option of the Agent, under the Swing Line) under the Revolving Credit on such day in the amount of the Reimbursement Obligation then due, which Borrowing shall be applied to pay the Reimbursement Obligation then due.

(d) *Disbursement of Loans*. Not later than 1:00 p.m. (Eastern time) on the date of any requested advance of a new Borrowing, subject to Section 3 hereof, each Lender shall make available its Loan comprising part of such Borrowing in funds immediately available at the principal office of the Agent in Cincinnati, Ohio. The Agent shall make the proceeds of each new Borrowing available to Borrower Representative by deposit into a non-interest bearing, disbursement funding account maintained at the Agent (the "*Funding Account*"); *provided* that Base Rate Revolving Loans made to finance the reimbursement of a Reimbursement Obligation shall be remitted by the Agent to the applicable L/C Issuer.

(e) *Funding by Lenders; Presumption by Agent*. Unless the Agent shall have received notice from a Lender (x) in the case of Base Rate Loans or Daily Floating LIBOR Loans, four (4) hours prior to the proposed time of such Borrowing and (y) otherwise, prior to the proposed date of any Borrowing that such Lender will not make available to the Agent such Lender's share of such Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.5 and may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Agent, then the applicable Lender and the Borrowers severally agree to pay to the Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrowers, the interest rate applicable to Daily Floating LIBOR Loans. If the Borrowers and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to the Borrower Representative the amount of such interest paid by the Borrowers for such period. If such Lender pays its share of the applicable Borrowing to the Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to the Agent.

(f) *Certain Calculations*. For the purposes of calculating interest and fees, determining Revolving Loan Availability, all Remittances and other proceeds of Accounts and other Collateral deposited into any collection account shall be credited (conditional on final collection) against the Obligations as set forth in Section 2.15 hereof as funds become collected and available in accordance with Agent's designated funds availability policies from time to time in effect. For the avoidance of doubt, on the Restatement Closing Date, the Agent's designated funds availability policy is as follows: the Agent shall, (i) within two (2) Business Days after receipt by the Agent at its identified collection office of checks, (ii) within one (1) Business Day of receipt by the Agent at its identified collection office of cash by ACH or other immediately available funds, and (iii) within the same Business Day upon receipt by the Agent at its identified collection office of cash by wire transfer, apply the whole or any part of such collections or Proceeds against the Revolving Loans and Swing Loans and other Obligations in accordance with the terms and conditions of this Agreement.

Section 2.6 Minimum Borrowing Amounts; Maximum Eurodollar Loans. There shall be no minimum borrowing requirement for borrowing of Base Rate Loans or Daily Floating LIBOR Loans advanced under a Credit. Each Borrowing of Eurodollar Loans advanced, continued or converted under a Credit shall be in an amount equal to $1,000,000 or such greater amount that is an integral multiple of $100,000. Without the Agent's consent, there shall not be more than four (4) Borrowings of Eurodollar Loans outstanding at any one time.

Section 2.7 Maturity of Loans.

(a) *Reserved.*

(b) *Revolving Loans.* Each Revolving Loan, both for principal and interest, shall mature and become due and payable by Borrowers on the Revolving Credit Termination Date.

Section 2.8 Prepayments.

(a) *Voluntary*. Borrowers may prepay without premium or penalty (except as set forth in Section 8.1 below) and in whole or in part any Borrowing of Eurodollar Loans at any time upon three (3) Business Days' prior notice by Borrower Representative to the Agent or, in the case of a Borrowing of Base Rate Loans or Daily Floating LIBOR Loans, notice delivered by Borrower Representative to the Agent no later than 10:00 a.m. (Eastern time) on the date of prepayment, such prepayment to be made by the payment of the principal amount to be prepaid and, in the case of any Eurodollar Loans or Swing Loans, accrued interest thereon to the date fixed for prepayment plus any amounts due the Lenders under Section 8.1; *provided, however,* Borrowers may not partially repay a Borrowing (i) if such Borrowing is of Eurodollar Loans, in a principal amount less than $1,000,000, and (ii) in each case, unless such Borrowing is in an amount such that the minimum amount required for a Borrowing pursuant to Section 2.6 remains outstanding.

(b) *Mandatory*.

(i) If any Credit Party or any Subsidiary shall at any time or from time to time make or agree to make a Disposition or shall suffer an Event of Loss resulting in Net Cash Proceeds in excess of $250,000 individually or on a cumulative basis in any fiscal year of Credit Parties, then (x) Borrower Representative shall promptly notify the Agent of such proposed Disposition or Event of Loss (including the amount of the estimated Net Cash Proceeds to be received by such Credit Party or such Subsidiary in respect thereof) and (y) promptly (and in any event within two (2) Business Days) upon receipt by any Credit Party or the Subsidiary of the Net Cash Proceeds of such Disposition or such Event of Loss, Borrowers shall prepay the Obligations in an aggregate amount equal to 100% of the amount of all such Net Cash Proceeds in excess of $250,000; *provided* that in the case of each Disposition and Event of Loss, if Borrower Representative states in its notice of such event that the applicable Credit Party or Subsidiary intends to invest or reinvest, as applicable, within one hundred eighty (180) days of the applicable Disposition or receipt of Net Cash Proceeds from an Event of Loss, the Net Cash Proceeds thereof in similar like-kind assets, then so long as no Default or Event of Default then exists, Borrowers shall not be required to make a mandatory prepayment under this Section in respect of such Net Cash Proceeds to the extent such

Net Cash Proceeds are actually invested or reinvested as described in Borrower Representative's notice within such one hundred eighty (180) day period. Promptly after the end of such one hundred eighty (180) day period, Borrower Representative shall notify the Agent whether such Credit Party or such Subsidiary has invested or reinvested such Net Cash Proceeds as described in Borrower Representative's notice, and to the extent such Net Cash Proceeds have not been so invested or reinvested, Borrowers shall promptly prepay the Obligations in the amount of such Net Cash Proceeds not so invested or reinvested. The amount of each such prepayment shall be applied to (in the order determined by Agent) the Revolving Loans, Swing Loans and the Reimbursement Obligations.

(ii) If after the Restatement Closing Date, any Credit Party or any Subsidiary shall incur or assume any Indebtedness (other than that permitted by Section 6.11 hereof), Borrower Representative shall promptly notify the Agent of the estimated Net Cash Proceeds of such incurrence or assumption to be received by or for the account of such Credit Party or such Subsidiary in respect thereof. Promptly (and in any event within two (2) Business Days) upon receipt by such Credit Party or such Subsidiary of Net Cash Proceeds of such incurrence or assumption Borrowers shall prepay the Obligations in the amount of such Net Cash Proceeds. The amount of each such prepayment shall be applied to (in the order determined by Agent) the Revolving Loans, Swing Loans and Reimbursement Obligations. Each Credit Party acknowledges that its performance hereunder shall not limit the rights and remedies of the Lenders for any breach of Section 6.11 or any other terms of this Agreement.

(iii) [Reserved].

(iv) Borrowers shall, (A) on each date the Revolving Credit Commitments are reduced pursuant to Section 2.10, prepay the Revolving Loans, Swing Loans, Reimbursement Obligations and, if necessary, prefund the L/C Obligations by the amount, if any, necessary to reduce the amount of the aggregate Revolving Credit Exposures of all Lenders then outstanding to the amount of the Revolving Credit Commitments or the amounts to which the Revolving Credit Commitments have been so reduced and (B) on each date the aggregate amount of Revolving Credit Exposures of all Lenders then outstanding exceeds the lesser of (x) the Borrowing Base minus the L/C Obligations and (y) the total Revolving Credit Commitments, prepay repay the Revolving Loans, Swing Loans, Reimbursement Obligations and, if necessary, prefund the L/C Obligations in an amount equal to such excess.

(v) [Reserved].

(vi) Unless Borrower Representative otherwise directs, prepayments of Loans under this Section 2.8(b) shall be applied first to Borrowings of Base Rate Loans and Daily Floating LIBOR Loans until payment in full thereof with any balance applied to Borrowings of Eurodollar Loans in the order in which their Interest Periods expire. Each prepayment of Loans under this Section 2.8(b) shall be made by the payment of the principal amount to be prepaid and, in the case of any Swing Loans or Eurodollar Loans, accrued interest thereon to the date of prepayment together with any amounts due the Lenders under Section 8.1. Each prefunding of L/C Obligations shall be made in accordance with Section 7.4.

(c) *Notice of Prepayment.* The Agent will promptly advise each Lender of any notice of prepayment it receives from Borrower Representative, and in the case of any partial prepayment, such prepayment shall be applied to the remaining amortization payments on the relevant Loans in the inverse order of their maturity.

Section 2.9 Place and Application of Payments. All payments of principal of and interest on the Loans and the Reimbursement Obligations, and of all other Obligations payable by Borrowers under this Agreement and the other Loan Documents, shall be made by Borrowers to the Agent by no later than 1:00 p.m. (Eastern time) on the due date thereof at the office of the Agent in Cincinnati, Ohio (or such other location as the Agent may designate to Borrower Representative) for the benefit of the Lender or Lenders entitled thereto. Any payments received after such time shall be deemed to have been received by the Agent on the next Business Day. All such payments shall be made in Dollars, in immediately available funds at the place of payment, in each case without set-off or counterclaim. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest on Loans and on Reimbursement Obligations in which the Lenders have purchased Participating Interests ratably to the Lenders and like funds relating to the payment of any other amount payable to any Lender to such Lender, in each case to be applied in accordance with the terms of this Agreement. Unless the Agent shall have received notice from the Borrower Representative prior to the date on which any payment is due to the Agent for the account of the Lenders or the L/C Issuers hereunder that the Borrowers will not make such payment, the Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuers, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the L/C Issuers, as the case may be, severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender or L/C Issuer, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

Anything contained herein to the contrary notwithstanding, (x) pursuant to the exercise of remedies under Sections 7.2 and 7.3 hereof or (y) after written instruction by the Required Lenders after the occurrence and during the continuation of an Event of Default, all payments and collections received in respect of the Obligations and all proceeds of the Collateral received, in each instance, by the Agent or any of the Lenders shall be remitted to the Agent and distributed as follows:

(a) *first*, to the payment of any outstanding costs and expenses incurred by the Agent, and any security trustee therefor, in monitoring, verifying, protecting, preserving or enforcing the Liens on the Collateral, in protecting, preserving or enforcing rights under the Loan Documents, and in any event all costs and expenses of a character which Credit Parties have agreed to pay the Agent under Section 10.13 hereof (such funds to be retained by the Agent for its own account unless it has previously been reimbursed for such costs and expenses by the Lenders, in which event such amounts shall be remitted to the Lenders to reimburse them for payments theretofore made to the Agent);

(b) *second*, to the payment of principal and interest on the Swing Loans until paid in full;

(c) *third*, to payment of reimbursable costs and expenses of the Lenders (other than Agent);

(d) *fourth*, to the payment of any outstanding interest and fees due under the Loan Documents to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof;

(e) *fifth*, to the payment of principal on the Loans (other than Swing Loans), unpaid Reimbursement Obligations, together with amounts to be held by the Agent as collateral security for any outstanding L/C Obligations pursuant to Section 7.4 hereof (until the Agent is holding an amount of cash equal to the then outstanding amount of all such L/C Obligations), and Rate Management Obligations, the aggregate amount paid to, or held as collateral security for, the Lenders and, in the case of Rate Management Obligations, their Affiliates to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof;

(f) *sixth* to the payment of Banking Services Obligations and Rate Management Obligations;

(g) *seventh*, to the payment of all other unpaid Obligations and all other indebtedness, obligations, and liabilities of Credit Parties and their Subsidiaries secured by the Collateral Documents to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof; and

(h) *eighth*, to Borrowers or whoever else may be lawfully entitled thereto.

Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or such Guarantor's assets, but appropriate adjustments shall be made with respect to payments from other Credit Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

Notwithstanding the foregoing, Rate Management Obligations and Banking Services Obligations shall be excluded from the application described above if the Agent has not received written notice that describes in detail the Rate Management Obligations and Banking Services Obligations to be secured by the Collateral, together with such supporting documentation as the Agent may request, from the applicable Lender (other than Fifth Third). Any such Person not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Agent pursuant to the terms of Section 9 for itself and its Affiliates as if a "Lender" party hereto.

No Rate Management Agreement or agreement in respect of Banking Services Obligations will create (or be deemed to create) in favor of any Person that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any

Borrower or any other Credit Party under the Loan Documents, except as expressly provided herein or in the other Loan Documents. By accepting the benefits of the Collateral, each such Person shall be deemed to have appointed the Agent as its agent and agreed to be bound by the Loan Documents as a holder of the Obligations, subject to the limitations set forth in this Section 2.9. Furthermore, it is understood and agreed that each such Person, in their capacity as such, shall not have any right to notice of any action or to consent to, direct or object to any action hereunder or under any of the other Loan Documents or otherwise in respect of the Collateral (including the release or impairment of any Collateral, or to any notice of or consent to any amendment, waiver or modification of the provisions hereof or of the other Loan Documents) other than in its capacity as a Lender and, in any case, only as expressly provided herein.

Section 2.10 Commitment Terminations. Borrower Representative shall have the right at any time and from time to time, upon three (3) Business Days' prior written notice to the Agent, to terminate the Revolving Credit Commitments in whole or in part, any partial termination to be (i) in an amount not less than $500,000 or any greater amount that is an integral multiple of $100,000 and (ii) allocated ratably among the Lenders in proportion to their respective Applicable Percentages, *provided* that the Revolving Credit Commitments may not be reduced to an amount less than the amount of the aggregate Revolving Credit Exposures of all Lenders then outstanding. Any termination of the Revolving Credit Commitments below the L/C Sublimit then in effect shall reduce the L/C Sublimit by a like amount. Any termination of the Revolving Credit Commitments below the Swing Line Sublimit then in effect shall reduce the Swing Line Sublimit by a like amount. The Agent shall give prompt notice to each Lender of any such termination of the Revolving Credit Commitments. Any termination of the Commitments pursuant to this Section 2.10 may not be reinstated.

Section 2.11 Swing Loans.

(a) *Generally.* The Agent and the Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after Borrower Representative requests a Base Rate Revolving Loan, the Agent and the applicable Swing Line Lender may elect to have the terms of this Section 2.11(a) apply to such Borrowing request by such Swing Line Lender advancing, on behalf of the Lenders and in the amount requested, same-day funds (each such Loan made solely by a Swing Line Lender pursuant to this Section 2.11(a) is referred to in this Agreement as a "*Swing Loan*") to Borrowers on the applicable Borrowing date to the Funding Account, with settlement among the Lenders as to the Swing Loans to take place on a periodic basis as set forth in Section 2.11(d). Each Swing Loan shall be subject to all the terms and conditions applicable to other Base Rate Loans funded by the Lenders, except that all payments thereon shall be payable to a Swing Line Lender solely for its own account. In addition, each Borrower hereby authorizes Agent in its capacity as a Swing Line Lender to, and such Swing Line Lender shall, subject to the terms and conditions set forth herein (but without any further written notice required), not later than 1:00 p.m. (Eastern time), on each Business Day, make available to the Borrowers by means of a credit to the Funding Account, the proceeds of a Swing Loan to the extent necessary to pay items to be drawn on the Controlled Disbursement Account that Business Day; *provided* that, if on any Business Day there is insufficient borrowing capacity to permit such Swing Line Lender to make available to Borrowers a Swing Loan in the amount necessary to pay all items to be so drawn on the

Controlled Disbursement Account on such Business Day, then Borrowers shall be deemed to have requested a Base Rate Revolving Loan pursuant to Section 2.2 in the amount of such deficiency to be made on such Business Day. The aggregate amount of Swing Loans outstanding at any time shall not exceed the Swing Line Sublimit. No Swing Line Lender shall make any Swing Loan if the requested Swing Loan exceeds Revolving Loan Availability (before giving effect to such Swing Loan). All Swing Loans shall be Base Rate Borrowings.

(b) [Reserved].

(c) Participation. Upon the making of a Swing Loan (whether before or after the occurrence of an Event of Default and regardless of whether a Settlement has been requested with respect to such Swing Loan, each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from each Swing Line Lender, without recourse or warranty, an undivided interest and participation in such Swing Loan in proportion to its Applicable Percentage of the Revolving Credit Commitment. Each Swing Line Lender may, at any time, require the Lenders to fund their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Swing Loan purchased hereunder, such Swing Line Lender shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by such Swing Line Lender in respect of such Swing Loan.

(d) Settlement. Each Swing Line Lender shall request settlement (a "*Settlement*") with the Lenders on at least a weekly basis or on any date that such Swing Line Lender elects, by notifying the Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 12:00 noon (Eastern time) on the date of such requested Settlement (the "*Settlement Date*"). Each Lender (other than a Swing Line Lender with respect to its Swing Loans) shall transfer the amount of such Lender's Applicable Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to such Swing Line Lender, to such account of such Swing Line Lender as such Swing Line Lender may designate, not later than 2:00 p.m. (Eastern time), on such Settlement Date. Settlements may occur during the existence of an Event of Default and whether or not the applicable conditions precedent set forth in Section 3.1 have then been satisfied. Such amounts transferred to such Swing Line Lender shall be applied against the amounts of such Swing Line Lender's Swing Loans and, together with each Swing Line Lender's Applicable Percentage of such Swing Loan, shall constitute Revolving Loans of such Lenders, respectively. If any such amount is not transferred to such Swing Line Lender by any Lender on such Settlement Date, such Swing Line Lender shall be entitled to recover from such Lender on demand such amount, together with interest thereon, as specified in Section 2.5.

Section 2.12 Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrowers to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, the type thereof and, with respect to Eurodollar Loans, the Interest Period with respect thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Agent hereunder from Borrowers and each Lender's share thereof.

(c) The entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided*, *however*, that the failure of the Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Obligations in accordance with their terms.

(d) The Borrowers covenant and agree, jointly and severally, to pay the Loans and other Obligations in accordance with this Agreement. The obligation of each Borrower to pay to each Lender the Loans and other Obligations hereunder shall be evidenced by this Agreement and, upon such Lender's request, by a promissory note or notes in the forms of D-2 (in the case of its Revolving Loans and referred to herein as a "*Revolving Note*"), or D-3 (in the case of its Swing Loans and referred to herein as a "*Swing Note*"), as applicable (the Revolving Notes and Swing Note being hereinafter referred to collectively as the "*Notes*" and individually as a "*Note*"). Upon request, Borrowers shall prepare, execute and deliver to each Lender a Note payable to the order of such Lender in the amount of the Revolving Credit Commitment or Swing Line Sublimit, as applicable. The Loans evidenced by such Note or Notes and interest thereon shall at all times (including after any assignment pursuant to Section 10.10) be represented by one or more Notes payable to the payee named therein or any assignee pursuant to Section 10.10, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in subsections (a) and (b) above.

Section 2.13 Fees.

(a) *Revolving Credit Commitment Fee*. Borrowers shall pay to the Agent for the ratable account of the Lenders according to their Applicable Percentages a commitment fee ("*Commitment Fee*") at the rate per annum equal to the Applicable Margin (computed on the basis of a year of 360 days and the actual number of days elapsed) on the average daily Unused Revolving Credit Commitments. Such Commitment Fee shall be payable quarterly in arrears on the last Business Day of each calendar quarter (commencing on September 30, 2014) and on the Revolving Credit Termination Date, unless the Revolving Credit Commitments are terminated in whole on an earlier date, in which event the Commitment Fee for the period to the date of such termination in whole shall be paid on the date of such termination.

(b) *Letter of Credit Fees.* On the date of issuance or extension, or increase in the amount, of any Letter of Credit issued by a L/C Issuer pursuant to Section 2.3 hereof, Borrowers shall pay to such L/C Issuer for its own account a fronting fee equal to 0.125% of the face amount of (or of the increase in the face amount of) such Letter of Credit. On the date of issuance of any Letter of Credit, and on each anniversary thereof, Borrowers shall pay to the Agent, for the ratable benefit of the Lenders according to their Applicable Percentages, a letter of credit fee ("*L/C Fee*") at a rate per annum equal to the Applicable Margin (computed on the basis

of a year of 360 days and the actual number of days elapsed) in effect on such date applied to the daily average face amount of Letters of Credit outstanding on such date; *provided* that, while any Event of Default exists or after acceleration, such rate shall increase by two percent (2%) over the rate otherwise payable and such fee shall be paid on demand of the Agent at the request or with the consent of the Required Lenders; *provided, however,* that in the absence of acceleration, any rate increase pursuant to the foregoing proviso shall be made at the direction of the Agent, acting at the request or with the consent of the Required Lenders.

(c) *Fee Letter*. The Agent and each Lender shall receive, for its own use and benefit, the fees agreed to between Fifth Third and the Borrowers in that certain fee letter dated as of the Original Closing Date, or as otherwise agreed to in writing between such parties.

(d) *Examination Fees.* Borrowers shall pay to the Agent for its own use and benefit reasonable charges for examinations of the Collateral performed by the Agent or its agents or representatives in such amounts as the Agent may from time to time request (the Agent acknowledging and agreeing that such charges shall be computed in the same manner as it at the time customarily uses for the assessment of charges for similar collateral examinations); *provided, however,* that in the absence of any Default or Event of Default, Borrowers shall not be required to pay the Agent for more than two (2) such examinations per calendar year.

Section 2.14 Account Debit. Each Borrower hereby irrevocably authorizes the Agent to charge any of such Borrower's deposit accounts maintained with the Agent for the amounts from time to time necessary to pay any then due Obligations; *provided* that such Borrower acknowledges and agrees that the Agent shall not be under an obligation to do so and the Agent shall not incur any liability to any Borrower or any other Person for the Agent's failure to do so.

Section 2.15 Collections; Controlled Disbursement Accounts.

(a) *Collections*. Each Borrower will notify all of its customers and Account Debtors, which pay their Accounts (i) by electronic funds transfer, to forward all Remittances directly by wire transfer or automated clearinghouse funds transfer ("*ACH*"), (x) with regards to Government Receivables, to a Government Receivables Lockbox Account, (y) with respect to Non-Government Receivables or Private Pay Receivables, into a Collection Account (other than any Government Receivables Lockbox Account), and (ii) in paper form, to forward all Remittances by check directly into (A) with regards to Government Receivables, a Government Receivables Lockbox in the name of the applicable Borrower to whom such Government Receivables relate, (B) with respect to Non-Government Receivables, a Non-Government Receivables Lockbox in the name of the applicable Borrower to whom such Non-Government Receivables relate, or (C) with respect to Private Pay Receivables, a Private Pay Receivables Lockbox in the name of the applicable Borrower to whom such Private Pay Receivables relate (in each case such notices to be in such form and substance as Agent may require in its reasonable discretion from time to time). For all of any Borrower's customers and Account Debtors that (notwithstanding the foregoing notification) forward their Remittances in paper form to such Borrower, such Borrower shall utilize the Agent's electronic deposit and cash management system (*i.e.*, remote capture) to deposit such Remittances directly into (i) with regards to Government Receivables, to the applicable Government Receivables Lockbox Account, (ii) with respect to Non-Government Receivables or Private Pay Receivables, into a

Collection Account (other than any Government Receivables Lockbox Account). If any Borrower should neglect or refuse to notify any customer or Account Debtor to pay any Remittance to such Collection Accounts, the Agent will be entitled to make such notification. Any Remittance or other Proceeds of Accounts or other Collateral received by any Borrower shall be deemed held by such Borrower in trust for the Agent, and such Borrower immediately shall utilize the remote capture system as provided above or deliver the same, in its original form, to the Agent by overnight delivery for deposit into the applicable Collection Account. Pending such deposit whether via remote capture or overnight delivery, no Borrower will commingle any such Remittance or other Proceeds of Accounts or other Collateral with any of its other funds or property, but such Borrower will hold it separate and apart therefrom in trust for the Agent until delivery is made as described above. All deposits to the Collection Accounts will be applied against the Obligations as provided in this Section 2.15, except to the extent a different application is required pursuant to the provisions of Section 2.9. Subject to Section 10.25 of this Agreement, the Agent shall have sole access to the Collection Accounts. Each Business Day, the Agent, (i) in respect of each of the Government Receivables Lockbox Accounts, will, among other things, in accordance with the sweep instructions of the applicable Borrower (and each Borrower hereby expressly instructs the Agent to), transfer all collected and available funds in any Government Receivables Lockbox Account pursuant to the Agent's automated sweep program, automatically and without notice, request or demand by any Borrower for application against the unpaid principal balance of (in the order determined by Agent) the Revolving Loans, Swing Loans and Reimbursement Obligations, and (ii) in accordance with the Agent's policies and procedures, will transfer all collected and available funds in the Collection Accounts (other than any Government Receivables Lockbox Account) pursuant to the Agent's automated sweep program, automatically and without notice, request or demand by any Borrower for application against the unpaid principal balance of (in the order determined by Agent) the Revolving Loans, Swing Loans and Reimbursement Obligations. Each Borrower hereby agrees that it will not change any sweep instructions, including, without limitation, the foregoing sweep instructions or any sweep instructions set forth in any Government Receivables Lockbox Account Agreement, without the prior written consent of the Agent. If, after such application by the Agent, there remains excess available funds in the Collection Accounts and an Event of Default is not then existing, then the Agent will deposit such excess funds into the Funding Account. Pursuant to such automatic sweep program of the Agent, the Agent will make Swing Loans or Revolving Loans as described in Section 2.11 to cover presentments to the controlled disbursement account(s) maintained by Borrowers with Agent (individually and collectively, the "*Controlled Disbursement Account*"). Until a payment is received by the Agent for the Agent's account in finally collected funds, all risks associated with such payment will be borne solely by Borrowers. If any Remittance deposited in any Collection Account is dishonored or returned unpaid for any reason, the Agent, in its discretion, may charge the amount of such dishonored or returned Remittance directly against any Borrower and any account maintained by any Borrower with the Agent, and such amount shall be deemed part of the Obligations. For the purposes of calculating interest and fees, determining Revolving Loan Availability, all Remittances and other Proceeds of Accounts and other Collateral deposited into any Collection Account shall be credited (conditional on final collection) against the Obligations as set forth in this Section 2.15 as funds become collected and available in accordance with Agent's designated funds availability policies from time to time in effect, and as described in Section 2.5(f) hereof as of the Restatement Closing Date.

(b) *Cash Management Charges*. Agent's standard service charges and costs related to the establishment and maintenance of each of the Lockboxes, the Funding Account, the Controlled Disbursement Account, the Collection Accounts, the automatic sweep program, and the Agent's treasury and cash management services shall be the sole responsibility of Borrowers, whether the same are incurred by the Agent or any Borrower, and the Agent, at its discretion, exercised in good faith, may charge the same against any Borrower and any account maintained by any Borrower with the Agent and the same shall be deemed part of the Obligations. Without limitation of the provisions of the Security Agreement, and without limitation to the provisions below relating to the ownership of the Collection Accounts and the deposits and funds therein, the Agent shall have, and each Borrower hereby grants to the Agent, for the benefit of itself and the Lenders, a Lien on all funds held in each of the Lockboxes, the Funding Account, the Controlled Disbursement Account and the Collection Accounts as security for the Obligations. Each of the Lockboxes, the Funding Account, the Controlled Disbursement Account and the Collection Accounts will not be subject to any deduction, set-off, banker's lien or any other right in favor of any Person other than the Agent, for the benefit of the Lenders and the L/C Issuer and their respective Affiliates. Contemporaneously with the payment in full of the Loans and Obligations in respect thereof on or prior to the Maturity Date, all service charges and costs related to such cash management services and Banking Services Obligations shall be paid to Agent or Cash Collateralized.

(c) *Cash Management Policies*. From time to time, the Agent may adopt such regulations and procedures and changes as it may deem reasonable and appropriate with respect to the operation of each of the Lockboxes, the Funding Account, the Controlled Disbursement Account, the Collection Accounts, the automatic sweep program and the other services to be provided by the Agent under this Agreement, and such regulations, procedures and changes need not be reflected by an amendment to this Agreement in order to be effective. The Agent will give notice of such regulations, procedures and changes to Borrower Representative in the ordinary course of the Agent's business. For the avoidance of doubt, the provisions of this clause (c) will not affect the order of application of funds pursuant to the preceding paragraphs of this Section 2.15. The Agent shall not be liable for any loss or damage resulting from any error, omission, failure or negligence on the part of the Agent in good faith with respect to the operation of each of the Lockboxes, the Funding Account, the Controlled Disbursement Account or any Collection Account, or the services to be provided by the Agent under this Agreement except to the extent, but only to the extent, of any direct damages, as opposed to any consequential, special or lost-profit damages, suffered by any Borrower from gross negligence or willful misconduct of the Agent as determined by a final and non-appealable decision of a court of competent jurisdiction.

SECTION 3

CONDITIONS PRECEDENT.

The obligation of each Lender to advance, continue or convert any Loan (other than the continuation of, or conversion into, a Base Rate Loan or Daily Floating LIBOR Loan) or of any L/C Issuer to issue, extend the expiration date (including by not giving notice of non-renewal) of or increase the amount of any Letter of Credit under this Agreement, shall be subject to the following conditions precedent:

Section 3.1 All Credit Events. At the time of each Credit Event hereunder:

(a) each of the representations and warranties set forth herein and in the other Loan Documents shall be true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) on and as of such date, in each case except to the extent the same expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as of such earlier date;

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Event;

(c) after giving effect to any requested extension of credit, the aggregate principal amount of the Revolving Credit Exposures of all Lenders shall not exceed the lesser of (x) the Borrowing Base minus the L/C Obligations and (y) the total Revolving Credit Commitments in effect at such time;

(d) in the case of a Borrowing, the Agent shall have received the notice required by Section 2.5 hereof, in the case of the issuance of any Letter of Credit the applicable L/C Issuer shall have received a duly completed Application together with any fees called for by Section 2.13 hereof, and, in the case of an extension or increase in the amount of a Letter of Credit, a written request therefor in a form reasonably acceptable to such L/C Issuer together with fees called for by Section 2.13 hereof; and

(e) such Credit Event shall not violate any order, judgment or decree of any court or other authority or any provision of law or regulation applicable to the Agent or any Lender (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect; *provided* that, any such order, judgment, decree, law or regulation shall not entitle any Lender that is not affected thereby to not honor its obligation hereunder to advance, continue or convert any Loan or, in the case of any L/C Issuer, to extend the expiration date of or increase the amount of any Letter of Credit hereunder.

Each request for a Borrowing hereunder and each request for the issuance of, increase in the amount of, or extension of the expiration date of, a Letter of Credit shall be deemed to be a representation and warranty by Credit Parties on the date of such Credit Event as to the facts specified in subsections (a) through (e), both inclusive, of this Section.

Section 3.2 Conditions to Amendment and Restatement. On or before the Restatement Closing Date, in addition to the conditions set forth in Section 3.1 hereof:

(a) *Credit Agreement and Loan Documents*. The Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Agent (which may include facsimile or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents and such other certificates, documents, instruments and agreements as the Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including any promissory notes requested by a Lender pursuant to Section 2.12 payable to the order of each such requesting Lender and a written opinion of the Credit Parties' counsel, addressed to the Agent, the L/C Issuers and the Lenders.

(b) *Authorized Representatives*. The Agent shall have received a list of each Credit Party's Authorized Representatives;

(c) *Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates*. The Agent shall have received (i) a certificate of each Credit Party, dated as of the Restatement Closing Date and executed by its Secretary or Assistant Secretary, managing or sole member, or manager, as applicable, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Responsible Officers and any other officers of such Credit Party authorized to sign the Loan Documents to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Credit Party certified by the relevant authority of the jurisdiction of organization of such Credit Party and a true and correct copy of its by-laws or operating, management or partnership agreement, and ii) a long form good standing certificate for each Credit Party from its jurisdiction of organization.

(d) *No Default Certificate*. The Agent shall have received a certificate, signed by a Responsible Officer of each Credit Party on the Restatement Closing Date (i) stating that no Default or Event of Default has occurred and is continuing, (ii) stating that the representations and warranties contained in Section 5 of this Agreement and in the other Loan Documents are true and correct in all respects as of such date, except to the extent the same expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all respects as of such earlier date, and (iii) certifying any other factual matters as may be reasonably requested by the Agent;

(e) Reserved.

(f) Reserved.

(g) *Lien Searches*. The Agent shall have received financing statement and, as appropriate, tax and judgment lien search results against the Property of each of the Credit Parties and the Cura evidencing the absence of Liens on its Property except for Permitted Liens;

(h) *Payoff Letters*. The Agent shall have received copies of executed pay-off letters and filed lien releases from secured creditors of Cura evidencing that the Liens of such secured creditors have been terminated;

(i) *Insurance*. The Agent shall have received evidence of insurance required to be maintained under the Loan Documents, naming the Agent as additional insured and lender's loss payable including, without limitation, in form and substance satisfactory to Agent, certificates of insurance on the Accord form evidencing coverage as of the Restatement Closing Date with respect to (i) property and casualty insurance of the Credit Parties, showing *Fifth Third*

Bank, as Agent, as lender's loss payee, together with a copy of the lender's loss payable endorsement thereto, and (ii) with respect to liability insurance of the Credit Parties, showing Fifth Third Bank, as Agent, as additional insured, together with a copy of the additional insured endorsement thereto, and (iii) general liability and property and casualty insurance of the Credit Parties, together with a copy of the 30 days' notice of cancellation endorsement in favor of Fifth Third Bank, as Agent;

(j) *Fees*. The Agent shall have received for itself and for the Lenders the initial fees required by the Fee Letter and by Section 2.13 hereof;

(k) *Reserved*.

(l) *Pledged Stock; Stock Powers; Pledged Notes*. The Agent shall have received (i) the certificates representing the Equity Interests pledged pursuant to the Security Agreement, together with an undated equity power for each such certificate executed in blank by a Responsible Officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Agent pursuant to the Security Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof;

(m) *Litigation*. On the Restatement Closing Date, no injunction, temporary restraining order or other legal action that would prohibit the Loan Documents or other litigation which could reasonably be expected to have a Material Adverse Effect, shall be pending or, to the knowledge of any Credit Party, threatened;

(n) *Capital Structure*. The capital and organizational structure of the Credit Parties shall be reasonably satisfactory to the Agent and the Lenders;

(o) *Reserved*.

(p) *Receipt of All Cura Purchase Documents*. Agent shall have received fully executed and certified copies of all Cura Purchase Documents;

(q) *Third Party Documents*. The Agent shall have received, in form and substance satisfactory to Agent, a Collateral Access Agreement with respect to the principal leasehold of the Borrowers located at 2300 Warrenville Road, Suite 100, Downers Grove, Illinois;

(r) *Material Adverse Effect*. Since December 31, 2013, there has been no change in the financial condition or operations of the Cura, the Borrowers and the Guarantors, taken as a whole, none of which individually or in the aggregate could reasonably be expected to have a material adverse effect on the business, assets, liabilities (contingent or otherwise), operations, results of operations or condition (financial or otherwise);

(s) *No Default*. No Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Event;

(t) *Representations and Warranties*. Each of the representations and warranties set forth herein and in the other Loan Documents shall be true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) on and as of such date, except to the extent the same expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as of such earlier date; and

(u) *Other*. The Agent shall have received such other agreements, instruments, documents, certificates, and opinions as the Agent may reasonably request including, without limitation, those listed on any document checklist prepared by Agent. Each such closing delivery set forth in this Section required by this Section 3.2 shall be in form and substance satisfactory to the Agent and the Lenders.

SECTION 4

THE COLLATERAL, GUARANTIES.

Section 4.1 Collateral. The Obligations, including, without limitation, Rate Management Obligations and Banking Services Obligations, shall be secured by (a) valid, perfected, and enforceable Liens on all right, title, and interest of each of the Credit Parties and each Subsidiary (other than Addus FEA) in all capital stock and other Equity Interests held by such Person in each of its Subsidiaries, whether now owned or hereafter formed or acquired, and all Proceeds thereof, and (b) valid, perfected, and enforceable Liens on all right, title, and interest of each of the Credit Parties and each Subsidiary (other than Addus FEA) in all personal property, fixtures, and real estate, whether now owned or hereafter acquired or arising, and all Proceeds thereof. Furthermore, (i) Holdings will cause 100% of the issued and outstanding Equity Interests of each direct and indirect Subsidiary of Holdings, including, without limitation, Addus FEA, to be subject at all times to a first priority, perfected Lien and pledge in favor of Agent pursuant to the terms and conditions of this Agreement, and the applicable Collateral Documents or other security documents as Agent shall reasonably request.

Notwithstanding the foregoing, the Lien of Agent shall not extend to and Collateral (or any asset or property comprising the Collateral) shall not include the following Property (all of the following being the "*Excluded Assets*"): (i) other than Accounts, any lease, license, permit or agreement to which any Credit Party is a party to the extent, but only to the extent, that such a grant would, under the terms of such lease, license, permit or agreement, result in a breach of the terms of, invalidate, or constitute a default under, such lease, license, permit or agreement or to the extent any requirement of law prohibits the grant of a Lien thereon; (ii) any Property that is the subject of a Lien securing any purchase money Indebtedness or Capital Lease permitted under this Agreement pursuant to an agreement the terms of which prohibit such Credit Party from granting any other Liens on such Property (with respect to clauses (i) and (ii), other than to the extent that any such term or prohibition would be rendered ineffective pursuant to the UCC or other applicable law); *provided*, that with respect to any such limitation described in the foregoing clauses (i) or (ii) (A) upon the request of the Agent, such Credit Party shall in good faith use commercially reasonable efforts to obtain any requisite consent for the creation of such Lien in favor of the Agent on such Property, (B) immediately upon the ineffectiveness, lapse or

termination of any such restriction, the Collateral shall include, and such Credit Party shall be deemed to have granted a Lien on such Property under the applicable Collateral Documents as if such restriction had never been in effect; and (C) notwithstanding any such restriction, the Collateral shall, to the extent such restriction does not by its terms apply thereto and such rights and Proceeds do not otherwise constitute Excluded Assets, include all rights incident or appurtenant to any such Property, and the right to receive all Proceeds derived from, or in connection with the sale, assignment or transfer of, such Property; (iii) more than 65% of the total of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Foreign Subsidiary directly owned by any Credit Party or any Domestic Subsidiary or any assets of any Foreign Subsidiary of the Credit Parties if in any such case Agent's Lien on such Property would create a significant risk of a material adverse tax consequence to the Credit Parties; (iv) any "intent to use" applications for Trademarks for which a statement of use has not been filed and accepted with the United States Patent and Trademark Office; or (v) those assets as to which Agent determines in its Permitted Discretion the cost of obtaining a Lien therein in favor of Agent or the perfection thereof are excessive in relation to the benefit to the Lenders afforded by such Lien.

Furthermore, the Lien of Agent need not be perfected in the following Property: (a) in each case with Agent's prior written consent, (i) deposit accounts for petty cash supporting local operations so long as the amounts on deposit in such deposit accounts do not exceed $10,000 in the aggregate for all such accounts, (ii) deposit account number xxxx7086 with Citibank so long as such deposit account (x) is used solely to disburse payment of workers compensation claims related to a Credit Party that have been funded by Agent and (y) has a balance of no more than the sum of (A) 100% of the total workers compensation claims amount being paid and (B) $50,000 (representing the minimum balance required amount) (or such greater minimum balance required amount agreed to in writing by Agent in its sole discretion) and (iii) payroll accounts so long as such payroll accounts (x) are used solely to disburse payroll for Credit Party employees and (y) have a balance of no more than either (A) 110% of the total payroll amount being paid for such week prior to the disbursement of such weekly payroll or (B) $30,000 for each such account after the disbursement of such weekly payroll (collectively, the "*Excluded Accounts*"); and (b) until an Event of Default has occurred and is continuing and thereafter until otherwise required by the Agent or the Required Lenders, on vehicles which are subject to a certificate of title law (collectively, the "*Excluded Vehicles*").

Section 4.2 Liens on Real Property; Collateral Access Agreements.

(a) In the event that any Credit Party or any Subsidiary owns or hereafter acquires any real property, the Credit Parties shall, or shall cause such Subsidiary to, execute and deliver to the Agent (or a security trustee therefor) a mortgage or deed of trust acceptable in form and substance to the Agent for the purpose of granting to the Agent, for the benefit of itself and the Lenders, a Lien on such real property to secure the Obligations, shall pay all taxes, costs, and expenses incurred by the Agent in recording such mortgage or deed of trust, and shall supply to the Agent at Borrowers' cost and expense a survey, environmental report, hazard insurance policy, appraisal report and a mortgagee's policy of title insurance from a title insurer acceptable to the Agent insuring the validity of such mortgage or deed of trust and its status as a first Lien (subject to Permitted Liens) on the real property encumbered thereby and such other instruments, documents, certificates, and opinions reasonably required by the Agent in connection therewith.

(b) As of the Restatement Closing Date, the Credit Parties shall use commercially reasonable efforts to deliver to the Agent a Collateral Access Agreement with respect to the chief executive office (if leased) and each of the other locations set forth on the Real Estate Schedule to the information certificate where Credit Parties maintain books and records or

Inventory and Equipment with a fair market value in excess of $250,000. The Credit Parties shall use commercially reasonable efforts to deliver Collateral Access Agreements with respect to any new chief executive office (if leased) established after the Restatement Closing Date, each location of original books and records and, to the extent required by Section 4.3 of the Security Agreement, each other Collateral location established after the Restatement Closing Date where Credit Parties maintain books and records or Inventory and Equipment with a fair market value in excess of $250,000.

Section 4.3 Guaranties. The payment and performance of the Obligations of each Credit Party shall at all times be jointly and severally guaranteed by the Credit Parties and their Subsidiaries except, in the case of any Foreign Subsidiary otherwise guaranteeing an Obligation of a Credit Party which is a U.S. Person, if such guaranty would create a significant risk of a material adverse tax consequence to the Credit Parties.

Section 4.4 Further Assurances. Each of the Credit Parties agrees that it shall, and shall cause each Subsidiary to, from time to time at the request of the Agent or the Required Lenders, execute and deliver such documents and do such acts and things as the Agent or the Required Lenders may reasonably request in order to provide for or perfect or protect such Liens on the Collateral. In the event any Credit Party or any Subsidiary forms or acquires any other Subsidiary as permitted hereunder after the date hereof, the Credit Parties shall (i) provide prior written notice to Agent as to the creation of such Subsidiary and the purpose thereof, and (ii) contemporaneously with such formation or acquisition cause such newly formed or acquired Subsidiary to become a Borrower or Guarantor hereunder as Agent shall direct and to execute and deliver to Agent a Joinder Agreement, Collateral Documents and such other instruments, documents, certificates, and opinions required by the Agent in connection therewith; provided that such requirement shall not apply to a newly formed or acquired Foreign Subsidiary, if Agent reasonably determines that such act would could reasonably be expected to have material adverse tax consequences to the Credit Parties. If any material assets (including any real property or improvements thereto or any interest therein) are acquired by the Credit Parties after the Restatement Closing Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien in favor of the Security Agreement upon acquisition thereof), the Credit Party will (i) notify Agent thereof and, if requested by Agent or the Required Lenders, cause such assets to be subjected to a Lien securing the Obligations and (ii) take such actions as shall be necessary or reasonably requested by Agent to grant and perfect such Liens, all at the expense of the Credit Parties.

SECTION 5

REPRESENTATIONS AND WARRANTIES.

Each of the Credit Parties represents and warrants to each Lender and the Agent, and agrees, that:

Section 5.1 Organization and Qualification. Each of the Credit Parties and each of their Subsidiaries (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization (other than Addus FEA solely until the earlier of (x) its Permitted Dissolution pursuant to the terms hereof or (y) thirty (30) days following the

Restatement Closing Date), (ii) has the corporate or limited liability company power and authority to own its property and to transact the business in which it is engaged and proposes to engage and (iii) is duly qualified and in good standing in each jurisdiction where the ownership, leasing or operation of property or the conduct of its business requires such qualification, except where the failure to be so qualified and in good standing could not be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.2 Authority and Enforceability. Each Credit Party has full right and authority to enter into this Agreement and the other Loan Documents executed by it, to make the borrowings herein provided for, to issue its Notes, to grant to the Agent, for the benefit of itself and the Lenders, the Liens described in the Collateral Documents executed by such Credit Party, and to perform all of its obligations hereunder and under the other Loan Documents executed by it. Each Credit Party has full right and authority to enter into the Loan Documents executed by it, to guarantee the Obligations, including, without limitation, Rate Management Obligations and Banking Services Obligations, to grant to the Agent, for the benefit of itself and the Lenders, the Liens described in the Collateral Documents executed by such Person, and to perform all of its obligations under the Loan Documents executed by it. The Loan Documents delivered by each of the Credit Parties and by each Subsidiary, if any, have been duly authorized, executed, and delivered by such Person and constitute valid and binding obligations of such Person enforceable against it in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by any Credit Party or any Subsidiary, if any, of any of the matters and things herein or therein provided for, (a) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon any Credit Party or any Subsidiary, if any, or any provision of the organizational documents (*e.g.*, charter, articles of incorporation, by-laws, articles of association, operating agreement, partnership agreement or other similar document) of any Credit Party or any Subsidiary, (b) contravene or constitute a default under any covenant, indenture or agreement of or affecting any Credit Party or any Subsidiary or any of such Person's Property, in each case where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or (c) result in the creation or imposition of any Lien on any Property of any Credit Party or any Subsidiary other than the Liens granted in favor of the Agent pursuant to the Collateral Documents.

Section 5.3 Financial Reports. The audited consolidated financial statements of the Credit Parties and their Subsidiaries as at December 31, 2013, heretofore furnished to the Agent, have been prepared in accordance with GAAP in all material respects applied on a consistent basis throughout the periods covered thereby, present fairly in all material respects the financial condition of the Credit Parties and its Subsidiaries as of such dates and the results of operations and cash flows of the Credit Parties and its Subsidiaries for such periods, are correct and complete in all material respects, and are consistent in all material respects with the books and records of the Credit Parties and its Subsidiaries.

Section 5.4 No Material Adverse Change. Since December 31, 2013, there has been no change in the financial condition or operations of the Credit Parties and the Subsidiaries taken as a whole, except those occurring in the ordinary course of business, none of which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

Section 5.5 Litigation and Other Controversies. There is no litigation, arbitration or governmental proceeding pending or, to the knowledge of any Credit Party and/or any Subsidiary, threatened against any Credit Party or any Subsidiary that (a), if adversely determined, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or (b) involve this Agreement.

Section 5.6 True and Complete Disclosure. All information furnished by or on behalf of any Credit Party or any Subsidiary in writing to the Agent or any Lender for purposes of or in connection with this Agreement, or any transaction contemplated herein, is, when taken as a whole, true and accurate in all material respects and not incomplete by omitting to state any fact necessary to make such information not misleading in light of the circumstances under which such information was provided; *provided* that, with respect to projected financial information furnished by or on behalf of the Credit Parties or any of their Subsidiaries, each of the Credit Parties only represents and warrants that such information is prepared in good faith based upon assumptions believed to be reasonable at the time prepared (it being understood that no assurance can be given that such projections will be realized and that actual results may differ from such projections).

Section 5.7 Use of Proceeds; Margin Stock. All proceeds of the Revolving Loans and Swing Loans shall be used by Borrowers for working capital purposes, including, without limitation, Capital Expenditures permitted hereunder and other general corporate purposes of Borrowers and their Subsidiaries. No part of the proceeds of any Loan or other extension of credit hereunder will be used by any Borrower or any Subsidiary thereof to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any margin stock. Neither the making of any Loan or other extension of credit hereunder nor the use of the proceeds thereof will violate or be inconsistent with the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System and any successor to all or any portion of such regulations. Margin Stock (as defined above) constitutes less than twenty-five percent (25%) of the value of those assets of the Credit Parties and their Subsidiaries that are subject to any limitation on sale, pledge or other restriction hereunder.

Section 5.8 Taxes. Each of the Credit Parties and each of their Subsidiaries has timely filed or caused to be timely filed all federal income Taxes returns and all other material Tax returns required to be filed by any Credit Party and/or any Subsidiary. Each of the Credit Parties and each Subsidiary has paid all federal income Taxes and all other material Taxes, assessments and other governmental charges due and payable by them (or any one or more of them) other than Taxes, assessments and other governmental charges which are not delinquent, except those (a) that are being contested in good faith and by proper legal proceedings, and (b) as to which appropriate reserves have been provided for in accordance with GAAP. There is no proposed tax assessment (excluding any generally applicable changes in Tax rates) against any Credit Party or any Subsidiary that would, if made, have a Material Adverse Effect, nor is there any tax sharing agreement applicable to any Credit Party or any Subsidiary that could reasonably be expect to result in an Material Adverse Effect. As of the Restatement Closing Date, no Borrower has any permanent establishment outside of the United States.

Section 5.9 ERISA. (a) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state laws, except such noncompliance as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or is subject to a favorable opinion letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS. To the best knowledge of the Credit Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status as of the Restatement Closing Date;

(b) There are no pending or, to the best knowledge of the Credit Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect;

(c) (i) No ERISA Event has occurred, and no Credit Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Credit Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is sixty percent (60%) or higher and no Credit Party nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below sixty percent (60%) as of the most recent valuation date; (iv) no Credit Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither any Credit Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan; and (vii) no Pension Plan has a funding shortfall within the meaning of Section 430(a) of the Code except as described on Schedule 5.9 to the Disclosure Statement.

(d) Neither any Credit Party nor any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (i) on the Restatement Closing Date, those listed on Schedule 5.9 to the Disclosure Statement and (ii) thereafter, Pension Plans not otherwise prohibited by this Agreement.

Section 5.10 Subsidiaries. Schedule 5.10 to the Disclosure Statement correctly sets forth, as of the Restatement Closing Date, each Subsidiary of the Credit Parties, its respective jurisdiction of organization and the percentage ownership (direct and indirect) of such Credit Party in each class of capital stock or other Equity Interests of each of its Subsidiaries and also identifies the direct owner thereof.

Section 5.11 Compliance with Laws. Each of the Credit Parties and each Subsidiary is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of their businesses and the ownership of their property, except such non-compliances as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.12 Environmental Matters. Each of the Credit Parties and each Subsidiary is in compliance with all applicable Environmental Laws and the requirements of any permits issued under such Environmental Laws, except to the extent that the aggregate effect of all non-compliances could not reasonably be expected to have a Material Adverse Effect. There are no pending or, to the best knowledge of any Credit Party or any Subsidiary after due inquiry, threatened Environmental Claims, including any such claims (regardless of materiality) for liabilities under CERCLA relating to the disposal of Hazardous Materials, against any Credit Party or any Subsidiary or any real property, including leaseholds, owned or operated by any Credit Party or any Subsidiary, except such claims as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, there are no facts, circumstances, conditions or occurrences on any real property, including leaseholds, owned or operated by any Credit Party or any Subsidiary that, to the best knowledge of any Credit Party or any Subsidiary after due inquiry, could reasonably be expected (i) to form the basis of an Environmental Claim against any Credit Party or any Subsidiary or any such real property, or (ii) to cause any such real property to be subject to any restrictions on the ownership, occupancy, use or transferability of such real property by any Credit Party or any Subsidiary under any applicable Environmental Law. Hazardous Materials have not been Released on or from any real property, including leaseholds, owned or operated by any Credit Party or any Subsidiary where such Release, individually, or when combined with other Releases, in the aggregate, may reasonably be expected to have a Material Adverse Effect.

Section 5.13 Investment Company. No Credit Party nor any Subsidiary is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 5.14 Intellectual Property. Each of the Credit Parties and each Subsidiary owns or is licensed to use all the Intellectual Property necessary for the present conduct of its businesses, in each case without any known conflict with the rights of others which, or the failure to obtain which, as the case may be, could reasonably be expected to result in a Material Adverse Effect.

Section 5.15 Good Title. Each of the Credit Parties and each Subsidiary have good and marketable title, or valid leasehold interests, to their assets necessary for the operation of its business as reflected on the most recent consolidated balance sheet of the Credit Parties and their Subsidiaries provided to the Agent (except for sales of assets in the ordinary course of business, and such defects in title that could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect) and such assets are subject to no Liens, other than Permitted Liens.

Section 5.16 Labor Relations. No Credit Party nor any Subsidiary is engaged in any unfair labor practice that could reasonably be expected to give rise to liabilities in excess of $1,000,000. There is (i) no strike, labor dispute, slowdown or stoppage pending against any Credit Party or any Subsidiary or, to the best knowledge of any Credit Party or any Subsidiary, threatened against any Credit Party or any Subsidiary and (ii) to the best knowledge of the Credit Parties and their Subsidiaries, no union representation proceeding is pending with respect to the employees of any Credit Party or any Subsidiary. All collective bargaining agreements and similar labor relations agreements to which any Credit Party is a party as of the Restatement Closing Date are described on Schedule 5.16 to the Disclosure Statement, together with the expiration date thereof, and such Credit Party is in compliance with all such collective bargaining agreements except to the extent that a failure to be in compliance would reasonably be expected to give rise to liabilities in excess of $1,000,000.

Section 5.17 Capitalization. All outstanding Equity Interests of the Credit Parties and the Subsidiaries have been duly authorized and validly issued, and are fully paid and non-assessable. Schedule 5.17 to the Disclosure Statement describes (i) the capitalization of each of the Credit Parties, and (ii) any outstanding commitments or other obligations of any Credit Party or any Subsidiary to issue, and any rights of any Person to acquire, any Equity Interests in any Credit Party or any Subsidiary.

Section 5.18 Other Agreements. No Credit Party nor any Subsidiary is in default under (i) of the Subordinated Debt Documents, or (ii) the terms of any covenant, indenture or agreement of or affecting any Credit Party, any Subsidiary or any of their respective Properties, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 5.19 Governmental Authority and Licensing. Each of the Credit Parties and their Subsidiaries have received all licenses, permits, and approvals of each Governmental Authority necessary to conduct their businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding that, if adversely determined, could reasonably be expected to result in revocation or denial of any license, permit or approval is pending or, to the knowledge of any Credit Party or any Subsidiary, threatened, except where such revocation or denial could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.20 Approvals. No authorization, consent, license or exemption from, or filing or registration with, any Governmental Authority, nor any approval or consent of any other Person, is or will be necessary to the valid execution, delivery or performance by any Credit Party or any Subsidiary of any Loan Document, except for the filing of UCC financing statements and Intellectual Property security agreements and such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 5.21 Affiliate Transactions. No Credit Party nor any Subsidiary is a party to any contracts or agreements with any of its Affiliates (other than with Wholly-Owned Subsidiaries) on terms and conditions which are less favorable to such Credit Party or such Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

Section 5.22 Solvency. After giving effect to the Cura Acquisition, the Credit Parties and their Subsidiaries, taken as a whole, are able to generally pay their debts as they become due in the ordinary course of business and do not have an unreasonably small amount of capital with which to carry on their businesses; and the amount that will be required to pay the probable liabilities of the Credit Parties and their Subsidiaries as they become absolute and mature in the ordinary course of business is less than the sum of the present fair sale value of their assets valued on a going concern basis.

Section 5.23 No Broker Fees. No broker's or finder's fee or commission will be payable with respect hereto or any of the transactions contemplated hereby; and each of the Credit Parties hereby agrees to indemnify the Agent and the Lenders against, and agree that they will hold the Agent and the Lenders harmless from, any claim, demand, or liability for any such broker's or finder's fees alleged to have been incurred in connection herewith or therewith and any expenses (including reasonable attorneys' fees) arising in connection with any such claim, demand, or liability.

Section 5.24 Foreign Assets Control Regulations and Anti-Money Laundering.

(a) *OFAC*. No Credit Party nor any Subsidiary is (i) a Person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Party and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) a Person who engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such Person in any manner violative of Section 2, or (iii) a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

(b) *PATRIOT Act*. Each of the Credit Parties and their Subsidiaries are in compliance, in all material respects, with the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*PATRIOT Act*"). No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 5.25 Cura Purchase Agreement. The Credit Parties have provided to the Agent a true and correct copy of the Cura Purchase Agreement and the Cura Purchase Documents. The Cura Purchase Agreement and the Cura Purchase Documents are in full force and effect and have not, except as reflected in amendments provided to the Agent, been amended or modified in any material respect from the version so delivered to the Agent, and no Credit Party is aware of any default thereunder.

Section 5.26 Security Interest in Collateral. The provisions of the Collateral Documents create legal and valid Liens on all the Collateral in favor of the Agent, for the benefit of the Agent and the Lenders, and such Liens constitute perfected and continuing Liens on the Collateral, securing the Obligations, enforceable against the applicable Credit Party and all third parties, and having priority over all other Liens on the Collateral except, in the case of Permitted Liens, to the extent any such Permitted Liens would have priority over the Liens in favor of the Agent pursuant to any applicable law or agreement.

Section 5.27 Common Enterprise. The successful operation and condition of each of the Credit Parties is dependent on the continued successful performance of the functions of the group of the Credit Parties as a whole and the successful operation of each of the Credit Parties is dependent on the successful performance and operation of each other Credit Party. Each Credit Party expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from (i) successful operations of each of the other Credit Parties and (ii) the credit extended by the Lenders to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Credit Party has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Credit Party is within its purpose, in furtherance of its direct and/or indirect business interests, will be of direct and/or indirect benefit to such Credit Party, and is in its best interest.

Section 5.28 Compliance With Health Care Laws. Without limiting the generality of any other representation or warranty set forth in this Agreement:

(a) Except as set forth on Schedule 5.28 to the Disclosure Statement, each Credit Party and each Subsidiary of a Credit Party (i) is in material compliance with all Health Care Laws and all Third Party Payor Programs and (ii) is not in material violation of any order of CMS, the HHS, or any other Governmental Authority or other board or tribunal regulating, enforcing or overseeing compliance with Health Care Laws. Except as set forth on Schedule 5.28 to the Disclosure Statement, no Credit Party or Subsidiary of a Credit Party has received any written notice that it is not in material compliance in any respect with any of the requirements of any of the foregoing. Without limiting the generality of the foregoing, no Credit Party or Subsidiary of a Credit Party has received a subpoena or other notice that it is or will be subject to any investigation by any Governmental Authority with respect to any Health Care Law, nor, to the knowledge of any Credit Party, is any investigation threatened or are there circumstances which, if known to a Governmental Authority, would lead the Governmental Authority to investigate such Credit Party or Subsidiary of a Credit Party. Each Credit Party and each Subsidiary of a Credit Party has received and maintains accreditation in good standing and without limitation or impairment by all applicable accrediting organizations, to the extent required by applicable law (including all Health Care Laws), all Third Party Payor Programs and all Participation Agreements, except where the failure to receive and/or maintain such accreditation could not reasonably be expected to have or result in, either individually or in the aggregate, a Material Adverse Effect.

(b) Each Credit Party and each Subsidiary of a Credit Party has the requisite provider numbers or other authorizations to bill the Medicare program (to the extent such entity participates in the Medicare program), the respective Medicaid program in the state or states in which such entity operates (to the extent such entity participates in the Medicaid program within such state or states), and all other Third Party Payor Programs that such Credit Party or such Subsidiary of a Credit Party currently bills or in the past has billed except where the failure to have such authorization could not reasonably be expected to be, have or result in, either individually or in the aggregate, a Material Adverse Effect. To the knowledge of each of the Borrowers, there is no investigation, audit, claim review or other action pending or threatened which could result in a revocation, suspension, termination, probation, restriction, limitation, or non-renewal of any Third Party Payor, Participation Agreement, provider number or authorization or result in the exclusion of any Credit Party or a Subsidiary of a Credit Party from any Third Party Payor Program, which revocation, suspension, termination, probation, restriction, limitation, non-renewal or exclusion could reasonably be expected to be, have or result in, either individually or in the aggregate, a Material Adverse Effect. No Borrower has any knowledge that any condition exists or event has occurred which, in itself or with the giving of notice or lapse of time or both, reasonably could be expected to result in the suspension, revocation, forfeiture, non-renewal of any governmental consent applicable to any Credit Party or any Subsidiary of a Credit Party or any health care facility operated by any Credit Party or any Subsidiary of a Credit Party or such facility's participation in any Third Party Payor Program, or of any Participation Agreements, which suspension, revocation, forfeiture or non-renewal could reasonably be expected to be, have or result in, either individually or in the aggregate, a Material Adverse Effect.

(c) Each Credit Party and each Subsidiary of a Credit Party has filed with all applicable federal, state and local Governmental Authorities for and received approval of all registrations, applications, licenses, certificates or determinations of need, requests for exemptions, permits and other regulatory authorizations necessary to conduct the businesses of such Credit Party or such Subsidiary of a Credit Party as currently conducted, the absence of which could not reasonably be expected to be, have or result in, either individually or in the aggregate, a Material Adverse Effect. Each Credit Party and each Subsidiary of a Credit Party is, and at all relevant times has been, in compliance in all respects with all such registrations, applications, licenses, requests for exemptions, permits and other regulatory authorizations, except to the extent that the failure to be in compliance could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(d) All billing practices of the Credit Parties and Subsidiary of the Credit Parties to all Third Party Payors have been correct in all material respects, and in material compliance with all applicable requirements of law (including all Health Care Laws), and no Credit Party or Subsidiary of a Credit Party has knowingly and willfully billed for or received any payment or reimbursement in excess of amounts allowed by law, except for such payments or reimbursements as such Credit Party or Subsidiary of a Credit Party may be disputing or contesting in good faith, except to the extent that the failure to be in compliance could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(e) The Credit Parties have established a compliance plan, the purpose of which is to assure that each such Person is in compliance with Health Care Laws.

(f) No Credit Party, no Subsidiary of a Credit Party, none of their respective officers, managers, employees or independent contractors and no "Person with an ownership or control interest" (as that phrase is defined in 42 C.F.R. § 420.201) in any Credit Party or any Subsidiary of a Credit Party is, or to the knowledge of such Credit Party or Subsidiary has been or has been threatened to be: (A) excluded from participation in a Federal Health Care Program (as that term is defined in 42 U.S.C. § 1320a-7b(f)) or is the subject of a proceeding seeking to assess such penalty, or has been "suspended" or "debarred" from selling products to the U.S. government or its agencies pursuant to the Federal Acquisition Regulation, relating to debarment and suspension applicable to federal government agencies generally (48 C.F.R. Subpart 9.4), or other applicable laws or regulations; (B) excluded from participation in any state health care program; or (C) convicted (as that term is defined in 42 C.F.R. § 1001.2) of any of those offenses described in 42 U.S.C. § 1320a-7b or 18 U.S.C. §§ 669, 1035, 1347, 1518 or is the subject of a proceeding seeking to assess such penalty.

SECTION 6

COVENANTS.

Each of the Credit Parties covenants and agrees that, so long as any Credit is available to Borrowers hereunder and until the Payment in Full of the Obligations:

Section 6.1 Information Covenants.

The Credit Parties will furnish to the Agent and each Lender:

(a) *Monthly Reports; Quarterly Reports*. (i) Within forty-five (45) days after the end of each fiscal month of the Credit Parties and their Subsidiaries, commencing with the fiscal month of the Credit Parties and their Subsidiaries ending June 30, 2014, the consolidated and consolidating balance sheet of the Credit Parties and their Subsidiaries as at the end of such fiscal month and the related consolidated and consolidating statements of income and retained earnings and of cash flows for such fiscal month and for the elapsed portion of the fiscal year-to-date period then ended, each in reasonable detail, prepared by the Credit Parties in accordance with GAAP, in all material respects (subject to year-end audit adjustments, the absence of footnotes and treatment of research and development), setting forth (commencing with the first anniversary of the Restatement Closing Date) comparative figures for the corresponding fiscal month in the prior fiscal year and comparable budgeted figures for such fiscal month, all of which shall be certified by the chief financial officer or other officer of the Credit Parties acceptable to the Agent that they fairly present in all material respects in accordance with GAAP the financial condition of the Credit Parties and their Subsidiaries as of the dates indicated and the results of their operations and changes in their cash flows for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes; and (ii) Within forty-five (45) days after the end of each fiscal quarter, a management report (a) describing the operations, key operating metrics and financial condition of the Credit Parties and their Subsidiaries for the quarter then ended and the portion of the current fiscal year then elapsed (or for the fiscal year

then ended in the case of year-end financials) and (b) discussing the reasons for any significant variations. The information above shall be presented in reasonable detail and shall be certified by the chief financial officer, vice president of finance or other officer acceptable to Agent on behalf of the Credit Parties and their Subsidiaries to the effect that such information fairly presents in all material respects the results of operations and financial condition of the Credit Parties and their Subsidiaries as at the dates and for the periods indicated. Agent acknowledges that the management report previously provided to Agent is in a form reasonably satisfactory to Agent.

(b) *Annual Statements*. Within one hundred twenty (120) days after the close of each fiscal year of the Credit Parties and their Subsidiaries, a copy of the consolidated and consolidating balance sheet of the Credit Parties and their Subsidiaries as of the last day of the fiscal year then ended and the consolidated and consolidating statements of income, retained earnings, and cash flows of the Credit Parties and their Subsidiaries for the fiscal year then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion by BDO Seidman LLP or any firm of independent public accountants of recognized national standing, selected by the Credit Parties and acceptable to the Agent, to the effect that the consolidated financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of the Credit Parties and their Subsidiaries as of the close of such fiscal year and the results of their operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards.

(c) *Officer's Certificates; Reports*.

(i) Within forty-five (45) days after the end of each fiscal quarter of the Credit Parties and their Subsidiaries and at the time of the delivery of the quarterly financial statements provided for in Section 6.1(a)(ii), commencing with the fiscal quarter of the Credit Parties and their Subsidiaries ending June 30, 2014, (A) a certificate of the chief financial officer, vice president of finance or other officer of the Credit Parties acceptable to the Agent in the form of Exhibit E (a "*Compliance Certificate*") (1) stating that no Default or Event of Default has occurred during the period covered by such statements or, if a Default or Event of Default exists, a detailed description of the Default or Event of Default and all actions any Credit Party is taking with respect to such Default or Event of Default, (2) confirming that the representations and warranties stated in Section 5 of this Agreement and in the other Loan Documents are true and correct in all material respects (*provided* that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as though made on and as of date thereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all respects as of such date), (3) showing the Credit Parties' compliance with the covenants set forth in Section 6.22, (4) showing a calculation of the Borrowing Base and (5) providing a summary of Credit Parties' and their Subsidiaries' contingent liabilities or judgments, order or injunctions against any one or more of them that are material to any one or more of them other than as indicated on the corresponding financial statements delivered pursuant hereto, and (B) a comparison of the current year-to-date financial results (other than in respect of the balance sheets included therein) against the budgets required to be submitted pursuant to Section 6.1(d).

(ii) [Reserved].

(iii) Promptly following request therefor by Agent, an accounts receivable aging and reconciliation of cash and accounts receivable, in reasonable detail prepared by Borrowers and certified to by their Chief Financial Officer or other officer of Borrowers acceptable to the Agent.

(d) *Budgets*. As soon as available, but in any event at least one (1) Business Day prior to the beginning of each fiscal year of the Credit Parties and their Subsidiaries, a budget in form satisfactory to the Agent (including, without limitation, a breakdown of the projected results of each line of business of the Credit Parties and their Subsidiaries, and budgeted consolidated and consolidating statements of income, and sources and uses of cash and balance sheets for Credit Parties and their Subsidiaries) of Credit Parties and their Subsidiaries in reasonable detail satisfactory to the Agent for each fiscal month and the four (4) fiscal quarters of the immediately succeeding fiscal year and, with appropriate discussion, the principal assumptions upon which such budget is based.

(e) *Notice of Default or Litigation; Collateral*. Promptly, and in any event within three (3) Business Days after any Responsible Officer of any Credit Party obtains knowledge thereof, notice of (i) the occurrence of any event which constitutes a Default or an Event of Default or any other event which could reasonably be expected to have a Material Adverse Effect, which notice shall specify the nature thereof, the period of existence thereof and what action Credit Parties propose to take with respect thereto, (ii) the commencement of, or threat of, or any significant development in, any litigation, labor controversy, arbitration or governmental proceeding pending against any Credit Party or any Subsidiary which, if adversely determined, could reasonably be expected to have a Material Adverse Effect or (iii) other than a Permitted Lien, any claim or Lien securing a claim, in excess of $250,000 is asserted or made against any of the Collateral or any loss, damage or destruction of Collateral in the amount of $250,000 or more, whether or not covered by insurance.

(f) *Management Letters*. Promptly, and in any event within five (5) Business Days after any Credit Party's receipt thereof, a copy of each report or any "management letter" submitted to any Credit Party or any Subsidiary by its certified public accountants and the management's responses thereto.

(g) *Other Reports and Filings*. Promptly, and in any event within two (2) Business Days, copies of all financial information and other material information, certificates, reports, statements and completed forms, if any, which any Credit Party or any Subsidiary has delivered to any holder of, or to any agent or trustee with respect to, Indebtedness of any Credit Party or any Subsidiary in their capacity as such a holder, agent or trustee to the extent that the aggregate principal amount of such Indebtedness exceeds (or upon the utilization of any unused commitments may exceed) $250,000.

(h) *Environmental Matters*. Promptly upon, and in any event within five (5) Business Days after any officer of any Credit Party obtains knowledge thereof, notice of one or more of the following environmental matters which individually, or in the aggregate, may reasonably be expected to have a Material Adverse Effect: (i) any notice of Environmental Claim against any Credit Party or any Subsidiary or any real property owned or operated by any Credit Party or any Subsidiary; (ii) any condition or occurrence on or arising from any real property owned or operated by any Credit Party or any Subsidiary that (a) results in noncompliance by any Credit Party or any Subsidiary with any applicable Environmental Law or (b) could reasonably be expected to form the basis of an Environmental Claim against any Credit Party or any Subsidiary or any such real property; (iii) any condition or occurrence on any real property owned or operated by any Credit Party or any Subsidiary that could reasonably be expected to cause such real property to be subject to any restrictions on the ownership, occupancy, use or transferability by any Credit Party or any Subsidiary of such real property under any Environmental Law; and (iv) any removal or remedial actions to be taken in response to the actual or alleged presence of any Hazardous Material on any real property owned or operated by any Credit Party or any Subsidiary as required by any Environmental Law or any Governmental Authority. All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and such Credit Party's or such Subsidiary's response thereto. In addition, each of the Credit Parties agrees to provide the Lenders with copies of all material written communications by any Credit Party or any Subsidiary with any Person or Governmental Authority relating to any of the matters set forth in clauses (i)-(iv) above, and such detailed reports relating to any of the matters set forth in clauses (i)-(iv) above as may reasonably be requested by the Agent or the Required Lenders.

(i) *Public Filings*. Promptly upon their becoming available, one copy of each financial statement, report, notice or proxy statement sent by any Credit Party or Subsidiary to its creditors or stockholders generally and of each regular or periodic report, and any registration statement or prospectus filed by any Credit Party or Subsidiary with any securities exchange or the Securities and Exchange Commission or any successor agency, and copies of any material orders in any proceedings to which any Credit Party or any of its Subsidiaries is party, issued by any Governmental Authority.

(j) *Cura Purchase Agreement*. As promptly as practicable (but in any event not later than 30 days) after the occurrence of any material default or material breach by any party under the Cura Purchase Agreement or any document, instrument or agreement delivered in connection therewith, or any senior officer of a Credit Party becomes aware of the occurrence of any material default or material breach by any party thereto, or any Credit Party providing notice of, or the receipt by any Credit Party of any notice of, or of any condition or event which has resulted in, or could reasonably be expected to result in, a material indemnity claim thereunder by any party thereto, a certificate signed by the chief financial officer, treasurer or controller of the Company specifying in reasonable detail the nature and period of existence thereof, what action the Credit Parties have taken, are taking or propose to take with respect thereto.

(k) *Other Information*. From time to time, such other information or documents (financial or otherwise) as the Agent or any Lender may reasonably request.

Section 6.2 Inspections; Books and Records. Each of the Credit Parties will, and will cause each Subsidiary to, (a) keep proper books of record and account in which full, true and correct entries are made of all material dealings and transactions in relation to its business and activities and (b) permit officers, representatives and agents of the Agent or any Lender, to visit and inspect any Property of any Credit Party or any Subsidiary, and to examine the books of account of such Credit Party or such Subsidiary and discuss the affairs, finances and accounts of such Credit Party or such Subsidiary with its and their officers and independent accountants, all at such reasonable times as the Agent or any Lender may request; *provided* that, (i) prior written notice of any such visit, inspection or examination shall be provided to Borrower Representative, (ii) such visit, inspection or examination shall be performed at reasonable times to be agreed to by Borrower Representative, which agreement will not be unreasonably withheld, (iii) the Credit Parties shall pay the reasonable out-of-pocket costs and expenses of such visit, inspection or examination, and (iv) so long as no Event of Default has occurred and is continuing, the Credit Parties shall only be required to bear the cost of and reimburse Agent and the Lenders for the costs and expenses of one (1) such collective visit, inspection or examination per fiscal year by Agent and each Lender that wishes to accompany Agent on such visit and examination.

Section 6.3 Maintenance of Property, Insurance, Environmental Matters, etc.

(a) Each of the Credit Parties will, and will cause each of its Subsidiaries to, keep its property, plant and equipment in good repair, working order and condition, normal wear and tear excepted, and shall from time to time make all needful and proper repairs, renewals, replacements, extensions, additions, betterments and improvements thereto so that at all times such property, plant and equipment are reasonably preserved and maintained; *provided*, *however*, that nothing in this Section 6.3(a) shall prevent, to the extent permitted by Section 6.13, sales of assets by any Credit Party or any Subsidiary or the dissolution or liquidation of any Subsidiary of any Credit Party.

(b) (i) Each of the Credit Parties will, and will cause each of its Subsidiaries to, maintain, with good and responsible insurance companies, such insurance coverage as may be required by any law or governmental regulation or court decree or order applicable to it and such other insurance, to such extent and against such hazards and liabilities, as is customarily maintained by companies similarly situated (including, without limitation, business interruption, employers' and public liability risks), in such amounts and with such deductibles as is customarily maintained by companies similarly situated and reasonably acceptable to the Agent; and, upon request of the Agent or any Lender, furnish to the Agent or such Lender original or electronic copies of policies evidencing such insurance, and a certificate setting forth in reasonable detail the nature and extent of all insurance maintained by such Credit Party or such Subsidiary. The Credit Parties shall cause each issuer of an insurance policy to provide the Agent with a copy of endorsements (A) showing the Agent as lender's loss payee with respect to each policy of property or casualty insurance and naming the Agent as an additional insured with respect to each policy of liability insurance, (B) providing that thirty (30) days' notice will be given to the Agent prior to any cancellation of, material reduction or change in coverage provided by or other material modification to such policy and (C) reasonably acceptable in all other respects to the Agent. The Credit Parties shall execute and deliver to the Agent a collateral assignment, in form and substance satisfactory to the Agent, of each business interruption insurance policy maintained by the Credit Parties. (ii) **UNLESS THE CREDIT PARTIES**

PROVIDE THE AGENT WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS AGREEMENT, THE AGENT MAY PURCHASE INSURANCE AT BORROWER'S EXPENSE TO PROTECT THE AGENT'S AND THE LENDERS' INTERESTS IN THE COLLATERAL. THIS INSURANCE MAY, BUT NEED NOT, PROTECT ANY CREDIT PARTY'S OR SUBSIDIARY'S INTERESTS. THE COVERAGE THAT THE AGENT PURCHASES MAY NOT PAY ANY CLAIM THAT IS MADE AGAINST SUCH CREDIT PARTY OR SUCH SUBSIDIARY IN CONNECTION WITH THE COLLATERAL. BORROWER MAY LATER CANCEL ANY INSURANCE PURCHASED BY THE AGENT, BUT ONLY AFTER PROVIDING THE AGENT WITH EVIDENCE THAT THE CREDIT PARTIES HAVE OBTAINED INSURANCE AS REQUIRED BY THIS AGREEMENT. IF THE AGENT PURCHASES INSURANCE FOR THE COLLATERAL, BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT MAY BE IMPOSED WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE PRINCIPAL AMOUNT OF THE LOANS OWING HEREUNDER. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF THE INSURANCE ANY SUCH CREDIT PARTY AND ANY SUCH SUBSIDIARY MAY BE ABLE TO OBTAIN ON THEIR OWN.

(c) Without limiting the generality of Section 6.3(a), each of the Credit Parties and its Subsidiaries: (i) shall comply with, and maintain all real property in compliance with, any applicable Environmental Laws, except to the extent that the aggregate effect of all compliance failures could not reasonably be expected to have a Material Adverse Effect; (ii) shall obtain and maintain in full force and effect all governmental approvals required for its operations at or on its properties by any applicable Environmental Laws except to the extent any failure to obtain or maintain such approvals could not reasonably be expected to have a Material Adverse Effect; (iii) shall cure as soon as reasonably practicable any violation of applicable Environmental Laws with respect to any of its properties which individually or in the aggregate may reasonably be expected to have a Material Adverse Effect; (iv) shall not, and shall not permit any other Person to, own or operate on any of its owned or operated real property, including leaseholds, any landfill or dump site which is used for the ultimate disposal of solid waste; (v) shall not, and shall not permit any other Person to, own or operate any or hazardous waste treatment, storage or disposal facility as defined pursuant to the RCRA, or any comparable state law, at any real property owned or operated by the Credit Parties or their Subsidiaries, except when undertaken in material compliance with all applicable Environmental Laws; and (vi) shall not use, generate, treat, store, Release or dispose of Hazardous Materials at or on any of the real property except in the ordinary course of its business and in material compliance with all Environmental Laws. With respect to any Release of Hazardous Materials occurring at any real property owned or operated by the Credit Parties or their Subsidiaries, including leaseholds, each of the Credit Parties and its Subsidiaries shall conduct any necessary or required investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other response action necessary to remove, cleanup or abate any material quantity of Hazardous Materials released at or on any of its properties, which in each case is required by any applicable Environmental Law.

Section 6.4 Preservation of Existence. Each of the Credit Parties will, and will cause each Subsidiary to, (a) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, *provided* that the foregoing shall not prohibit any merger, liquidation or dissolution permitted under Section 6.13, and (b) carry on and conduct its business in substantially the same fields of enterprise as it is conducted as of the Restatement Closing Date and reasonable extensions thereof; *provided*, *however*, that nothing in this Section 6.4 shall prevent, to the extent permitted by Section 6.13, sales of assets by any Credit Party or any Subsidiary, the dissolution or liquidation of any Subsidiary of any Credit Party, or the merger between or among the Subsidiaries of Holdings.

Section 6.5 Compliance with Laws. Each of the Credit Parties shall, and shall cause each Subsidiary to, comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to its property or business operations of any Governmental Authority, where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or result in a Lien (other than any Permitted Lien) upon any of its Property.

Section 6.6 ERISA. Each of the Credit Parties shall, and shall cause each Subsidiary to, promptly notify the Agent and each Lender of the occurrence of any ERISA Event.

Section 6.7 Payment of Taxes and Other Obligations. Each of the Credit Parties will, and will cause each of its Subsidiaries to, pay and discharge as the same shall become due and payable all of its obligations and liabilities, including (a) all federal income Taxes and other material Taxes, assessments, fees and other governmental charges imposed upon it or any of its Property, before becoming delinquent and before any penalties accrue thereon, unless and to the extent that (i) the same are being contested in good faith and by proper proceedings, and (ii) the Credit Party or Subsidiary, as applicable, has established appropriate reserves in accordance with GAAP, (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

Section 6.8 Transactions with Affiliates. No Credit Party shall, nor shall it permit any Subsidiary to, enter into any contract, agreement or business arrangement with any of its Affiliates on terms and conditions which are less favorable to such Credit Party or such Subsidiary than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other, except (a) transactions between or among any Borrower and any Subsidiary that is a Credit Party not involving any other Affiliate, (b) any investment permitted by Section 6.14(e), (c) any Restricted Payment permitted by Section 6.15, (d) loans or advances to employees permitted under Section 6.14, (e) the payment of reasonable compensation to officers and employees for services actually rendered to any Credit Party, (f) payment of director's fees not to exceed $750,000 in the aggregate for any fiscal year of the Borrowers plus reasonable and documented expenses of the directors, (g) employment agreements, equity incentive agreements and other employee and management arrangements in the ordinary course of business with any Borrower or any of their Subsidiaries (including, without limitation, Holdings' 2006 Stock Incentive Plan and 2009 Stock Incentive Plan) and (h) transactions otherwise expressly permitted under this Agreement.

Section 6.9 Sale and Leaseback Transactions. No Credit Party will, nor will it permit any Subsidiary to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred.

Section 6.10 Interest Rate Protection. No Credit Party will, nor will it permit any Subsidiary to, enter into any Rate Management Agreement, except (a) Rate Management Agreements entered into to hedge or mitigate risks to which the Credit Party or Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Subsidiaries), and (b) Rate Management Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Credit Party or any Subsidiary.

Section 6.11 Indebtedness. No Credit Party shall, nor shall it permit any Subsidiary to, contract, create, incur, assume or suffer to exist any Indebtedness, including, without limitation, any guaranty with respect to the Indebtedness of any Person, except;

(a) the Obligations, including, without limitation, Rate Management Obligations and Banking Services Obligations, of the Credit Parties and their Subsidiaries owing to the Agent and the Lenders (and their Affiliates);

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.11 to the Disclosure Statement and any Permitted Refinancing Indebtedness with respect thereto;

(c) purchase money Indebtedness and Capitalized Lease Obligations of the Borrowers and their Subsidiaries in an amount not to exceed $15,500,000 in the aggregate at any one time outstanding and any Permitted Refinancing Indebtedness with respect thereto;

(d) Indebtedness of any Borrower to any Subsidiary that is a Borrower and of any Subsidiary that is a Borrower to any Borrower, *provided* that any such Indebtedness shall be unsecured and subordinated to the Obligations pursuant to Section 10.24 hereof;

(e) Contingent Obligations of any Borrower of Indebtedness of any Subsidiary that is a Borrower and by any Subsidiary that is a Borrower of Indebtedness of any other Borrower, *provided* that (i) any Indebtedness so guaranteed is permitted by this Section 6.11, and (ii) Contingent Obligations permitted under this clause (e) shall be subordinated to the Obligations of the applicable Subsidiary on the same terms as the Indebtedness so guaranteed is subordinated to the Obligations;

(f) Permitted Contingent Obligations;

(g) the Earnout Liabilities;

(h) [Reserved];

(i) Subordinated Debt in favor of sellers incurred in connection with Permitted Acquisitions consummated after the Restatement Closing Date in an amount not to exceed $2,000,000 at any time outstanding, provided that (x) such Subordinated Debt has a maturity date that is not earlier than the six (6) month anniversary of the Maturity Date and by its terms, does not require amortization payments prior to the maturity thereof, (y) both before and after giving effect to the incurrence of such Indebtedness (on a pro forma basis), no Default or Event of Default shall have occurred and be continuing and (z) both before and after giving effect to the incurrence of such Indebtedness (on a pro forma basis), the Total Leverage Ratio of the Credit Parties and its Subsidiaries shall not exceed 4.0 to 1.0;

(j) unsecured Indebtedness of any Credit Party (other than Holdings) in the ordinary course of business with a maturity date no later than twelve (12) months after the date of incurrence, the proceeds of which are applied to finance the payment of insurance premiums with respect to workers' compensation insurance, automobile insurance and liability insurance;

(k) unsecured Indebtedness consisting of the obligation of any Credit Party (other than Holdings) to reimburse an insurer for any payment made by such insurer in respect of a workers' compensation claim with respect to any employee of any Credit Party (other than Holdings); and

(l) unsecured Indebtedness of the Borrowers and their Subsidiaries not otherwise permitted by this Section in an amount not to exceed $100,000 in the aggregate at any one time outstanding and any Permitted Refinancing Indebtedness with respect thereto.

Section 6.12 Liens. No Credit Party shall, nor shall it permit any Subsidiary to, create, incur or suffer to exist any Lien on any of its Property; *provided* that the foregoing shall not prevent the following (the Liens described below, the "*Permitted Liens*"):

(a) inchoate Liens for the payment of Taxes which are not yet due and payable or the payment of which is not required by Section 6.7;

(b) Liens arising by statute in connection with worker's compensation, unemployment insurance, old-age benefits, social security obligations, assessments, statutory obligations or other similar charges (other than Liens arising under ERISA), good-faith cash deposits in connection with bids, tenders, contracts or leases to which any Borrower or any Subsidiary is a party, to secure statutory obligations or surety, appeal or stay bonds, or to secure indemnity, performance or other similar bonds, or other cash deposits required to be made in the ordinary course of business, provided in each case that the obligation is not for borrowed money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the Lien with respect to such matter under contest and adequate reserves have been established therefor;

(c) mechanics', workmen's, materialmen's, landlords', carriers', warehousemen's, processors', suppliers' or other similar Liens arising in the ordinary course of business with respect to obligations which are not delinquent for more than sixty (60) days or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(d) Liens created by or pursuant to this Agreement and the Collateral Documents;

(e) Liens on property of any Borrower or any Subsidiary created solely for the purpose of securing indebtedness permitted by Section 6.11(c) hereof, representing or incurred to finance the purchase price of Property (including replacement Liens on the Property currently subject to such Liens), *provided* that no such Lien shall extend to or cover other Property of any Borrower or such Subsidiary other than the respective Property so acquired and the proceeds thereof, and the principal amount of indebtedness secured by any such Lien shall at no time exceed the purchase price of such Property (including taxes, shipping and installation charges), as reduced by repayments of principal thereon;

(f) zoning restrictions, easements, rights-of-way, licenses, covenants and other similar encumbrances against real Property incurred in the ordinary course of business, which, in the aggregate, are not substantial in amount and which do not materially detract from the value of the Property subject thereto or do not materially interfere with the ordinary conduct of the business of any Credit Party or any Subsidiary;

(g) "bankers" liens, customary rights of setoff and other similar Liens, in each case arising by operation of law in respect of any cash, Cash Equivalents, financial assets or investment property on deposit in accounts maintained by any Credit Party or any Subsidiary that are maintained in accordance with the terms of this Agreement;

(h) Liens arising out of the existence or the bonding of any judgments, writs or similar processes not giving rise to an Event of Default under Section 7.1(g); *provided* that the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are the subject of a contest maintained in good faith by appropriate proceedings diligently conducted and with respect to which such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(i) any Lien on any property or asset of any Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.12 to the Disclosure Statement (including replacement Liens on the property or asset currently subject to such Lien); *provided* that (i) such Lien shall not apply to any other Property of any Borrower or Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof;

(j) Liens arising from precautionary UCC financing statements filed under any operating lease permitted hereunder;

(k) Liens of counterparties attaching solely to cash earnest money deposits made by any Credit Party or any of their respective Subsidiaries in connection with any letter of intent or purchase agreement entered into with respect to Capital Expenditures otherwise permitted hereunder;

(l) Licenses, sublicenses, leases or subleases granted to others in the ordinary course of business not interfering in any material respect with the business of any Credit Party; and

(m) Liens not described above securing Indebtedness (other than Indebtedness for borrowed money) of any Credit Party or any Subsidiary in an aggregate outstanding amount at any time not to exceed $100,000.

Notwithstanding anything contained herein to the contrary, no Credit Party shall create, incur or suffer to exist any Lien on (x) any Property of Addus FEA or (y) any Equity Interests issued by Addus FEA (other than Liens arising under the Loan Documents).

Section 6.13 Consolidation, Merger, Sale of Assets, etc. No Credit Party shall, nor shall it permit any Subsidiary to, wind up, liquidate or dissolve its affairs or agree to any merger or consolidation, or convey, sell, lease or otherwise dispose of all or any part of its property, including any disposition as part of any sale-leaseback transactions, except that this Section shall not prevent:

(a) the sale and lease of inventory in the ordinary course of business;

(b) the sale, transfer or other disposition of any tangible personal property that, in the reasonable judgment of the Credit Parties and their Subsidiaries, has become uneconomic, obsolete or worn out;

(c) sales, transfers and dispositions of assets to a Borrower or any other Credit Party (other than Holdings);

(d) (i) any Borrower (other than Addus Healthcare) or any Subsidiary of a Borrower may merge into a Borrower in a transaction in which such Borrower is the surviving corporation, with at least fifteen (15) Business Days prior written notice to Agent; and (ii) the Permitted Dissolutions, so long as Agent receives (x) at least fifteen (15) Business Days prior written notice of such Permitted Dissolution from Borrower Representative and (y) promptly following such Permitted Dissolution, copies of the documentation evidencing such Permitted Dissolution;

(e) the disposition or sale of Cash Equivalents in consideration for cash;

(f) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Borrower or any Subsidiary so long as the Net Cash Proceeds thereof are applied to the Obligations as required under Section 2.8(b) hereof;

(g) the license of Intellectual Property in the ordinary course of business; and

(h) the sale, transfer, lease, or other disposition of Property not otherwise permitted hereunder (excluding any disposition of (i) Intellectual Property, (ii) Property as part of a sale and leaseback transaction, (iii) any Equity Interests of any Subsidiary or (iv) Accounts) of any Credit Party or any Subsidiary aggregating for Credit Parties and their Subsidiaries, so long as no Event of Default exists or would occur as a result thereof, with an aggregate net book value of not more than $250,000 during any fiscal year of the Credit Parties.

Notwithstanding the foregoing, in order to be permitted by this Section 6.13, all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by paragraphs (d) and (f) above) shall be made for fair value and for at least seventy-five (75%) cash consideration. So long as no Default or Event of Default has occurred and is continuing or would arise as a result thereof, upon the written request of Borrower Representative, the Agent shall release its Lien on any Property sold pursuant to the foregoing provisions.

Section 6.14 Advances, Investments, Acquisitions and Loans. No Credit Party shall, nor shall it permit any Subsidiary to, directly or indirectly, make loans or advances to or make, retain or have outstanding any investments (whether through purchase of all or substantially all of the assets or Equity Interests or obligations or otherwise) in, any Person or enter into any partnerships or joint ventures, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, except that this Section shall not prevent:

(a) receivables created or trade credit extended in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(b) investments in Cash Equivalents subject to Control Agreements (subject to the limitations referred to in Section 4 hereof);

(c) investments (including debt obligations) received in connection with ix) the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business and (ii) issued by financially troubled Account Debtors (excluding Affiliates) to a Credit Party pursuant to agreements with respect to settlement of such Account Debtor's Accounts with such Credit Party negotiated in the ordinary course of business; provided that, if the aggregate amount of such Investments exceed $25,000 at any time, (x) the Credit Parties shall provide Agent a detailed written summary of such Investments and will continue to do so at the end of each calendar quarter thereafter and (y) upon Agent's request, such Investments shall be pledged and delivered to the Agent pursuant to the Loan Documents as additional collateral security for the Obligations;

(d) investments in existence on the date hereof and described in Schedule 6.14 to the Disclosure Statement;

(e) Investments by the Credit Parties and their Subsidiaries in the Equity Interests of their Subsidiaries;

(f) loans or advances made by any Borrower to any Subsidiary that is a Borrower and made by any Subsidiary that is a Borrower to any Borrower, *provided* that any such loans and advances made by a Credit Party shall be evidenced by a promissory note pledged pursuant to the Security Agreement;

(g) Contingent Obligations permitted by Section 6.11;

(h) loans or advances made by a Credit Party (other than Holdings) to its employees on an arm's-length basis in the ordinary course of business consistent with past practices for travel and entertainment expenses, relocation costs and similar purposes up to a maximum of $500,000 in the aggregate at any one time outstanding;

(i) investments in the form of Rate Management Agreements permitted by Section 6.11;

(j) non-cash investments received in connection with the dispositions of assets permitted by Section 6.13;

(k) investments constituting deposits described in clause (b) of Section 6.12;

(l) investments in and capital contributions to Addus FEA so long as such investments and capital contributions are not increased after the Original Closing Date;

(m) Permitted Acquisitions;

(n) advances in the form of prepayment of expenses, so long as such expenses were incurred in the ordinary course of business and are being paid in accordance with customary trade terms of the Credit Parties; and

(o) other investments (other than Acquisitions or joint ventures), loans and advances in addition to those otherwise permitted by this Section in an amount not to exceed $100,000 in the aggregate at any one time outstanding (so long as the provisions of Section 6.17, Articles 4 and 11 are complied with in connection therewith if applicable).

Section 6.15 Restricted Payments. No Credit Party shall, nor shall it permit any Subsidiary to, make any Restricted Payment or incur any obligation to do so, except that:

(a) any Wholly-Owned Subsidiary of any Borrower may make dividends or distributions to such Borrower;

(b) each Credit Party and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common Equity Interests of the Person making such dividend or distribution;

(c) Borrowers may make distributions to Holdings to permit Holdings to pay reasonable and customary corporate and operating expenses and franchise fees or similar taxes and fees required to maintain its corporate existence;

(d) Borrowers may make dividends and distributions to Holdings to permit Holdings may make dividends and distributions to its shareholders, so long as both before and after giving effect to such payment (i) no Default or Event of Default exists or would result therefrom, (ii) the Credit Parties are in pro forma compliance with the financial covenants set forth in Section 6.22 hereof calculated for the most recent measurement period as evidenced by a Compliance Certificate delivered to Agent prior to the making of any such payment and (iii) the Borrowers have Excess Availability of no less than an amount equal to ten percent (10%) of the Revolving Credit Commitment; and

(e) each Credit Party may make payments of dividends and distributions in connection with any stock incentive plan or other stock based employee plan, so long as both before and after giving effect to such payment (i) no Default or Event of Default shall have occurred prior to, or would occur as a result of, any such payment.

The Borrowers shall provide to the Agent, prior to the making of any such Restricted Payment described herein, a certificate describing same and demonstrating compliance with the applicable conditions and provisions set forth in this Section 6.15.

Section 6.16 Limitation on Restrictions. No Credit Party shall, not shall it permit any Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any restriction on the ability of any such Subsidiary to (a) pay dividends or make any other distributions on its capital stock or other Equity Interests owned by any Credit Party or any other Subsidiary, (b) pay or repay any Indebtedness owed to any Credit Party or any other Subsidiary, (c) make loans or advances to any Credit Party or any other Subsidiary, (d) transfer any of its Property to any Credit Party or any other Subsidiary, (e) encumber or pledge any of its assets to or for the benefit of the Agent or (f) guaranty the Obligations, including, without limitation, Rate Management Obligations and Banking Services Obligations; *provided* that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document or any Subordinated Debt Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.16 to the Disclosure Statement (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (e) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the Property securing such Indebtedness and (v) clause (e) of the foregoing shall not apply to customary provisions in leases licenses and other contracts customarily restricting the assignment thereof and restrictions on licenses, sublicenses and assignments of intellectual property.

Section 6.17 Limitation on the Creation of Subsidiaries. Notwithstanding anything to the contrary contained in this Agreement, no Credit Party shall, nor shall it permit any Subsidiary to, establish or create after the Restatement Closing Date any Subsidiary; *provided* that any Borrower and its Wholly-Owned Subsidiaries shall be permitted to establish or create Wholly-Owned Subsidiaries (other than, without the prior written consent of Agent, any Foreign Subsidiary) so long as at least ten (10) Business Days' prior written notice thereof is given to the Agent, and the Credit Parties and their Subsidiaries timely comply with the requirements of Section 4 hereof.

Section 6.18 Material Contracts; Other Agreements. Each Credit Party shall perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material

Contract in accordance with its terms, take all such action to such end as may be from time to time requested by the Agent and, upon request of the Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as any Credit Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so, except, in any case, where the failure to do any of the foregoing, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No Credit Party shall, nor shall it permit any Subsidiary to, amend or otherwise modify, or waive any rights under, (a) any of the Subordinated Debt Documents if such amendment, modification or waiver would violate the terms and conditions of the applicable Subordination Agreement or otherwise be adverse to the interests of the Agent or the Lenders in any material respect and (b) any of the Cura Purchase Documents if such amendment, modification or waiver could be adverse to the interests of the Agent or the Lenders in any material respect.

Section 6.19 OFAC. No Credit Party shall, nor shall it permit any Subsidiary to, (i) become a Person whose property or interests in property are blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Party and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079(2001)), (ii) engage in any dealings or transactions prohibited by Section 2 of such executive order, or be otherwise associated with any such Person in any manner violative of Section 2, and (iii) become a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

Section 6.20 Name, Fiscal Year Accounting and Organizational Documents. No Credit Party shall, nor shall it permit any Subsidiary to, without at least twenty (20) Business Days' prior written notice to Agent (a) change, from that as of the Restatement Closing Date, its name, its fiscal year, or its method of accounting, except as required by GAAP, or (b) amend or modify any of the terms or provisions of its certificate of incorporation or by-laws or any other organizational document in a manner that would be materially adverse to Agent or any Lender.

Section 6.21 Deposit Accounts and Cash Management Services. Each of the Credit Parties shall, and shall cause each of its Subsidiaries to, maintain each of its deposit accounts and general checking/controlled disbursement accounts (other than Excluded Accounts) solely with Fifth Third, and Fifth Third shall be the principal depository and principal bank of account in which substantially all funds of the Credit Parties and their Subsidiaries are deposited, except to the extent otherwise agreed in writing by Fifth Third. Each of the Credit Parties shall, and shall cause each of its Subsidiaries to, enter into agreements with Fifth Third for all of its needs in connection with cash management services and shall grant to Fifth Third an opportunity to provide any business banking services required by any of them, including payroll and employee benefit plan services. Control Agreements or Government Receivables Lockbox Account Agreements, as applicable, shall be required for any such deposit accounts which, with the prior written consent of Fifth Third, are maintained at financial institutions other than Fifth Third.

Section 6.22 Financial Covenants.

(a) *Senior Leverage Ratio*. The Credit Parties shall not, as of the last day of each fiscal quarter of Holdings and its Subsidiaries during the periods specified below, permit the Senior Leverage Ratio to be greater than:

Fiscal Quarter Ending	The Senior Leverage Ratio Shall Not Be Greater Than:
June 30, 2014	3.25 to 1.0
September 30, 2014	3.25 to 1.0
December 31, 2014	3.25 to 1.0
March 31, 2015	3.25 to 1.0
June 30, 2015	3.25 to 1.0
September 30, 2015	3.25 to 1.0
December 31, 2015	3.25 to 1.0
March 31, 2016	3.25 to 1.0
June 30, 2016	3.25 to 1.0
September 30, 2016	3.25 to 1.0
December 31, 2016	3.25 to 1.0
March 31, 2017	3.25 to 1.0
June 30, 2017	3.25 to 1.0
September 30, 2017	3.25 to 1.0
December 31, 2017	3.25 to 1.0
March 31, 2018	3.25 to 1.0
June 30, 2018	3.25 to 1.0
September 30, 2018	3.25 to 1.0
December 31, 2018	3.25 to 1.0
March 31, 2019	3.25 to 1.0
June 30, 2019	3.25 to 1.0
September 30, 2019	3.25 to 1.0

(b) *Reserved*.

(c) *Fixed Charge Coverage Ratio*. As of the last day of each fiscal quarter of the Credit Parties and their Subsidiaries ending during the periods specified below, the Credit Parties shall maintain a Fixed Charge Coverage Ratio for the four fiscal quarters of the Credit Parties and their Subsidiaries then ended of not less than:

Fiscal Quarter Ending	The Fixed Charge Coverage Ratio Shall Not Be Less Than:
June 30, 2014	1.2 to 1.0
September 30, 2014	1.2 to 1.0
December 31, 2014	1.2 to 1.0
March 31, 2015	1.2 to 1.0
June 30, 2015	1.2 to 1.0
September 30, 2015	1.2 to 1.0
December 31, 2015	1.2 to 1.0
March 31, 2016	1.2 to 1.0

Fiscal Quarter Ending	The Fixed Charge Coverage Ratio Shall Not Be Less Than:
June 30, 2016	1.2 to 1.0
September 30, 2016	1.2 to 1.0
December 31, 2016	1.2 to 1.0
March 31, 2017	1.2 to 1.0
June 30, 2017	1.2 to 1.0
September 30, 2017	1.2 to 1.0
December 31, 2017	1.2 to 1.0
March 31, 2018	1.2 to 1.0
June 30, 2018	1.2 to 1.0
September 30, 2018	1.2 to 1.0
December 31, 2018	1.2 to 1.0
March 31, 2019	1.2 to 1.0
June 30, 2019	1.2 to 1.0
September 30, 2019	1.2 to 1.0

(d) *Capital Expenditures*. The Credit Parties will not, nor will they permit any Subsidiary to, incur or make any Capital Expenditures during any period set forth below in an amount exceeding the amount set forth opposite such period:

Period	Maximum Capital Expenditures
Fiscal Year ending 2014	$ 5,000,000
Fiscal Year ending 2015	$ 2,500,000
Fiscal Year ending 2016	$ 2,500,000
Fiscal Year ending 2017	$ 2,500,000
Fiscal Year ending 2018	$ 2,500,000
Fiscal Year ending 2019	$ 2,500,000

The amount of any Capital Expenditures permitted to be made in respect of any fiscal year, commencing with the fiscal year ending December 31, 2016, shall be increased by one hundred percent (100%) of the unused amount of Capital Expenditures that were permitted to be made during the immediately preceding fiscal year pursuant hereto, without giving effect to any carryover amount. Capital Expenditures in any fiscal year shall be deemed to use first, the amount permitted for such fiscal year without giving effect to any carryover amount and, second, any amount permitted to be carried forward to such fiscal year.

Section 6.23 Negative Pledge; Limitations. Each of the Credit Parties hereby agrees that until such time as the Payment in Full of all of the Obligations:

(a) Holdings agrees that its sole purpose shall be to hold 100% of the Equity Interests in Addus Healthcare and engage in activities ancillary thereto as permitted by this Agreement. Without limiting the foregoing, Holdings agrees that it shall not (i) have any employees or engage in any business or investment activity other than owning the Equity Interests in Addus Healthcare and engaging in activities ancillary thereto expressly permitted

under this Agreement; (ii) incur any liabilities other than minimal liabilities necessary to maintain its separate corporate existence, (iii) become obligated for any Indebtedness (other than the Obligations), whether directly or indirectly, (iv) permit any Lien to exist on any of its assets except for Permitted Liens, to the extent applicable; or (i) consolidate with or merge with or into any other Person or acquire substantially all of the assets of any other Person, or sell any of its assets, whether in one or a series of transactions.

(b) Holdings agrees that it will not, by act or omission: (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of its Equity Interests in Addus Healthcare; or (ii) create or permit to exist any Lien (other than Permitted Liens) upon or with respect to any of such Equity Interests.

(c) Addus Healthcare owns, as of the Restatement Closing Date, all of the issued and outstanding voting Equity Interests of each of the other Borrowers. Addus Healthcare agrees that it will not, by act or omission: (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of its Equity Interests in any other Borrower; or (ii) create or permit to exist any Lien (other than Permitted Liens) upon or with respect to any of such Equity Interests.

Section 6.24 Foreign Subsidiary Limitations. Each Credit Party hereby agrees that, until such time as the Payment in Full of all of the Obligations, no Foreign Subsidiary created after the date hereof with the prior written consent of Agent (if any), shall, without the prior written consent of Agent, receive any proceeds from any Loan hereunder or any Collateral.

Section 6.25 [Reserved].

Section 6.26 Certain Current Liens. Pursuant to that certain Post-Closing Agreement, dated as of November 2, 2009 (the *"Original Post-Closing Agreement"*), between the Borrowers and the Agent, the Credit Parties have been diligently pursuing evidence of release by the Marion County Recorder in respect of each of the following tax liens currently of record with the Marion County Recorder: (a) state tax lien filed as instrument number A06005480661 on August 15, 2006 with the Marion County Recorder in the amount of $26.41; (b) state tax lien filed as instrument number 7260823 on April 3, 2009 with the Marion County Recorder in the amount of $12,467.51; (c) state tax lien filed as instrument number 7260913 on April 3, 2009 with the Marion County Recorder in the amount of $1,873.80; and (d) state tax lien filed as instrument number 7431777 on September 14, 2009 with the Marion County Recorder in the amount of $6,683.83 (collectively, the *"Current State Tax Liens"*). Effective as of March 18, 2010 in connection with the Original Loan Agreement, Agent and Lenders hereby waive the Borrower's delivery requirement under the Original Post-Closing Agreement of providing to Agent evidence of the release of each of the Current State Tax Liens (the *"Release Requirement"*); provided that, the Agent and the Lenders reserve their right (at any time and from time to time following March 18, 2010) to implement reserves to be withheld from the Borrowing Base calculation in an amount equal to the aggregate amount of obligations in respect of the Current State Tax Liens outstanding and/or unpaid, until the date that the Borrowers deliver to Agent evidence (in form and substance acceptable to Agent) of the release by the Marion County Recorder of each of the Current State Tax Liens. The foregoing waiver of the Release Requirement is expressly limited to the specific requirement stated herein and shall not affect any breach of any of the provisions of this Agreement for any other requirement, and shall not be deemed or otherwise construed to constitute a waiver of any Default or Event of Default arising out of any other failure of the Credit Parties or any one or more of them to comply with any of the terms of this Agreement.

Section 6.27 Health Care Law Matters.

(a) Each Credit Party shall and shall cause each of its Subsidiaries to: (a) conduct its operations in material compliance with all Health Care Laws; (b) to the extent permitted by applicable law and so long as no privilege is compromised, notify Agent promptly after such Credit Party or Subsidiary becomes aware of any violation of the Anti-Kickback Statute, Stark Law or False Claims Act, or any violation of other Health Care Laws, in each case, that could reasonably likely result in a claim, fine or settlement in excess of $250,000; and (c) to the extent permitted by applicable law, promptly forward to Agent any subpoena or other request or other investigation by a Governmental Authority with respect to a possible material violation of any Health Care Laws.

(b) Each Credit Party shall, and shall cause each of its Subsidiaries to establish, deliver and enforce policies and procedures in its compliance plan the purpose of which is to assure that each Credit Party and each Subsidiary of each Credit Party are in compliance in all material respects with all requirements of applicable Healthcare Laws.

Section 6.28 HIPAA. Each Credit Party and each Subsidiary of a Credit Party that is a "covered entity" as defined under HIPAA shall enter into a Business Associate Agreement (as defined under HIPAA) with Agent, substantially in the form of Exhibit I, and shall maintain such Business Associate Agreement in full force and effect during the term of this Agreement. In the event that Agent or any of its authorized representatives shall make any inspection pursuant to Section 6.2 or otherwise, or shall take possession of any Collateral that would involve such Person having access to "protected health information" as defined under HIPAA, each Credit Party or Subsidiary of a Credit Party that is a "covered entity" shall permit disclosure of the protected health information pursuant to the Business Associate Agreement to the extent permitted by HIPAA.

SECTION 7

EVENTS OF DEFAULT AND REMEDIES.

Section 7.1 Events of Default. Any one or more of the following shall constitute an *"Event of Default"* hereunder:

(a) default in the payment (i) when due (whether at the stated maturity thereof or at any other time provided for in this Agreement) of all or any part of the principal of or interest on any Loan or (ii) within three (3) Business Days after the same shall be due, any other Obligation payable hereunder or under any other Loan Document;

(b) default in the observance or performance of any covenant set forth in (i) Sections 2.15, 6.2, 6.3, 6.4, 6.8, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.21, 6.22, 6.23, 6.24, 6.25, 6.26, 6.27 and 6.28 hereof or of any provision in any Loan Document dealing with the use, disposition or remittance of the Proceeds of Collateral or requiring the

maintenance of insurance thereon, or (ii) Section 6.1 which is not remedied within three (3) Business Days after the earlier of (x) the date on which such default shall first become known to any officer of any Credit Party or (y) the date on which written notice of such default is given to Borrowers by the Agent;

(c) default in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within thirty (30) days after the earlier of (i) the date on which such default shall first become known to any officer of any Credit Party or (ii) the date on which written notice of such default is given to Borrower Representative by the Agent;

(d) any representation or warranty by any Credit Party made herein or in any other Loan Document or in any certificate delivered by any Credit Party to the Agent or the Lenders pursuant hereto or thereto or in connection with any transaction contemplated hereby or thereby proves untrue in any material respect as of the date of the issuance or making or deemed making thereof, except to the extent the same expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(e) any event occurs or condition exists (other than those described in subsections (a) through (d) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void (other than as a result of the gross negligence or willful misconduct of the Agent) in any material respect, or any of the Collateral Documents shall for any reason fail to create a valid and perfected first priority Lien (subject to Permitted Liens) in favor of the Agent, for the benefit of itself and the Lenders, in any Collateral purported to be covered thereby except as expressly permitted by the terms thereof (other than as a result of the gross negligence or willful misconduct of the Agent) and except with respect to assets with an aggregate fair market value not exceeding $250,000, or any Credit Party or any Subsidiary takes any action for the purpose of terminating, repudiating or rescinding any Loan Document executed by it or any of its obligations thereunder (except in connection with activities expressly permitted under this Agreement);

(f) any default shall occur under any (i) Indebtedness of any Credit Party or any Subsidiary aggregating in excess of $250,000, or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit acceleration of the maturity of any such Indebtedness (whether or not such Indebtedness is in fact accelerated) or any such Indebtedness shall not be paid when due (whether by demand, lapse of time, acceleration or otherwise) after giving effect to the applicable grace or cure periods, if any, or (ii) any Rate Management Agreement of any Credit Party or any Subsidiary with any Lender;

(g) any judgment or judgments, order or orders, writ or writs or warrant or warrants of attachment, or any similar process or processes, shall be entered or filed against any Credit Party or any Subsidiary, or against any of its Property, (i) for the payment of money in an aggregate amount in excess of $250,000, except to the extent (x) fully and unconditionally covered by insurance pursuant to which the insurer has accepted liability therefor in writing or

(y) fully and unconditionally covered by an appeal bond, for which such Credit Party or such Subsidiary has established in accordance with GAAP a cash or Cash Equivalent reserve an amount equal to such judgment, writ or warrant, or (ii) for any non-monetary award, which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, and in either case which remains undischarged, unvacated, unbonded or unstayed for a period of thirty (30) days or enforcement proceedings are commenced by any creditor upon such judgment or order;

(h) (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Credit Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $250,000, or (ii) any Credit Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of $250,000;

(i) any Change of Control shall occur;

(j) any Credit Party or any Subsidiary shall (i) have entered involuntarily against it an order for relief under the Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.1(k) hereof;

(k) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for any Credit Party or any Subsidiary, or any substantial part of any of its Property, or a proceeding described in Section 7.1(j)(v) shall be instituted against any Credit Party or any Subsidiary, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) days;

(l) Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations arising under the Loan Documents, ceases to be in full force and effect; or any Credit Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Credit Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document;

(m) any default or event of default shall occur under any of the Subordinated Debt Documents, any subordination or intercreditor provision in any Subordination Agreement or in any document or instrument governing Subordinated Debt, shall cease to be in full force and effect, or any Credit Party or any other Person (including the holder of any applicable Subordinated Debt) shall contest in any manner the validity, binding nature or enforceability of any such provision; or

(n) (i) any Credit Party or any Subsidiary is required to pay a fine, penalty, settlement amount or other payment (whether imposed by judicial order or settlement) which, individually or in the aggregate, is in excess of $2,000,000 for any violation or alleged violation of any Healthcare Law, including violation of the Federal Anti-Kickback Statute, Stark Law or False Claims Act, (ii) any Credit Party or any Subsidiary is required to pay a fine, penalty, settlement amount or other payment (whether imposed by judicial order or settlement) for any violation or alleged violation of any Healthcare Law, including violation of the Anti-Kickback Statute, Stark Law or False Claims Act which, individually or in the aggregate, would result in, upon payment of such amount, the Borrowers having Excess Availability of less than $3,000,000, (iii) any Credit Party or other Subsidiary of a Credit Party receives notice of the revocation of its Medicare or Medicaid certification and the loss of such certification which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (iv) one or more Credit Parties or Subsidiaries of a Credit Party receives notice that such Person(s) will be excluded from participation in Medicare, Medicaid or other federal or state healthcare program and such exclusion could reasonably be expected to have a Material Adverse Effect.

Section 7.2 Non-Bankruptcy Defaults. When any Event of Default other than those described in subsection (j) or (k) of Section 7.1 hereof has occurred and is continuing, the Agent shall, by written notice to Borrower Representative: (a) if so directed by the Required Lenders, terminate or suspend the remaining Commitments and all other obligations of the Lenders hereunder on the date stated in such notice (which may be the date thereof); (b) if so directed by the Required Lenders, declare the principal of and the accrued interest on all outstanding Loans to be forthwith due and payable and thereupon all outstanding Loans, including both principal and interest thereon, shall be and become immediately due and payable together with all other amounts payable under the Loan Documents without further demand, presentment, protest or notice of any kind; and (c) if so directed by the Required Lenders, and otherwise may, demand that Borrowers immediately pay to the Agent an amount equal to 105% of the then full available amount for drawing under each or any Letter of Credit, including, without limitation, any and all L/C Obligations, and each Borrower agrees to immediately make such payment and acknowledges and agrees that the Lenders would not have an adequate remedy at law for failure by any Borrower to honor any such demand and that the Agent, for the benefit of itself and the Lenders, shall have the right to require each Borrower to specifically perform such undertaking whether or not any drawings or other demands for payment have been made under any Letter of Credit. The Agent, after giving notice to Borrower Representative pursuant to Section 7.1(c) or this Section 7.2, shall also promptly send a copy of such notice to the other Lenders, but the failure to do so shall not impair or annul the effect of such notice.

Section 7.3 Bankruptcy Defaults. When any Event of Default described in subsections (j) or (k) of Section 7.1 hereof has occurred and is continuing, then all outstanding Loans shall immediately become due and payable together with all other amounts payable under the Loan Documents without presentment, demand, protest or notice of any kind, the Commitments and any and all other obligations of the Lenders to extend further credit pursuant to any of the terms hereof shall immediately terminate and Borrowers shall immediately pay to the Agent the full amount then available for drawing under all outstanding Letters of Credit, including, without limitation, any and all L/C Obligations, each Borrower acknowledging and agreeing that the Lenders would not have an adequate remedy at law for failure by any Borrower to honor any such demand and that the Lenders, and the Agent on their behalf, shall have the right to require each Borrower to specifically perform such undertaking whether or not any draws or other demands for payment have been made under any of the Letters of Credit.

Section 7.4 Collateral for Undrawn Letters of Credit.

(a) If the prepayment of the amount available for drawing under any or all outstanding Letters of Credit, including, without limitation, any and all L/C Obligations, is required under Section 2.8(b) or under Section 7.2 or 7.3 above, Borrowers shall forthwith pay the amount required to be so prepaid, to be held by the Agent as provided in subsection (b) below.

(b) All amounts prepaid pursuant to subsection (a) above shall be held by the Agent in one or more separate collateral accounts (each such account, and the credit balances, properties, and any investments from time to time held therein, and any substitutions for such account, any certificate of deposit or other instrument evidencing any of the foregoing and all proceeds of and earnings on any of the foregoing being collectively called the "*Collateral Account*") as security for, and for application by the Agent (to the extent available) to, the reimbursement of any payment under any Letter of Credit then or thereafter made by the applicable L/C Issuer, and to the payment of the unpaid balance of any other Obligations. The Collateral Account shall be held in the name of and subject to the exclusive dominion and control of the Agent for the benefit of the Agent, the Lenders, and the applicable L/C Issuer. If and when requested by Borrower Representative, the Agent shall invest funds held in the Collateral Account from time to time in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America with a remaining maturity of one (1) year or less, *provided* that the Agent is irrevocably authorized to sell investments held in the Collateral Account when and as required to make payments out of the Collateral Account for application to amounts due and owing from any Borrower to the applicable L/C Issuer, the Agent or the Lenders; *provided, however,* that if (i) any Borrower shall have made payment of all such obligations referred to in subsection (a) above, (ii) all relevant preference or other disgorgement periods relating to the receipt of such payments have passed, and (iii) no Letters of Credit, Commitments, Loans or other Obligations remain outstanding hereunder, then the Agent shall release to Borrower Representative any remaining amounts held in the Collateral Account.

Section 7.5 Notice of Default. The Agent shall give notice to Borrower Representative under Section 7.1(c) hereof promptly upon being requested to do so by any Lender and shall at such time also notify all the Lenders thereof.

Section 7.6 Expenses. Each of the Credit Parties agrees to pay to the Agent and each Lender, and any other holder of any Note outstanding hereunder, all reasonable costs and expenses incurred or paid by the Agent and such Lender or any such holder, including reasonable attorneys' fees and court costs, in connection with any Default or Event of Default or the enforcement (or forbearance) of any of the Loan Documents (including all such costs and expenses incurred in connection with any proceeding under the Bankruptcy Code involving any Credit Party or any Subsidiary as a debtor thereunder).Each of the Credit Parties agree that Agent and the Lenders shall have the right, at any time that any Default or Event of Default exists, at the cost and expense of the Credit Parties, to engage a consultant to review the business, financial conditions and operations of the Credit Parties, and the Credit Parties agree to grant access to all financial and corporate information and books and records of the Credit Parties and cooperate and assist such consultant as requested by Agent and the Lenders.

SECTION 8

CHANGE IN CIRCUMSTANCES AND CONTINGENCIES.

Section 8.1 Funding Indemnity. If any Lender shall incur any loss, cost or expense (including, without limitation, any loss of profit, and any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by such Lender to fund or maintain any Eurodollar Loan or the relending or reinvesting of such deposits or amounts paid or prepaid to such Lender or by reason of breakage of interest rate swap agreements or the liquidation of other hedging contracts or agreements) as a result of:

(a) any payment, prepayment or conversion of a Eurodollar Loan on a date other than the last day of its Interest Period,

(b) any failure (because of a failure to meet the conditions of Section 3 or otherwise) by any Borrower to borrow or continue a Eurodollar Loan, or to convert a Base Rate Loan or Daily Floating LIBOR Loan into a Eurodollar Loan, on the date specified in a notice given pursuant to Section 2.5(a) hereof,

(c) any failure by any Borrower to make any payment of principal on any Eurodollar Loan when due (whether by acceleration or otherwise),

(d) any acceleration of the maturity of a Eurodollar Loan as a result of the occurrence of any Event of Default hereunder, or

(e) any assignment required by Section 8.6(b),

then, upon the demand of such Lender, Borrowers shall pay to such Lender such amount as will reimburse such Lender for such loss, cost or expense. If any Lender makes such a claim for compensation, it shall provide to Borrower Representative, with a copy to the Agent, a certificate setting forth the amount of such loss, cost or expense in reasonable detail (including an explanation of the basis for and the computation of such loss, cost or expense) and the amounts shown on such certificate shall be conclusive absent manifest error. Notwithstanding any other provision of this Agreement, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loans in any manner it sees fit, it being understood, however, that for the

purposes of this Agreement all determinations hereunder with respect to Eurodollar Loans shall be made as if each Lender had actually funded and maintained each Eurodollar Loan through the purchase of deposits in the interbank eurodollar market having a maturity corresponding to such Loan's Interest Period, and bearing an interest rate equal to LIBOR for such Interest Period.

Section 8.2 Illegality. Notwithstanding any other provisions of this Agreement or any other Loan Document, if at any time any Change in Law makes it unlawful for any Lender to make or continue to maintain any Eurodollar Loans and/or Daily Floating LIBOR Loans, as applicable, or to perform its obligations as contemplated hereby, such Lender shall promptly give notice thereof to Borrower Representative and the Agent and such Lender's obligations to make or maintain Eurodollar Loans and/or Daily Floating LIBOR Loans, as applicable, under this Agreement shall be suspended until it is no longer unlawful for such Lender to make or maintain Eurodollar Loans and/or Daily Floating LIBOR Loans, as applicable. Borrowers shall prepay on demand the outstanding principal amount of any such affected Eurodollar Loans and/or Daily Floating LIBOR Loans, as applicable, together with all interest accrued thereon and all other amounts then due and payable to such Lender under this Agreement; *provided, however,* subject to all of the terms and conditions of this Agreement, Borrower Representative may then elect to borrow the principal amount of the affected Eurodollar Loans and/or Daily Floating LIBOR Loans from such Lender by means of Base Rate Loans (or, if not so affected, Daily Floating LIBOR Loans) from such Lender, which Base Rate Loans (or, if not so affected, Daily Floating LIBOR Loans) shall not be made ratably by the Lenders but only from such affected Lender.

Section 8.3 Unavailability of Deposits or Inability to Ascertain, or Inadequacy of, LIBOR. If on or prior to the first day of any Interest Period for any Borrowing of Eurodollar Loans or on any day with respect to Daily Floating LIBOR Loans:

(a) the Agent determines that deposits in Dollars (in the applicable amounts) are not being offered to it in the interbank eurodollar market for such Interest Period, or that by reason of circumstances affecting the interbank eurodollar market adequate and reasonable means do not exist for ascertaining the applicable LIBOR and/or Daily Floating LIBOR, as applicable, or

(b) the Required Lenders advise the Agent that (i) LIBOR as determined by the Agent will not adequately and fairly reflect the cost to such Lenders of funding their Eurodollar Loans for such Interest Period and/or Daily Floating LIBOR will not adequately and fairly reflect the cost to such Lenders of funding their Daily Floating LIBOR Loans, as applicable or (ii) that the making or funding of Eurodollar Loans and/or Daily Floating LIBOR Loans, as applicable, has become impracticable,

then the Agent shall forthwith give notice thereof to Borrower Representative and the Lenders, whereupon until the Agent notifies Borrower Representative that the circumstances giving rise to such suspension no longer exist, the obligations of the Lenders to make Eurodollar Loans and/or Daily Floating LIBOR Loans, as applicable, shall be suspended.

Section 8.4 Increased Costs.

(a) *Increased Costs Generally*. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted LIBOR or Daily Floating LIBOR) or any L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any L/C Issuer or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, such L/C Issuer or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, L/C Issuer or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, L/C Issuer or other Recipient, the Borrowers will pay to such Lender, L/C Issuer or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, L/C Issuer or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements*. If any Lender or L/C Issuer determines that any Change in Law affecting such Lender or L/C Issuer or any lending office of such Lender or such Lender's or L/C Issuer's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or L/C Issuer's capital or on the capital of such Lender's or L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Loans held by, such Lender, or the Letters of Credit issued by any L/C Issuer, to a level below that which such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or L/C Issuer's policies and the policies of such Lender's or L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement*. A certificate of a Lender or L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or L/C Issuer or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower Representative, shall be conclusive absent manifest error. The Borrowers shall pay such Lender or L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) *Delay in Requests*. Failure or delay on the part of any Lender or L/C Issuer to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or L/C Issuer's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or L/C Issuer pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or L/C Issuer, as the case may be, notifies the Borrower Representative of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 8.5 Taxes.

(a) *Defined Terms*. For purposes of this Section 8.5, the term "Lender" includes any L/C Issuer and the term "applicable law" includes FATCA.

(b) *Payments Free of Taxes*. Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) *Payment of Other Taxes by the Credit Parties*. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(d) *Indemnification by the Credit Parties*. The Credit Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower Representative by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) *Indemnification by the Lenders*. Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.10 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (e).

(f) *Evidence of Payments*. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 8.5, such Credit Party shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(g) *Status of Lenders*. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower Representative and the Agent, at the time or times reasonably requested by the Borrower Representative or the Agent, such properly completed and executed documentation reasonably requested by the Borrower Representative or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower Representative or the Agent, shall deliver to the Borrower Representative such other documentation prescribed by applicable law or reasonably requested by the Borrower Representative or the Agent as will enable the Borrower Representative or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 8.5(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to such Borrower and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower Representative or the Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower Representative or the Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of such Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "*U.S. Tax Compliance Certificate*") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower Representative or the Agent), executed originals of any other form prescribed by applicable law as a basis for

claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit such Borrower or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to such Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower Representative or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such Borrower or the Agent as may be necessary for the Borrower Representative and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify such Borrower, the Borrower Representative and the Agent in writing of its legal inability to do so.

(h) *Treatment of Certain Refunds*. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 8.5 (including by the payment of additional amounts pursuant to this Section 8.5), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) *Survival*. Each party's obligations under this Section 8.5 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 8.6 Mitigation Obligations; Replacement of Lenders.

(a) *Designation of a Different Lending Office*. If any Lender requests compensation under Section 8.4, or requires any Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 8.5, then such Lender shall (at the request of the Borrower Representative) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 8.4 or 8.5, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) *Replacement of Lenders*. If any Lender requests compensation under Section 8.4, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 8.5 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 8.6(a), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower Representative may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.10), all of its interests, rights (other than its existing rights to payments pursuant to Section 8.4 or Section 8.5) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that:

(i) the Borrowers shall have paid to the Agent the assignment fee (if any) specified in Section 10.10;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in Reimbursement Obligations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.1) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 8.4 or payments required to be made pursuant to Section 8.5, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower Representative to require such assignment and delegation cease to apply.

Section 8.7 Defaulting Lenders.

(a) *Defaulting Lender Adjustments*. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) *Waivers and Amendments*. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) *Defaulting Lender Waterfall*. Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 10.14 shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any L/C Issuer or Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 8.8; *fourth*, as the Borrower Representative may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; *fifth*, if so determined by the Agent and the Borrowers, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 8.8; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuers or Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuers or Swing Line Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by any Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or Reimbursement Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the

related Letters of Credit were issued at a time when the conditions set forth in Section 3.1 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and Reimbursement Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or Reimbursement Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Loans are held by the Lenders pro rata in accordance with the Commitments under the applicable Facility without giving effect to Section 8.7(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 8.7(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees*. (A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive L/C Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 8.8.

(C) With respect to any L/C Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrowers shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) *Reallocation of Participations to Reduce Fronting Exposure*. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 3.1 are satisfied at the time of such reallocation (and, unless the Borrowers shall have otherwise notified the Agent at such time, the Borrowers shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) *Cash Collateral, Repayment of Swing Loans*. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrowers shall, without prejudice to any right or remedy available to them hereunder or under law, (x) first, prepay Swing Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 8.8.

(b) *Defaulting Lender Cure*. If the Borrower Representative, the Agent and each Swing Line Lender and L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable Facility (without giving effect to Section 8.7(a)(iv), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) *New Swing Loans/Letters of Credit*. So long as any Lender is a Defaulting Lender, (i) no Swing Line Lender shall be required to fund any Swing Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Loan and (ii) no L/C Issuer shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Section 8.8 Cash Collateral.

(a) *Cash Collateral*. At any time that there shall exist a Defaulting Lender, within one (1) Business Day following the written request of the Agent or any L/C Issuer (with a copy to the Agent) the Borrowers shall Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 8.7(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(b) *Grant of Security Interest*. Each Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Agent, for the benefit of the L/C Issuers, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of L/C Obligations, to be applied pursuant to clause (c) below. If at any time the Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Agent and the L/C Issuers as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrowers will, promptly upon demand by the Agent, pay or provide to the Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(c) *Application*. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 8.8 or Section 8.7 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) *Termination of Requirement*. Cash Collateral (or the appropriate portion thereof) provided to reduce any L/C Issuer's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 8.8 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Agent and each L/C Issuer that there exists excess Cash Collateral; *provided* that, subject to Section 8.7, the Person providing Cash Collateral and each L/C Issuer may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and *provided further* that to the extent that such Cash Collateral was provided by the Borrowers, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

SECTION 9

THE AGENT.

Section 9.1 Appointment and Authority. Each of the Lenders and the L/C Issuers hereby irrevocably appoints Fifth Third to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent, the Lenders and the L/C Issuers, and no Credit Party shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 9.2 Rights as a Lender. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, any Credit Party or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.3 Exculpatory Provisions. (a) The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Credit Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

(b) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.11, 7.2 or 7.3), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Agent in writing by the Borrower Representative, a Lender or an L/C Issuer.

(c) The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 3 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

Section 9.4 Reliance by Agent. The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Agent may presume that such condition is satisfactory to such Lender or L/C Issuer unless the Agent shall have received notice to the contrary from such Lender or L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for the Borrower Representative), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 9.5 Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 9.6 Resignation of Agent. (a) The Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Borrower Representative. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower Representative, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders and the L/C Issuers, appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower Representative and such Person remove such Person as Agent and, in consultation with the Borrower Representative, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "*Removal Effective Date*"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders or the L/C Issuers under any of the Loan Documents, the retiring or removed Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) except for any indemnity payments owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent (other than any rights to indemnity payments owed to the retiring or removed Agent), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower Representative and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.13 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as Agent.

Section 9.7 Non-Reliance on Agent and Other Lenders. Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and L/C Issuer also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or any Syndication Agent, Documentation Agent or Collateral Agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent, a Lender or an L/C Issuer hereunder. The Agent shall have the continuing right, for purposes hereof, at any time and from time to time to designate one or more of the Lenders (and/or its or their Affiliates) as "syndication agents," "documentation agents," "arrangers" or other designations for purposes hereto, but such designation shall have no substantive effect, and such Lenders and their Affiliates shall have no additional powers, duties or responsibilities as a result thereof.

Section 9.9 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower Representative) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Agent under Sections 2.13 and 10.13) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and L/C Issuer to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.13 and 10.13.

Section 9.10 Collateral and Guaranty Matters. (a) The Lenders irrevocably authorize the Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held by the Agent under any Loan Document (x) upon termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Agent and the applicable L/C Issuer shall have been made), (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents, or (z) subject to Section 10.11, if approved, authorized or ratified in writing by the Required Lenders;

(ii) to subordinate any Lien on any property granted to or held by the Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.12(e); and

(iii) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Agent at any time, the Required Lenders will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10.

(b) The Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Section 9.11 Authorization to Enter into, and Enforcement of, the Collateral Documents. The Agent is hereby irrevocably authorized by each of the Lenders to execute and deliver the Collateral Documents on behalf of each of the Lenders and their Affiliates and to take such action and exercise such powers under the Collateral Documents as the Agent considers appropriate; *provided that* the Agent shall not amend the Collateral Documents unless such amendment is agreed to in writing by the Required Lenders; *provided further that* the consent of the Required Lenders shall not be required to amend any account control agreement, landlord waiver, bailee waiver or similar agreement. Each Lender acknowledges and agrees that it will be bound by the terms and conditions of the Collateral Documents upon the execution and delivery thereof by the Agent. Except as otherwise specifically provided for herein, no Lender (or its Affiliates) other than the Agent shall have the right to institute any suit, action or proceeding in equity or at law for the foreclosure or other realization upon any Collateral or for the execution of any trust or power in respect of the Collateral or for the appointment of a receiver or for the enforcement of any other remedy under the Collateral Documents; it being understood and intended that no one or more of the Lenders (or their Affiliates) shall have any right in any manner whatsoever to affect, disturb or prejudice the Lien of the Agent (or any security trustee therefor) under the Collateral Documents by its or their action or to enforce any right thereunder, and that all proceedings at law or in equity shall be instituted, had, and maintained by the Agent (or its security trustee) in the manner provided for in the relevant Collateral Documents for the benefit of the Lenders and their Affiliates.

SECTION 10

MISCELLANEOUS.

Section 10.1 [Reserved].

Section 10.2 No Waiver; Cumulative Remedies. No delay or failure on the part of the Agent or any Lender or on the part of the holder or holders of any of the Obligations in the exercise of any power or right under any Loan Document shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Agent, the Lenders and of the holder or holders of any of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 10.3 Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 10.4 [Reserved].

Section 10.5 Survival of Representations. All representations and warranties made herein or in any other Loan Document or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any Lender or the L/C Issuer has any Commitment hereunder or any Obligations remain unpaid hereunder.

Section 10.6 Survival of Indemnities. All indemnities and other provisions relative to reimbursement to the Lenders of amounts sufficient to protect the yield of the Lenders with respect to the Loans and Letters of Credit, including, but not limited to, Sections 8.1, 8.4, 10.1, 10.4 and 10.13 hereof, shall survive the termination of this Agreement and the other Loan Documents and the Payment in Full of the Obligations.

Section 10.7 Sharing of Set-Off. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; *provided* that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Reimbursement Obligations to any assignee or participant, other than to any Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Credit Party in the amount of such participation.

Section 10.8 Notices.

(a) *Notices Generally*. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

(i) if to any Credit Party, to it at Addus Healthcare, Inc., 2300 Warrenville Road, Suite 100, Downers Grove, Illinois 60515, Attention of Dennis Meulemans (Facsimile No. 630-487-2707; Telephone No. 630-296-3548), with a copy to: Winston & Strawn LLP, 200 Park Avenue, New York, New York 10166, Attention of John G. Kalyvas, Esq. (Facsimile No. 212-294-4700; Telephone No. 212-294-4757);

(ii) if to the Agent, to Fifth Third at Fifth Third Bank, as Agent, 222 South Riverside Plaza, 30th Floor, Chicago, Illinois 60606, Attention of Michael E. May (Facsimile No. 312-704-4127; Telephone No. 312-704-4037) with a copy to: Vedder Price P.C., 222 North LaSalle St., Chicago, Illinois 60601, Attention of Thomas E. Schnur, Esq. (Facsimile No. 312-609-5005; Telephone No. 312-609-7715);

(iii) if to Fifth Third in its capacity as L/C Issuer, to it at 222 South Riverside Plaza, 30th Floor, Chicago, Illinois 60606, Attention of Michael E. May (Facsimile No. 312-704-4127; Telephone No. 312-704-4037), and if to any other L/C Issuer, to it at the address provided in writing to the Agent and the Borrower Representative at the time of its appointment as an L/C Issuer hereunder;

(iv) if to a Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) *Electronic Communications*. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender or L/C Issuer pursuant to Section 2.5 if such Lender or L/C Issuer, as applicable, has notified the Agent that it is incapable of receiving notices under such Article by electronic communication.

The Agent or the Borrower Representative may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) *Change of Address, etc*. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) *Platform*.

(i) Each Credit Party agrees that the Agent may, but shall not be obligated to, make the Communications (as defined below) available to the L/C Issuers and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "*Platform*").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Agent or any of its Related Parties (collectively, the "*Agent Parties*") have any liability to any Credit Party, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Credit Party's or the Agent's transmission of communications through the Platform. "*Communications*" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agent, any Lender or any L/C Issuer by means of electronic communications pursuant to this Section, including through the Platform.

Section 10.9 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but

all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.10 Successors and Assigns; Assignments and Participations.

(a) *Successors and Assigns Generally*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Assignments by Lenders*. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:

(i) *Minimum Amounts*.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Facility) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning

Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "*Trade Date*" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $3,000,000, in the case of any assignment in respect of the Revolving Credit, unless each of the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower Representative otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) *Proportionate Amounts*. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis.

(iii) *Required Consents*. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower Representative (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower Representative shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five (5) Business Days after having received notice thereof; and *provided*, *further*, that the Borrower Representative's consent shall not be required during the primary syndication of the Facilities;

(B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of the Revolving Credit if such assignment is to a Person that is not a Lender with a Commitment in respect of such Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender;

and

(C) the consent of each L/C Issuer and each Swing Line Lender shall be required for any assignment in respect of the Revolving Credit.

(iv) *Assignment and Assumption*. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; *provided* that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) *No Assignment to Certain Persons*. No such assignment shall be made to (A) any Credit Party, the Sponsor or any of their respective Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) *No Assignment to Natural Persons*. No such assignment shall be made to a natural Person.

(vii)*Certain Additional Payments*. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower Representative and the Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent, each L/C Issuer, each Swing Line Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 8.4 and 10.13 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) *Register*. The Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at one of its offices in Cincinnati, Ohio a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the

Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Credit Parties, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower Representative and any Lender, at any reasonable time and from time to time upon reasonable prior notice. All commitments, loans, letters of credit, and other obligations under this Agreement are intended to be in "registered form" under Section 5f.103-1(c) of the United States Treasury Regulations.

(d) *Participations*. Any Lender may at any time, without the consent of, or notice to, the Borrower Representative or the Agent, sell participations to any Person (other than a natural Person or any Credit Party or any Credit Party's Affiliates or Subsidiaries) (each, a "*Participant*") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Credit Parties, the Agent, the L/C Issuers and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.13(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.11(b) that affects such Participant. Each Credit Party agrees that each Participant shall be entitled to the benefits of Sections 8.4, 8.1 and 8.5 (subject to the requirements and limitations therein, including the requirements under Section 8.5(g) (it being understood that the documentation required under Section 8.5(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 8.6 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 8.4 or 8.5, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower Representative's request and expense, to use reasonable efforts to cooperate with the Borrower Representative to effectuate the provisions of Section 8.6 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.14 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 10.7 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the

"*Participant Register*"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(e) *Certain Pledges*. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) *Electronic Execution of Assignments.* The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Illinois Electronic Commerce Security Act, or any other similar state laws whether or not based on the Uniform Electronic Transactions Act.

Section 10.11 Amendments.

(a) No failure or delay by the Agent, any L/C Issuer or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent, the L/C Issuers and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Credit Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Agent, any Lender or any L/C Issuer may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrowers and the

Required Lenders or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Agent and the Credit Parties that are parties thereto, with the consent of the Required Lenders; *provided* that no such agreement shall (A) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender), (B) reduce or forgive the principal amount of any Loan or L/C Obligation or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) affected thereby, (C) postpone any scheduled date of payment of the principal amount of any Loan or L/C Obligation, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) affected thereby, (D) change Section 2.9 (Place and Application of Payments) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender (including any such Lender that is a Defaulting Lender), (E) amend the definition of Borrowing Base or add new categories of eligible assets, without the written consent of each Revolving Lender (other than any Defaulting Lender), (F) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (G) change Section 8.7 (Defaulting Lenders), without the consent of each Lender (other than any Defaulting Lender), (H) release any Guarantor from its Guarantied Obligations (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender (other than any Defaulting Lender), or (I) except as provided in this Section 10.11 or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender (other than any Defaulting Lender); *provided* further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Agent, any L/C Issuer or the Swing Loan Lender hereunder without the prior written consent of the Agent, such L/C Issuer or the Swing Loan Lender, as the case may be (it being understood that any change to Section 8.7 (Defaulting Lenders) shall require the consent of the Agent, each L/C Issuer and the Swing Loan Lender) provided further that any waiver or amendment to cure any ambiguity, omission, defect or inconsistency in any Loan Document shall only require the signature of Agent and Borrowers. The Agent may also amend the Schedule 1 (Commitments) to reflect assignments entered into pursuant to Section 10.10.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitments of such Lender may not be increased or extended without the consent of such Lender.

Section 10.12 Headings. Section headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

Section 10.13 Costs and Expenses; Indemnification.

(a) *Costs and Expenses*. The Credit Parties shall pay (i) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Agent, in connection with the syndication of the Facilities, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all out-of-pocket expenses incurred by the Agent, any Lender or any L/C Issuer (including the fees, charges and disbursements of any counsel for the Agent, any Lender or any L/C Issuer), and shall pay all fees and time charges for attorneys who may be employees of the Agent, any Lender or any L/C Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) *Indemnification by the Credit Parties*. The Credit Parties shall indemnify the Agent (and any sub-agent thereof), each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "*Indemnitee*") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Credit Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Credit Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Credit Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Credit Party, or any Subsidiary or Affiliates of any Credit Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Credit Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, such Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 10.13(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) *Reimbursement by Lenders*. To the extent that the Credit Parties for any reason fail to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Agent (or any sub-agent thereof), any L/C Issuer, any Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent), such L/C Issuer, such Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); *provided* that with respect to such unpaid amounts owed to any L/C Issuer or Swing Line Lender solely in its capacity as such, only the Revolving Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) *provided*, *further*, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent), such L/C Issuer or such Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent), such L/C Issuer or any such Swing Line Lender in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 10.20.

(d) *Waiver of Consequential Damages, Etc*. To the fullest extent permitted by applicable law, no Credit Party shall assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) *Payments*. All amounts due under this Section shall be payable promptly (and, in any event within three (3) Business Days) after demand therefor.

(f) *Survival*. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

Section 10.14 Set-off. Subject to Section 2.15(b), if an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such L/C Issuer or any such Affiliate, to or for the

credit or the account of any Credit Party against any and all of the obligations of such Credit Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Credit Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 8.7 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent, the L/C Issuers, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and L/C Issuer agrees to notify the Borrower Representative and the Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.15 Entire Agreement. The Loan Documents constitute the entire understanding of the parties thereto with respect to the subject matter thereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

Section 10.16 Governing Law. This Agreement and the other Loan Documents and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, internal laws of the State of Illinois (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Section 10.17 Severability of Provisions. Any provision of any Loan Document which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Agreement and the other Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Agreement and other Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or the other Loan Documents invalid or unenforceable.

Section 10.18 Excess Interest. Notwithstanding any provision to the contrary contained herein or in any other Loan Document, no such provision shall require the payment or permit the collection of any amount of interest in excess of the maximum amount of interest permitted by applicable law to be charged for the use or detention, or the forbearance in the collection, of all

or any portion of the Loans or other obligations outstanding under this Agreement or any other Loan Document ("*Excess Interest*"). If any Excess Interest is provided for, or is adjudicated to be provided for, herein or in any other Loan Document, then in such event (a) the provisions of this Section shall govern and control, (b) no Credit Party, nor any other obligor or endorser shall be obligated to pay any Excess Interest, (c) any Excess Interest that the Agent or any Lender may have received hereunder shall, at the option of the Agent, be (i) applied as a credit against the then outstanding principal amount of Obligations hereunder and accrued and unpaid interest thereon (not to exceed the maximum amount permitted by applicable law), (ii) refunded to Borrowers, or (iii) any combination of the foregoing, (d) the interest rate payable hereunder or under any other Loan Document shall be automatically subject to reduction to the maximum lawful contract rate allowed under applicable usury laws (the "*Maximum Rate*"), and this Agreement and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the relevant interest rate, and (e) neither any Credit Party or any other obligor or endorser shall have any action against the Agent or any Lender for any Damages whatsoever arising out of the payment or collection of any Excess Interest. Notwithstanding the foregoing, if for any period of time interest on any of the Obligations is calculated at the Maximum Rate rather than the applicable rate under this Agreement, and thereafter such applicable rate becomes less than the Maximum Rate, the rate of interest payable on the Obligations shall remain at the Maximum Rate until the Lenders have received the amount of interest which such Lenders would have received during such period on the Obligations had the rate of interest not been limited to the Maximum Rate during such period.

Section 10.19 Construction. The parties acknowledge and agree that the Loan Documents shall not be construed more favorably in favor of any party hereto based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation of the Loan Documents. The provisions of this Agreement relating to Subsidiaries shall apply only during such times as any Credit Party has one or more Subsidiaries. Nothing contained herein shall be deemed or construed to permit any act or omission which is prohibited by the terms of any Collateral Document, the covenants and agreements contained herein being in addition to and not in substitution for the covenants and agreements contained in the Collateral Documents.

Section 10.20 Lender's and L/C Issuer's Obligations Several. The obligations of the Lenders and L/C Issuers hereunder are several and not joint. Nothing contained in this Agreement and no action taken by the Lenders or L/C Issuers pursuant hereto shall be deemed to constitute the Lenders or L/C Issuers a partnership, association, joint venture or other entity.

Section 10.21 USA PATRIOT Act. Each Lender hereby notifies each of the Credit Parties that pursuant to the requirements of the PATRIOT Act it is required to obtain, verify and record information that identifies each of the Credit Parties, which information includes the name and address of each of the Credit Parties and other information that will allow such Lender to identify each of the Credit Parties in accordance with the PATRIOT Act.

Section 10.22 Submission to Jurisdiction; Waiver of Jury Trial.

(a) *Jurisdiction*. Each Credit Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether

in law or equity, whether in contract or in tort or otherwise, against the Agent, any Lender, any L/C Issuer, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Illinois sitting in Cook County, and of the United States District Court of the Northern District of Illinois (Eastern Division), and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Illinois State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Agent, any Lender or any L/C Issuer may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Credit Party or its properties in the courts of any jurisdiction.

(b) *Waiver of Venue*. Each Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (a) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) *Service of Process*. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.8. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(d) *WAIVER OF JURY TRIAL*. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.23 Treatment of Certain Information; Confidentiality. Each of the Agent, the Lenders and the L/C Issuers agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the

confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to any Borrower and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating any Credit Party or its Subsidiaries or the Facilities or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Facilities; (h) with the consent of the Borrower Representative; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than any Credit Party.

For purposes of this Section, "*Information*" means all information received from any Credit Party or any of its Subsidiaries relating to any Credit Party or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by any Credit Party or any of its Subsidiaries; *provided* that, in the case of information received from any Credit Party or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 10.24 Subordination of Intercompany Indebtedness. Each Credit Party hereby agrees that any Indebtedness of any other Credit Party or any Subsidiary of such Credit Party or any other Credit Party now or hereafter owing to such Credit Party, whether heretofore, now or hereafter created (the "*Credit Party Subordinated Debt*"), is hereby subordinated to all of the Obligations and that, upon the occurrence and during the continuance of an Event of Default, the Credit Party Subordinated Debt shall not be paid in whole or in part until Payment in Full of the Obligations. No Credit Party shall make or accept any payment of or on account of any Credit Party Subordinated Debt at any time in contravention of the foregoing. Each payment on the Credit Party Subordinated Debt received in violation of any of the provisions hereof shall be deemed to have been received by such Credit Party as trustee for the Agent and shall be paid over to the Agent immediately on account of the Obligations, but without otherwise affecting in any manner such Credit Party's liability hereunder. Each Credit Party agrees to file all claims against the Credit Party from whom the Credit Party Subordinated Debt is owing in any bankruptcy or other proceeding in which the filing of claims is required by law in respect of any Credit Party Subordinated Debt, and the Agent shall be entitled to all of such Credit Party's

rights thereunder. If for any reason any Credit Party fails to file such claim at least ten (10) Business Days prior to the last date on which such claim should be filed, such Credit Party hereby irrevocably appoints the Agent as its true and lawful attorney-in-fact, and the Agent is hereby authorized to act as attorney-in-fact in such Credit Party's name to file such claim or, in the Agent's discretion, to assign such claim to and cause proof of claim to be filed in the name of the Agent or its nominee. In all such cases, whether in administration, bankruptcy or otherwise, the Person or Persons authorized to pay such claim shall pay to the Agent the full amount payable on the claim in the proceeding, and, to the full extent necessary for that purpose, each Credit Party hereby assigns to the Agent all of such Credit Party's rights to any payments or distributions to which such Credit Party otherwise would be entitled. If the amount so paid is greater than such Credit Party's liability hereunder, the Agent shall pay the excess amount to the party entitled thereto. In addition, each Credit Party hereby irrevocably appoints the Agent as its attorney-in-fact to exercise all of such Credit Party's voting rights in connection with any bankruptcy proceeding or any plan for the reorganization of any Borrower or any Credit Party from whom the Credit Party Subordinated Debt is owing.

Section 10.25 Certain Disclaimer. In order to comply with the so-called "Anti-Assignment Rule" promulgated by CMS, each Lender who is the provider of services in connection with any Banking Services Obligations expressly waives any right of set-off of (and any right to cause any Affiliate of such Lender to set-off) funds on deposit in any lockbox(es) established for receiving checks and other forms of collections from Governmental Authorities on account of governmental receivables or related deposit account(s) into which Medicare or Medicaid make payment directly against any of the Obligations. The Lenders acknowledge and agree that with respect to the Government Receivables Lockbox Accounts into which Government Receivables are deposited that the Borrowers shall retain the right to change the sweep instructions for such Governmental Receivables Lockbox Accounts, and Borrowers acknowledge that any change in instructions that are inconsistent with Section 2.15 of this Agreement constitutes an immediate Event of Default under this Agreement.

Section 10.26 Prior Agreements.

(a) This Agreement shall become effective, and shall amend and restate the Original Loan Agreement, upon the execution of this Agreement by Borrowers, the other Credit Parties, Agent and the Lenders and upon the satisfaction of the conditions contained in Section 3 hereof; and from and after such effective time, (i) all references made to the Original Loan Agreement in the Loan Documents or in any other instrument or document executed and/or delivered pursuant thereto shall, without any further action, be deemed to refer to this Agreement and (ii) the Original Loan Agreement shall be deemed amended and restated in its entirety hereby. Notwithstanding anything in this Agreement to the contrary, the security provisions set forth in Article 5 of the Original Loan Agreement are amended and restated pursuant to the terms of the Security Agreement.

(b) This Agreement and certain of the other Loan Documents executed and delivered in connection herewith are entered into and delivered to Agent and the Lenders in replacement of and substitution for, and not in payment of or satisfaction for, the Original Loan Agreement. All Loan Documents, including, the other instruments, documents and agreements executed and delivered in connection with the Original Loan Agreement, are hereby reaffirmed

and shall continue in full force and effect, as may be amended, restated or otherwise modified in connection herewith. Each Credit Party acknowledges that the Loans and other indebtedness, obligations and liabilities, including, without limitation, the Liabilities (as such term is defined in the Original Loan Agreement) evidenced by the Original Loan Agreement have not been satisfied but instead have become part of the Loans and Obligations under this Agreement and under the other Loan Documents executed in connection herewith. Each Credit Party further acknowledges that (1) all of the Liens granted by each of the Borrowers and each other Credit Party under the Original Loan Agreement, and (2) all instruments, documents and agreements executed in connection with the Original Loan Agreement are hereby reaffirmed and shall continue hereafter to secure the Obligations under the Loan Documents so long as any portion of the Obligations remain outstanding.

SECTION 11

GUARANTY.

Section 11.1 Guaranty. Each Credit Party (each to be referred to in this Section 11 as a Guarantor and collectively as the Guarantors) hereby agrees that it is jointly and severally liable for, and, as primary obligor and not merely as surety, absolutely and unconditionally guarantees to the Lenders the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of Obligations as a Guarantor and all costs and expenses including, without limitation, all court costs and attorneys' and paralegals' fees (including allocated costs of in-house counsel and paralegals) and expenses paid or incurred by the Agent, the L/C Issuers and the Lenders in endeavoring to collect all or any part of such specific Obligations from, or in prosecuting any action against, the obligor thereof (such costs and expenses, together with the Obligations, collectively the "*Guarantied Obligations*"). Each Guarantor further agrees that the Guarantied Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal.

Section 11.2 Guaranty of Payment. This Guaranty is a guaranty of payment and not of collection. Each Guarantor waives any right to require the Agent, any L/C Issuer or any Lender to sue any Borrower, any Guarantor, any other guarantor, or any other Person obligated for all or any part of the Guarantied Obligations, or otherwise to enforce its payment against any collateral securing all or any part of the Guarantied Obligations.

Section 11.3 No Discharge or Diminishment of Guaranty.

(a) Except as otherwise provided for herein and to the extent provided for herein, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the Payment in Full in cash of the Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guarantied Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other guarantor of or other Person liable for any of the Guarantied Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Borrower, any Guarantor, or any other guarantor of or other Person

liable for any of the Guarantied Obligations, or their assets or any resulting release or discharge of any obligation of any Borrower, any Guarantor, or any other guarantor of or other Person liable for any of the Guarantied Obligations; or (iv) the existence of any claim, setoff or other rights which any Guarantor may have at any time against any Borrower, any Guarantor, any other guarantor of the Guarantied Obligations, the Agent, any L/C Issuer, any Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guarantied Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Borrower, any Guarantor or any other guarantor of or other Person liable for any of the Guarantied Obligations, of the Guarantied Obligations or any part thereof.

(c) Further, the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Agent, any L/C Issuer or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guarantied Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guarantied Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of any Borrower for all or any part of the Guarantied Obligations or any obligations of any other guarantor of or other Person liable for any of the Guarantied Obligations; (iv) any action or failure to act by the Agent, any L/C Issuer or any Lender with respect to any collateral securing any part of the Guarantied Obligations; (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guarantied Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the Payment in Full).

Section 11.4 Waiver of Defenses. To the fullest extent permitted by applicable law, each Guarantor hereby waives any defense based on or arising out of any defense of any Borrower or any Guarantor or the unenforceability of all or any part of the Guarantied Obligations from any cause, or the cessation from any cause of the liability of any Borrower or any Guarantor, other than the Payment in Full. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Borrower, any Guarantor, any other guarantor of any of the Guarantied Obligations, or any other Person. The Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guarantied Obligations, compromise or adjust any part of the Guarantied Obligations, make any other accommodation with any Borrower, any Guarantor, any other guarantor or any other Person liable on any part of the Guarantied Obligations or exercise any other right or remedy available to it against any Borrower, any Guarantor, any other guarantor or any other Person liable on any of the Guarantied Obligations, without affecting or impairing in any way the liability of such Guarantor under this Guaranty except for the Payment in Full of the Obligations. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election

even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Borrower, any other guarantor or any other Person liable on any of the Guarantied Obligations, as the case may be, or any security.

Section 11.5 Rights of Subrogation. No Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Borrower, any Guarantor, any Person liable on the Guarantied Obligations, or any collateral, until Payment in Full in cash of the Obligations.

Section 11.6 Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Guarantied Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of any Borrower or otherwise, each Guarantor's obligations under this Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Agent, the L/C Issuers and the Lenders are in possession of this Guaranty. If acceleration of the time for payment of any of the Guarantied Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guarantied Obligations shall nonetheless be payable by the Guarantors forthwith on demand by the Lender.

Section 11.7 Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guarantied Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs under this Guaranty, and agrees that neither the Agent, any L/C Issuer nor any Lender shall have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

Section 11.8 Termination. The Lenders may continue to make loans or extend credit to any Borrower based on this Guaranty until five (5) days after the Agent receives written notice of termination from any Guarantor. Notwithstanding receipt of any such notice, each Guarantor will continue to be liable to the Lender for any Guarantied Obligations created, assumed or committed to prior to the fifth (5th) day after receipt of the notice, and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of that Guarantied Obligations.

Section 11.9 Severability. The provisions of this Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Guaranty, then, notwithstanding any other provision of this Guaranty to the contrary, the amount of such liability shall, without any further action by the Guarantors or the Lenders, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Guarantor's "*Maximum Liability*". This Section with respect to the Maximum Liability of each Guarantor is intended solely to preserve the rights of the Lenders to the maximum extent

not subject to avoidance under applicable law, and no Guarantor nor any other Person or entity shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Guarantor hereunder shall not be rendered voidable under applicable law. Each Guarantor agrees that the Guarantied Obligations may at any time and from time to time exceed the Maximum Liability of each Guarantor without impairing this Guaranty or affecting the rights and remedies of the Lenders hereunder, provided that, nothing in this sentence shall be construed to increase any Guarantor's obligations hereunder beyond its Maximum Liability.

Section 11.10 Contribution**.** In the event any Guarantor (a "*Paying Guarantor*") shall make any payment or payments under this Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Guaranty, each other Guarantor (each a "*Non-Paying Guarantor*") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "Pro Rata Share" of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Section 11, each Non-Paying Guarantor's "Pro Rata Share" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from the Borrowers after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Guarantors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Guarantor, the aggregate amount of all monies received by such Guarantors from the Borrowers after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Guarantor's several liability for the entire amount of the Guarantied Obligations (up to such Guarantor's Maximum Liability). Each of the Guarantors covenants and agrees that its right to receive any contribution under this Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of the Guarantied Obligations. This provision is for the benefit of both the Agent, the L/C Issuers, the Lenders and the Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

Section 11.11 Liability Cumulative. The liability of each Credit Party as a Guarantor under this Section 11 is in addition to and shall be cumulative with all liabilities of each Credit Party to the Agent, the L/C Issuers and the Lenders under this Agreement and the other Loan Documents to which such Credit Party is a party or in respect of any obligations of liabilities of the other Credit Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

Section 11.12 Eligible Contract Participant. Notwithstanding anything to the contrary in any Loan Document, no Guarantor shall be deemed under this Section 11 to be a guarantor of any Swap Obligations if such Guarantor was not an "eligible contract participant" as defined in § 1a(18) of the Commodity Exchange Act, at the time the guarantee under this Section 11 becomes effective with respect to such Swap Obligation and to the extent that the providing of such guarantee by such Guarantor would violate the Commodity Exchange Act; *provided*,

however, that in determining whether any Guarantor is an "eligible contract participant" under the Commodity Exchange Act, the guarantee of the Credit Party Obligations of such Guarantor under this Section 11 by a Guarantor that is also a Qualified ECP Guarantor shall be taken into account.

Section 11.13 Keepwell. Without limiting anything in this Section 11, each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time to each Guarantor that is not an "eligible contract participant" under the Commodity Exchange Act at the time the guarantee under this Section 11 becomes effective with respect to any Swap Obligation, to honor all of the Obligations of such Guarantor under this Section 11 in respect of such Swap Obligations (*provided*, *however*, that each Qualified ECP Guarantor shall only be liable under this Section 11.13 for the maximum amount of such liability that can be hereby incurred without rendering its undertaking under this Section 11.13, or otherwise under this Section 11, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The undertaking of each Qualified ECP Guarantor under this Section 11.13 shall remain in full force and effect until termination of the Commitments and payment in full of all Loans and other Obligations. Each Qualified ECP Guarantor intends that this Section 11.13 constitute, and this Section 11.13 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Guarantor that would otherwise not constitute an "eligible contract participant" under the Commodity Exchange Act.

SECTION 12

BORROWER REPRESENTATIVE.

Section 12.1 Appointment; Nature of Relationship. Addus Healthcare is hereby appointed by each of the Credit Parties as its contractual representative ("*Borrower Representative*") hereunder and under each other Loan Document, and each of the Credit Parties irrevocably authorizes Borrower Representative to act as the contractual representative of such Borrower with the rights and duties expressly set forth herein and in the other Loan Documents. Borrower Representative agrees to act as such contractual representative upon the express conditions contained in this Section 12. Additionally, Borrowers hereby appoint Borrower Representative as their agent to receive all of the proceeds of the Loans in the Funding Account, at which time Borrower Representative shall promptly disburse such Loans to the appropriate Borrower. The Agent and the Lenders, and their respective officers, directors, agents or employees, shall not be liable to Borrower Representative, any Borrower or any other Person for any action taken or omitted to be taken by Borrower Representative or Borrowers pursuant to this Section 12.

Section 12.2 Powers. Borrower Representative shall have and may exercise such powers under the Loan Documents as are specifically delegated to Borrower Representative by the terms of each thereof, together with such powers as are reasonably incidental thereto. Borrower Representative may execute any of its duties as Borrower Representative hereunder and under any other Loan Document by or through Responsible Officers.

Section 12.3 Notices. Each Credit Party shall immediately notify Borrower Representative of the occurrence of any Default or Event of Default hereunder referring to this Agreement describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that Borrower Representative receives such a notice, Borrower Representative shall give prompt notice thereof to the Agent and the Lenders. Any notice provided to Borrower Representative hereunder shall constitute notice to each Credit Party on the date received by Borrower Representative.

Section 12.4 Successor Borrower Representative. Upon the prior written consent of the Agent, Borrower Representative may resign at any time, such resignation to be effective upon the appointment of a successor Borrower Representative. Agent shall give prompt written notice of such resignation to the Lenders.

Section 12.5 Execution of Loan Documents. Credit Parties hereby empower and authorize Borrower Representative, on behalf of the Credit Parties, to execute and deliver to the Agent and the Lenders the Loan Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Loan Documents, including without limitation, the Notice of Borrowing and Compliance Certificates. Each Credit Party agrees that any action taken by Borrower Representative or the Credit Parties in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by Borrower Representative of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Credit Parties.

Section 12.6 Reporting. Each Credit Party hereby agrees that such Credit Party shall furnish to Borrower Representative all reports, notices, information and other documents required hereunder or requested by Borrower Representative to enable Borrower Representative to fulfill its duties hereunder and under the other Loan Documents on which Borrower Representative shall rely to prepare the certificates, reports, notices and other documents required pursuant to the provisions of this Agreement and the other Loan Documents.

(*Signature Pages Follow*)

This Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

BORROWERS:

ADDUS HEALTHCARE, INC., an Illinois corporation
ADDUS HEALTHCARE (IDAHO), INC., a Delaware corporation
ADDUS HEALTHCARE (INDIANA), INC., a Delaware corporation
ADDUS HEALTHCARE (NEVADA), INC., a Delaware corporation
ADDUS HEALTHCARE (NEW JERSEY), INC., a Delaware corporation
ADDUS HEALTHCARE (NORTH CAROLINA), INC., a Delaware corporation
BENEFITS ASSURANCE CO., INC., a Delaware corporation
FORT SMITH HOME HEALTH AGENCY, INC., an Arkansas corporation
LITTLE ROCK HOME HEALTH AGENCY, INC., an Arkansas corporation
LOWELL HOME HEALTH AGENCY, INC., an Arkansas corporation
PHC ACQUISITION CORPORATION, a California corporation
PROFESSIONAL RELIABLE NURSING SERVICE, INC., a California corporation
ADDUS HEALTHCARE (SOUTH CAROLINA), INC., a Delaware corporation
ADDUS HEALTHCARE (DELAWARE), INC., a Delaware corporation
CURA PARTNERS, LLC, a Tennessee limited liability company

By: /s/ Mark Heaney
Mark Heaney
As President of each of the above listed entities and in such capacity, intending by this signature to legally bind each of the above entities

GUARANTOR:

ADDUS HOMECARE CORPORATION, a Delaware corporation

By: /s/ Mark Heaney
Mark Heaney
President

AGENT AND LENDER:

FIFTH THIRD BANK, an Ohio banking corporation, as a Lender, as L/C Issuer, and as Agent

By /s/ Michael E. May
Michael E. May
Vice President

EXHIBIT A

NOTICE OF PAYMENT REQUEST

[Date]

[Name of Lender]
[Address]

Attention:

Reference is made to the Amended and Restated Credit and Guaranty Agreement, dated as of August 11, 2014, among **ADDUS HEALTHCARE, INC.**, an Illinois corporation ("*Addus Healthcare*"), **ADDUS HEALTHCARE (IDAHO), INC.**, a Delaware corporation ("*Addus Idaho*"), **ADDUS HEALTHCARE (INDIANA), INC.**, a Delaware corporation ("*Addus Indiana*"), **ADDUS HEALTHCARE (NEVADA), INC.**, a Delaware corporation ("*Addus Nevada*"), **ADDUS HEALTHCARE (NEW JERSEY), INC.**, a Delaware corporation ("*Addus New Jersey*"), **ADDUS HEALTHCARE (NORTH CAROLINA), INC.**, a Delaware corporation ("*Addus North Carolina*"), **BENEFITS ASSURANCE CO., INC.**, a Delaware corporation ("*Benefits Assurance*"), **FORT SMITH HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Fort Smith*"), **LITTLE ROCK HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Little Rock*"), **LOWELL HOME HEALTH AGENCY, INC**., an Arkansas corporation ("*Lowell*"), **PHC ACQUISITION CORPORATION**, a California corporation ("*PHC Acquisition*"), **PROFESSIONAL RELIABLE NURSING SERVICE, INC.**, a California corporation ("*Professional Reliable*"), **ADDUS HEALTHCARE (SOUTH CAROLINA), INC.**, a Delaware corporation ("*Addus South Carolina*"), **ADDUS HEALTHCARE (DELAWARE), INC.**, a Delaware corporation ("*Addus Delaware*"), **CURA PARTNERS, LLC**, a Tennessee limited liability company ("*Cura*"; Addus Healthcare, Addus Idaho, Addus Indiana, Addus Nevada, Addus New Jersey, Addus North Carolina, Benefits Assurance, Fort Smith, Little Rock, Lowell, PHC Acquisition, Professional Reliable, Addus South Carolina, Addus Delaware, Cura and each other Person that becomes a "Borrower" hereunder pursuant to a Joinder Agreement are collectively referred to herein as the "*Borrowers*" and individually referred to herein, each a "*Borrower*"), and **ADDUS HOMECARE CORPORATION**, a Delaware corporation ("*Holdings*"), the other Credit Parties, the Lenders party thereto, and Fifth Third Bank, an Ohio banking corporation, as Agent (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). Capitalized terms used herein and not defined herein have the meanings assigned to them in the Credit Agreement. [Borrower has failed to pay its Reimbursement Obligation in the amount of $. Your Applicable Percentage of the unpaid Reimbursement Obligation is $] or [has been required to return a payment by Borrower of a Reimbursement Obligation in the amount of $. Your Revolver Percentage of the returned Reimbursement Obligation is $.]

Very truly yours,

FIFTH THIRD BANK, as L/C Issuer

By _____
Name _____
Title _____

EXHIBIT B

NOTICE OF BORROWING

Date: _____, __

To: Fifth Third Bank, an Ohio banking corporation, as Agent for the Lenders parties to the Amended and Restated Credit and Guaranty Agreement dated as of August 11, 2014 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*"), among **ADDUS HEALTHCARE, INC.**, an Illinois corporation ("*Addus Healthcare*"), **ADDUS HEALTHCARE (IDAHO), INC.**, a Delaware corporation ("*Addus Idaho*"), **ADDUS HEALTHCARE (INDIANA), INC.**, a Delaware corporation ("*Addus Indiana*"), **ADDUS HEALTHCARE (NEVADA), INC.**, a Delaware corporation ("*Addus Nevada*"), **ADDUS HEALTHCARE (NEW JERSEY), INC.**, a Delaware corporation ("*Addus New Jersey*"), **ADDUS HEALTHCARE (NORTH CAROLINA), INC.**, a Delaware corporation ("*Addus North Carolina*"), **BENEFITS ASSURANCE CO., INC.**, a Delaware corporation ("*Benefits Assurance*"), **FORT SMITH HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Fort Smith*"), **LITTLE ROCK HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Little Rock*"), **LOWELL HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Lowell*"), **PHC ACQUISITION CORPORATION**, a California corporation ("*PHC Acquisition*"), **PROFESSIONAL RELIABLE NURSING SERVICE, INC.**, a California corporation ("*Professional Reliable*"), **ADDUS HEALTHCARE (SOUTH CAROLINA), INC.**, a Delaware corporation ("*Addus South Carolina*"), **ADDUS HEALTHCARE (DELAWARE), INC.**, a Delaware corporation ("*Addus Delaware*"), **CURA PARTNERS, LLC**, a Tennessee limited liability company ("*Cura*"; Addus Healthcare, Addus Idaho, Addus Indiana, Addus Nevada, Addus New Jersey, Addus North Carolina, Benefits Assurance, Fort Smith, Little Rock, Lowell, PHC Acquisition, Professional Reliable, Addus South Carolina, Addus Delaware, Cura and each other Person that becomes a "Borrower" hereunder pursuant to a Joinder Agreement are collectively referred to herein as the "*Borrowers*" and individually referred to herein, each a "*Borrower*"), and **ADDUS HOMECARE CORPORATION**, a Delaware corporation ("*Holdings*"), the other Credit Parties, certain Lenders which are signatories thereto, and Fifth Third Bank, an Ohio banking corporation, as Agent

Ladies and Gentlemen:

The undersigned Borrower Representative refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 2.5 of the Credit Agreement, of the Borrowing specified below:

1. The Business Day of the proposed Borrowing is , .
2. The aggregate amount of the proposed Borrowing is $.
3. The Borrowing is being advanced under the Revolving Credit.

4. The Borrowing is to be comprised of $ of **[Base Rate] [Eurodollar] [Daily Floating LIBOR]** Loans.

[5. The duration of the Interest Period for the Eurodollar Loans included in the Borrowing shall be months.]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of Credit Parties contained in Section 5 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as though made on and as of such date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as of such date); and

(b) no Default or Event of Default has occurred and is continuing or would result from such proposed Borrowing.

[INSERT NAME OF BORROWER REPRESENTATIVE]

By _____
Name _____
Title _____

EXHIBIT C

NOTICE OF CONTINUATION/CONVERSION

Date: _____, _____

To: Fifth Third Bank, as Agent for the Lenders parties to the Amended and Restated Credit and Guaranty Agreement dated as of August 11, 2014 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*") among **ADDUS HEALTHCARE, INC.**, an Illinois corporation ("*Addus Healthcare*"), **ADDUS HEALTHCARE (IDAHO), INC.**, a Delaware corporation ("*Addus Idaho*"), **ADDUS HEALTHCARE (INDIANA), INC.**, a Delaware corporation ("*Addus Indiana*"), **ADDUS HEALTHCARE (NEVADA), INC.**, a Delaware corporation ("*Addus Nevada*"), **ADDUS HEALTHCARE (NEW JERSEY), INC.**, a Delaware corporation ("*Addus New Jersey*"), **ADDUS HEALTHCARE (NORTH CAROLINA), INC.**, a Delaware corporation ("*Addus North Carolina*"), **BENEFITS ASSURANCE CO., INC.**, a Delaware corporation ("*Benefits Assurance*"), **FORT SMITH HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Fort Smith*"), **LITTLE ROCK HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Little Rock*"), **LOWELL HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Lowell*"), **PHC ACQUISITION CORPORATION**, a California corporation ("*PHC Acquisition*"), **PROFESSIONAL RELIABLE NURSING SERVICE, INC.**, a California corporation ("*Professional Reliable*"), **ADDUS HEALTHCARE (SOUTH CAROLINA), INC.**, a Delaware corporation ("*Addus South Carolina*"), **ADDUS HEALTHCARE (DELAWARE), INC.**, a Delaware corporation ("*Addus Delaware*"), **CURA PARTNERS, LLC**, a Tennessee limited liability company ("*Cura*"; Addus Healthcare, Addus Idaho, Addus Indiana, Addus Nevada, Addus New Jersey, Addus North Carolina, Benefits Assurance, Fort Smith, Little Rock, Lowell, PHC Acquisition, Professional Reliable, Addus South Carolina, Addus Delaware, Cura and each other Person that becomes a "Borrower" hereunder pursuant to a Joinder Agreement are collectively referred to herein as the "*Borrowers*" and individually referred to herein, each a "*Borrower*"), and **ADDUS HOMECARE CORPORATION**, a Delaware corporation ("*Holdings*"), the other Credit Parties, certain Lenders which are signatories thereto, and Fifth Third Bank, as Agent

Ladies and Gentlemen:

The undersigned Borrower Representative refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 2.5 of the Credit Agreement, of the **[conversion] [continuation]** of the Loans specified herein, that:

1. The conversion/continuation Date is , .

2. The aggregate amount of the Revolving Loans to be [converted] [continued] is $.

3. The Loans are to be [converted into] [continued as] [Eurodollar] [Base Rate] [Daily Floating LIBOR] Loans.

4. **[If applicable:]** The duration of the Interest Period for the Revolving Loans included in the **[conversion] [continuation]** shall be months.

The Borrower Representative hereby certifies that the following statements are true on the date hereof, and will be true on the proposed conversion/continuation date, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of Credit Parties contained in Section 5 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (*provided* that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as though made on and as of such date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as of such date); *provided*, *however*, that this condition shall not apply to the conversion of an outstanding Eurodollar Loan to a Base Rate Loan or Daily Floating LIBOR Loan; and

(b) no Default or Event of Default has occurred and is continuing, or would result from such proposed **[conversion] [continuation]**.

[INSERT NAME OF BORROWER REPRESENTATIVE]

By _____
Name _____
Title _____

EXHIBIT D-1

RESERVED

EXHIBIT D-2

REVOLVING NOTE

$_____ _____, _____

FOR VALUE RECEIVED, [each of] the undersigned, **[Insert Name of Borrowers]**, a(n) ([collectively,] the "*Borrowers*"), hereby [jointly and severally] promises to pay to (the "*Lender*") on the Revolving Credit Termination Date of the hereinafter defined Credit Agreement, at the principal office of Fifth Third Bank, an Ohio banking corporation, as administrative agent (in such capacity, together with its successors or assigns, the "*Agent*"), in Cincinnati, Ohio, in immediately available funds, the principal sum of Dollars ($) or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to Borrowers pursuant to the Credit Agreement, together with interest on the principal amount of each Revolving Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Revolving Note (this "*Note*") is one of the Revolving Notes referred to in the Amended and Restated Credit and Guaranty Agreement dated as of , 20 among Borrowers, the other Credit Parties party thereto from time to time, Agent and the Lenders party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder. This Note is binding upon the Borrowers and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. The Borrowers and their successors and assigns shall be jointly and severally obligated hereunder.

This Revolving Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

[INSERT NAME OF BORROWERS]

By _____
Name _____
Title _____

EXHIBIT D-3

SWING NOTE

$_____ _____, -

FOR VALUE RECEIVED, [each of] the undersigned, **[Insert Name of Borrowers]**, a(n) ([collectively,] the "*Borrowers*"), hereby [jointly and severally] promises to pay to FIFTH THIRD BANK, an Ohio banking corporation (the "*Lender*"), on the Revolving Credit Termination Date of the hereinafter defined Credit Agreement, at the principal office of Fifth Third Bank, an Ohio banking corporation, as administrative agent (in such capacity, together with its successors or assigns, the "Agent"), in Cincinnati, Ohio, in immediately available funds, the principal sum of ($) or, if less, the aggregate unpaid principal amount of all Swing Loans made by the Lender to Borrowers pursuant to the Credit Agreement, together with interest on the principal amount of each Swing Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Swing Note (this "*Note*") is the Swing Note referred to in the Amended and Restated Credit and Guaranty Agreement dated as of , 20 among Borrowers, the other Credit Parties party thereto from time to time, the Agent and the Lenders party thereto, (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder. This Note is binding upon the Borrowers and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. The Borrowers and their successors and assigns shall be jointly and severally obligated hereunder.

This Swing Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

[INSERT NAME OF BORROWERS]

By _____
Name _____
Title _____

EXHIBIT E

COMPLIANCE CERTIFICATE

To: Fifth Third Bank, as Agent under, and the Lenders party to, the Credit Agreement described below

This Compliance Certificate is furnished to the Agent and the Lenders pursuant to that certain Amended and Restated Credit and Guaranty Agreement dated as of August 11, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

The Undersigned hereby certifies that:

1. I am the duly elected of **[Insert Name of Borrower Representative]**;

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Credit Parties and their Subsidiaries during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes an Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below;

4. The financial statements required by Section 6.1 of the Credit Agreement and being furnished to you concurrently with this Compliance Certificate are true, correct and complete in all material respects as of the date and for the periods covered thereby; and

5. The representations and warranties of the Credit Parties stated in Section 5 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as though made on and as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as of such date).

6. The Schedule I hereto sets forth financial data and computations evidencing Borrower's compliance with certain covenants of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement.

7. The Schedule II hereto sets forth a comparison of current financials against the budget for such period as required by Sections 6.1(a) or (b) or (c) of the Credit Agreement.

8. The Schedule III hereto sets forth a calculation of the Borrowing Base for Borrowers as of the date hereof, and based on such Annex, the Borrowing Base as of the date hereof is: $.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Credit parties have taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I and Schedule II hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this day of , 20 .

[INSERT NAME OF BORROWER REPRESENTATIVE]

By _____
Name _____
Title _____

SCHEDULE I

TO COMPLIANCE CERTIFICATE

[Insert Name of Borrower Representative]

Compliance Calculations

for Amended and Restated Credit and Guaranty Agreement dated as of August 11, 2014

Calculations as of _____, _____

A.	Senior Leverage Ratio (Section 6.22(a))	
	1. Senior Funded Debt	$
	2. Net Income for past 4 quarters	$
	3. Interest Expense for past 4 quarters	$
	4. Income taxes for past 4 quarters	$
	5. Depreciation and amortization expense for past 4 quarters	$
	6. Non-recurring fees, costs and expenses for this transaction for such period	$
	7. Extraordinary or non-recurring expenses and losses acceptable to Agent for such period	$
	8. Non-recurring due diligence costs and expenses in connection with closed Permitted Acquisitions for such period	$
	9. Non-cash charges for such period	$
	10. Negative adjustments to contingent consideration for such period	$
	11. Stock-based compensation expense for such period	$
	12. Sum of Lines A2 through A11 (“EBITDA”)	$
	13. Ratio of Line A1 to A12	___:1.0
	14. Line A13 ratio must not exceed	___:1.0
	15. The Credit Parties are in compliance (circle yes or no)	yes/no
B.	Reserved (Section 6.22(b))	
C.	Fixed Charge Coverage Ratio (Section 6.22(c))	
	1. EBITDA (from line A12)	$
	2. Non-financed Capital Expenditures for past 4 quarters	$

	3. Income taxes for past 4 quarters	$
	4. Dividends paid in cash and permitted for past 4 quarters	$
	5. Line C1 minus the sum of Lines C2, C3 and C4	$
	6. Principal payments for past 4 quarters	$
	7. Permanent Revolving Credit Commitment reduction payments	$
	8. Interest Expense for past 4 quarters	$
	9. Sum of Lines B6, B7 and B8	$
	10. Ratio of Line B5 to Line B9	____:1.0
	11. Line B9 ratio must not be less than	___:1.0
	12. The Credit Parties are in compliance (circle yes or no)	yes/no
D.	Capital Expenditures (Section 6.22(d))	
	1. Capital Expenditures	$
	2. Capital Expenditures must be less than	$
	3. The Credit Parties are in compliance (circle yes or no)	yes/no

SCHEDULE III

TO COMPLIANCE CERTIFICATE

[Insert Name of Borrower Representative]

Borrowing Base Calculations

for Amended and Restated Credit and Guaranty Agreement dated as of August 11, 2014

Calculations as of ,

(a) EBITDA	$
(b) Applicable Advance Multiple	____ (not to exceed 3.25)
(c) Senior Funded Debt (other than Revolving Loans, L/C Obligations and Swing Loan Obligations)	$
(d) The product of (a) and (b)	$
(e) Less (c)	$

EXHIBIT F

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "*Assignment and Assumption*") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "*Assignor*") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "*Assignee*"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "*Assigned Interest*"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]:

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]:

[for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]

3. Borrower(s):

4. Agent: _____, as the Agent under the Credit Agreement

5. Credit Agreement: [The [amount] Credit Agreement dated as of _____ among [name of Borrower(s)], the Lenders parties thereto, [name of Agent], as Agent, and the other agents parties thereto]

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Facility Assigned[7]	Aggregate Amount of Commitment/Loans for all Lenders[8]	Amount of Commitment/Loans Assigned[8]	Percentage Assigned of Commitment/ Loans[9]	CUSIP Number
			$	$	%	
			$	$	%	
			$	$	%	

7. Trade Date: _____][10]

[Page break]

5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "Revolving Credit Commitment," "Term Loan Commitment," etc.)
8 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
9 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
10 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: , 20 [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][11]

[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S][12]

[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

11 Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).
12 Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to and][13] Accepted:

[NAME OF AGENT], as Agent

By: _____
Title:

[Consented to:][14]

[NAME OF RELEVANT PARTY]

By: _____
Title:

13 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

14 To be added only if the consent of the Borrower and/or other parties (e.g., Swing Line Lender, L/C Issuer) is required by the terms of the Credit Agreement.

[ ][15]

ANNEX 1

Standard Terms and Conditions for
Assignment and Assumption

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document[16], (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Credit Party, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by any Credit Party, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section (b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section (b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) [if it is a Foreign

15 Describe Credit Agreement at option of Administrative Agent.
16 The term “Loan Document” should be conformed to that used in the Credit Agreement.

Lender][17] attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.[18] Notwithstanding the foregoing, the Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the internal laws of the State of Illinois.

---

17 The concept of "Foreign Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up. If the Borrower is a U.S. Borrower, the bracketed language should be deleted.

18 The Administrative Agent should consider whether this method conforms to its systems. In some circumstances, the following alternative language may be appropriate:

"From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves."

EXHIBIT G

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "*Agreement*"), dated as of , , 20 , is entered into between , a (the "*New Subsidiary*") and **FIFTH THIRD BANK**, an Ohio banking corporation, as Agent under that certain Amended and Restated Credit and Guaranty Agreement, dated as of August , 2014 among **ADDUS HEALTHCARE, INC.**, an Illinois corporation ("*Addus Healthcare*"), **ADDUS HEALTHCARE (IDAHO), INC.**, a Delaware corporation ("*Addus Idaho*"), **ADDUS HEALTHCARE (INDIANA), INC.**, a Delaware corporation ("*Addus Indiana*"), **ADDUS HEALTHCARE (NEVADA), INC.**, a Delaware corporation ("*Addus Nevada*"), **ADDUS HEALTHCARE (NEW JERSEY), INC.**, a Delaware corporation ("*Addus New Jersey*"), **ADDUS HEALTHCARE (NORTH CAROLINA), INC.**, a Delaware corporation ("*Addus North Carolina*"), **BENEFITS ASSURANCE CO., INC.**, a Delaware corporation ("*Benefits Assurance*"), **FORT SMITH HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Fort Smith*"), **LITTLE ROCK HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Little Rock*"), **LOWELL HOME HEALTH AGENCY, INC.**, an Arkansas corporation ("*Lowell*"), **PHC ACQUISITION CORPORATION**, a California corporation ("*PHC Acquisition*"), **PROFESSIONAL RELIABLE NURSING SERVICE, INC.**, a California corporation ("*Professional Reliable*"), **ADDUS HEALTHCARE (SOUTH CAROLINA), INC.**, a Delaware corporation ("*Addus South Carolina*"), **ADDUS HEALTHCARE (DELAWARE), INC.**, a Delaware corporation ("*Addus Delaware*"), **CURA PARTNERS, LLC**, a Tennessee limited liability company ("*Cura*"; Addus Healthcare, Addus Idaho, Addus Indiana, Addus Nevada, Addus New Jersey, Addus North Carolina, Benefits Assurance, Fort Smith, Little Rock, Lowell, PHC Acquisition, Professional Reliable, Addus South Carolina, Addus Delaware, Cura and each other Person that becomes a "Borrower" hereunder pursuant to a Joinder Agreement are collectively referred to herein as the "*Borrowers*" and individually referred to herein, each a "*Borrower*"), and **ADDUS HOMECARE CORPORATION**, a Delaware corporation ("Holdings"), the other Credit Parties, the Lenders party thereto and the Agent (as may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Agent, for the benefit of Agent and the Lenders, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will be deemed to be a [if required by Agent: Borrower and] Credit Party for all purposes of the Credit Agreement and shall have all of the obligations of a [Borrower and] Credit Party thereunder as if it had been an original signatory to the Credit Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement, including without limitation (a) all of the representations and warranties of the Credit Parties set forth in Section 5 of the Credit Agreement, (b) all of the covenants set forth in Section 6 of the Credit Agreement and (c) all of the guaranty and other obligations set forth in Section 11 of the Credit Agreement. In furtherance of, and without limiting the foregoing, the New Subsidiary,

subject to the limitations set forth in Section 11.9 of the Credit Agreement, hereby guarantees, jointly and severally with the other Guarantors, to the Agent and the Lenders, as provided in Section 11 of the Credit Agreement, the prompt payment and performance of the Guarantied Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms thereof and agrees that if any of the Guarantied Obligations are not paid or performed in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the New Subsidiary will, jointly and severally together with the other Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guarantied Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

2. The New Subsidiary is, simultaneously with the execution of this Agreement, executing and delivering the Joinder Agreement to the Security Agreement and such Collateral Documents (and such other documents and instruments) as requested by the Agent in accordance with the Credit Agreement.

3. The address of the New Subsidiary for purposes of Section 10.8 of the Credit Agreement is as follows:

_____

_____

_____

4. The New Subsidiary hereby waives acceptance by the Agent and the Lenders of the guaranty by the New Subsidiary upon the execution of this Agreement by the New Subsidiary.

5. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Signature by telecopy or other electronic transmission shall bind the parties hereto.

6. This Agreement and the other Loan Documents (other than those containing an express choice-of-law provision), and the rights and duties of the parties hereto, shall be governed and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By: _____
Name: _____
Title: _____

Acknowledged and accepted:

FIFTH THIRD BANK, as Agent

By: _____
Name: _____
Title: _____

EXHIBIT H-1

[Form of]

U.S. Tax Compliance Certificate
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among [ ], and each lender from time to time party thereto.

Pursuant to the provisions of Section 8.5 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower, the Borrower Representative and the Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two (2) calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Dated: _____ ____, 20[ ]

EXHIBIT H-2

[Form of]

U.S. Tax Compliance Certificate
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among [ ], and each lender from time to time party thereto.

Pursuant to the provisions of Section 8.5 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two (2) calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Dated: _____ ____, 20[ ]

EXHIBIT H-3

[Form of]

U.S. Tax Compliance Certificate
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among [ ], and each lender from time to time party thereto.

Pursuant to the provisions of Section 8.5 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two (2) calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Dated: _____ ____, 20[ ]

EXHIBIT H-4

[Form of]

U.S. Tax Compliance Certificate
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among [ ], and each lender from time to time party thereto.

Pursuant to the provisions of Section 8.5 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower, the Borrower Representative and the Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two (2) calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Dated: _____ ____, 20[ ]

EXHIBIT I

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (this "Agreement") is dated as of [,] by and among FIFTH THIRD BANK, an Ohio banking corporation, as agent (the "Business Associate"), and [ ] (together with each of its successors and permitted assigns, individually and collectively, the "Borrower"; the Business Associate and the Borrower are referred to herein each as a "Party" and collectively as the "Parties"). This Agreement shall be effective as of [,] (the "Effective Date").

W I T N E S S E T H:

WHEREAS, the Borrower is a provider of comprehensive health care services in the home including, without limitation, skilled nursing, personal care and assistance with activities of daily living, rehabilitation therapies and adult day care and is a "covered entity" under HIPAA (as defined below) at 45 C.F.R. § 160.103;

WHEREAS, the Business Associate, in connection with the provision of loans and other financial accommodations for the Borrower, pursuant to the Amended and Restated Credit and Guaranty Agreement dated as of the date hereof between the Business Associate as a lender, the Borrower and the other credit parties party thereto (as amended, restated, supplemented or otherwise modified from time to time and together with all ancillary documents executed pursuant thereto, the "Credit Agreement"), performs certain activities that may entail the use and/or disclosure of PHI (as defined below);

WHEREAS, in connection with the Business Associate's activities, Borrower may disclose to the Business Associate information that may be deemed to be PHI under the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act, found in Title XIII of the American Recovery and Reinvestment Act of 2009 ("HITECH") and the Genetic Information Nondiscrimination Act;

WHEREAS, the Parties agree to protect the confidentiality of PHI in accordance with federal and state laws and regulations including, but not limited to, information protected by HIPAA and the and the regulations, standards, requirements and specification promulgated pursuant thereto and codified at 45 C.F.R. Part 160, 45 C.F.R. Part 164 subparts A and E (the "Privacy Rule"), 45 C.F.R. Part 164, subpart C (the "Security Rule") and 45 C.F.R. Part 164, subpart D; and

WHEREAS, the Parties agree to enter into this Agreement which will govern the disclosure of PHI by Borrower to the Business Associate, and the treatment accorded to the PHI by the Business Associate.

THEREFORE, the Parties desire to set forth the terms and conditions pursuant to which PHI will be handled between the Business Associate and the Borrower and between the Business Associate and certain third parties during the term of this Agreement and after its termination.

ARTICLE I
DEFINITIONS

1.1. Electronic Protected Health Information. Electronic Protected Health Information shall have the same meaning as the term "Electronic Protected Health Information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Borrower.

1.2. Health Care Operations. Health Care Operations shall have the meaning set out in its definition at 45 C.F.R. § 164.501, as such provision is currently drafted and as it is subsequently updated, amended or revised.

1.3. Individual. Individual shall have the same meaning as the term "individual" in 45 C.F.R. § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

1.4. Law. Law shall mean all applicable Federal and State Statutes and all relevant regulations thereunder.

1.5. Privacy Official. Privacy Official shall have the meaning as set out in its definition at 45 C.F.R. § 164.530(a)(1), as such provision is currently drafted and as it is subsequently updated, amended or revised.

1.6. PHI. PHI shall have the meaning as set out in the definition of "protected health information" at 45 C.F.R. §164.501, as such provision is currently drafted and as it is subsequently updated, amended or revised, provided that, as used in this Agreement, PHI shall refer only to such information that is received from, or created or disclosed on behalf of, the Borrower.

1.7. Secretary. Secretary shall mean the Secretary of the United States Department of Health and Human Services, or his or her designee.

1.8. Unsecured PHI. Unsecured PHI shall mean PHI that is "unsecured protected health information" as defined at 45 C.F.R. §164.402.

1.9. Other capitalized terms used but not otherwise defined in this Agreement shall have the same meaning as set forth in the Privacy Rule, the Security Rule and HITECH.

ARTICLE II
PERMITTED USES AND DISCLOSURES
OF PROTECTED HEALTH INFORMATION

2.1. General Use and Disclosure. The Business Associate performs certain activities in connection with the provision of loans and other financial accommodations to the Borrower, pursuant to the Credit Agreement, which may involve the use and disclosure of PHI. Except as otherwise specified herein, the Business Associate may make any and all uses of PHI as necessary to perform such activities, if such uses and/or disclosures would not violate the Privacy Rule or any Law if made by the Borrower; provided,

however, that any disclosures of PHI shall be made only as follows: (i) to employees, subcontractors and agents of the Business Associate in accordance with Section 3.1(e); (ii) as directed by the Borrower, or (iii) as otherwise permitted by the terms of this Agreement including, but not limited to, Section 2.2(b) and (c) below. All other uses and disclosures of PHI are prohibited.

2.2. Business Activities of the Business Associate. Business Associate recognizes the sensitive and confidential nature of the PHI that it receives from Borrower and agrees that unless otherwise limited herein, the Business Associate:

a. Shall use PHI that is in its possession solely for its proper management and administration of the transactions contemplated under the Credit Agreement, and to fulfill any present or future legal responsibilities of the Business Associate provided that such uses are permitted under state and federal confidentiality laws.

b. May disclose PHI that is in its possession to third parties for the purpose of the proper management and administration of the Business Associate or to fulfill any present or future legal responsibilities of the Business Associate, provided that the Business Associate represents to the Borrower, in writing, that (i) the disclosures are required by law, as provided for in 45 C.F.R. §164.501 or (ii) the Business Associate has received from the third party written assurances regarding its confidential handling of such PHI as required under 45 C.F.R. §164.504(e)(4).

c. May disclose PHI revealed to it by Borrower if and to the extent that any Law or court order requires such disclosure. Further, the Business Associate agrees to comply with any Law regarding the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Borrower.

2.3. Additional Activities of the Business Associate. In addition to using PHI in accordance with the terms of this Article II, the Business Associate may use PHI to create "de-identified" health information, provided that the de-identification conforms to the requirements of 45 C.F.R. § 164.514(b).

ARTICLE III
RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PROTECTED HEALTH INFORMATION

3.1. Responsibilities of the Business Associate. With regard to its use and/or disclosure of PHI, the Business Associate hereby agrees to do the following:

a. Use and/or disclose PHI only as permitted or required by this Agreement or as otherwise required by Law.

b. Use commercially reasonable efforts to maintain the security of PHI and to prevent unauthorized use and/or disclosure of PHI (an "Improper Use or Disclosure") and use reasonable safeguards designed to ensure that transmission, handling, storage and use of PHI by Business Associate will preserve the confidentiality of the PHI, in accordance with Law including, without limitation, the Privacy Rule.

c. Report to the designated Privacy Official of the Borrower, in writing, any Improper Use or Disclosure or Security Incident of which the Business Associate becomes aware within ten (10) days following the Business Associate's discovery of such Improper Use or Disclosure.

d. Mitigating, to the greatest extent possible, any adverse effects that are known to Business Associate of a use or disclosure of PHI by Business Associate (or any subcontractor or Business Associate) in violation of this Agreement.

e. To the extent that Business Associate contracts with any agents, including subcontractors, who will receive, use, or have access to PHI, Business Associate will use reasonable efforts to ensure that the agents, including subcontractors, agree to the restrictions and conditions herein on the use and/or disclosure of PHI and shall not, in any manner that violates HIPAA, the Privacy Rule, the Security Rule or other applicable Law, use or disclose PHI except as permitted or required by this Agreement and under Laws including, but not limited to, the Privacy Rule, the Security Rule and HITECH.

f. Promptly make available all records, books, agreements, policies and procedures relating to the use and/or disclosure of PHI, subject to applicable legal privileges, to the Borrower for purposes of enabling the Borrower to determine the Business Associate's compliance with the terms of this Agreement.

g. Promptly make available all records, books, agreements, policies and procedures relating to the use and/or disclosure of PHI, subject to applicable legal privileges, to the Secretary for the purpose of compliance determinations as set forth in the Privacy Rule.

h. Promptly after receiving a written request from the Borrower, provide to the Borrower such information as is requested by the Borrower to permit the Borrower to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. §164.528. Such records and accounting shall be provided to Borrower within thirty (30) days of receipt of a written request from Borrower. Information necessary to provide an accounting will be maintained by Business Associate for a period of six (6) years from the date of the disclosure.

i. Limit the use and disclosure of PHI to the appropriate minimum necessary representations as set forth in the Privacy Rule codified at 45 C.F.R. § 164.514(d).

j. To the extent Business Associate has PHI in a Designated Record Set, within thirty (30) days of receipt by Business Associate of Borrower's written request, make PHI regarding a specific individual available to Borrower. In the event Business Associate receives a request from an individual for such access, Business Associate shall promptly forward such request to Borrower, and shall,

within thirty (30) days of receipt of such request, provide Borrower with a copy of any PHI in the possession of Business Associate for which access was requested by the individual. Business Associate shall provide the PHI to Borrower in the format requested, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. The provision of the access to the individual's PHI and any denials of access to the PHI shall be the responsibility of Borrower.

k. Incorporate any amendments to PHI contained in a Designated Record Set when directed by Borrower in writing. In the event Business Associate receives an individual's request for an amendment pursuant to 45 C.F.R. § 164.526, Business Associate shall promptly forward such request to Borrower. All decisions regarding the amendment of PHI shall be the responsibility of the Borrower.

l. May provide data aggregation services relating to the health care operations of Borrower.

m. Business Associate shall, following its discovery of a breach of Unsecured PHI, notify Borrower of such breach. Such notice to Borrower shall include: (i) to the extent possible, the identification of each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been accessed, acquired or disclosed during such breach; (ii) a brief description of what happened, including the date of the breach and discovery of the breach, if known; (iii) a description of the types of Unsecured PHI that was involved in the breach; (iv) a description of what Business Associate is doing to mitigate harm to individuals, and to protect against further breaches; (v) a brief description of Business Associates' investigation into the breach and the results of such investigation; and (vi) contact information of the most knowledgeable individual for Borrower to contact relating to the breach and its investigation into the breach.

n. To the extent Business Associate performs any activities on behalf of Borrower in connection with one or more covered accounts (as that term is defined at 16 C.F.R. § 681.2(b)(3)), Business Associate shall conduct such activities in accordance with reasonable policies and procedures designated to detect, prevent, and mitigate the risk of identity theft.

3.2. Responsibilities of the Borrower. With regard to the use and/or disclosure of PHI by the Business Associate, the Borrower hereby agrees:

a. To inform the Business Associate of any changes in the form of notice of privacy practice (the "Notice") that the Borrower provides to individuals pursuant to 45 C.F.R. §164.520, which changes would affect the Business Associate's use and/or disclosure of PHI, and provide the Business Associate a copy of the Notice currently in use;

b. To notify the Business Associate, in writing and in a timely manner, of any arrangements permitted or required of the Borrower under 45 C.F.R. part 160 and 164 that may impact in any manner the use and/or disclosure of PHI by the Business Associate under this Agreement, including, but not limited to, restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. §164.522 agreed to by the Borrower; and

c. To permit the Business Associate to make any use and/or disclosure of PHI permitted under 45 C.F.R. §164.512.

ARTICLE IV
ELECTRONIC PROTECTED HEALTH INFORMATION

4.1. With respect to Electronic Protected Health Information, without limiting the other provisions of this Agreement, Business Associate will (a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Borrower, as required by the Security Rule; (b) use reasonable efforts to ensure that any agent, including a subcontractor, to whom it provides electronic PHI agrees to implement reasonable and appropriate safeguards to protect it; and (c) report to Borrower any Security Incident (as such term is defined in the Security Rule) of which it becomes aware promptly after becoming aware of such Security Incident.

4.2. Business Associate shall secure all Protected Health Information by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute and is consistent with guidance issued by the Secretary specifying the technologies and methodologies that render Protected Health Information unusable, unreadable, or undecipherable to unauthorized individuals, including the use of standards developed under Section 3002(b)(2)(B)(vi) of the Public Health Service Act, as added by Section 13101 of the HITECH Act.

ARTICLE V
TERMS AND TERMINATION

5.1. Term. This Agreement shall become effective on the Effective Date and shall continue in effect until all obligations of the Parties have been met under the Credit Agreement, unless terminated as provided in this Article V. In addition, certain provisions and requirements of this Agreement shall survive its expiration or other termination in accordance with Section 6.1 herein.

5.2. Termination and Amendment by Operation of Law. This Agreement shall terminate immediately in the event that a HIPAA Business Associate Agreement is no longer applicable or required under then current Law. If on the advice of Borrower’s or Business Associate’s counsel, Borrower or Business Associate reasonably determines that the terms of this Agreement likely would be interpreted to violate or not comply with any applicable Laws, the Parties shall negotiate in good faith to amend the Agreement to

comply with such Laws. If the Parties cannot reasonably agree on such amendment, then this Agreement shall terminate. In the event that the Law changes after the effective date of this Agreement, Parties agree to renegotiate this Agreement in good faith. If the Parties cannot reasonably agree on the terms of the renegotiated agreement, then this Agreement shall terminate immediately. The Parties acknowledge that this Agreement may be required to be amended in order to comply with the HITECH Act and/or its implementing regulations. The Parties agree to amend this Agreement as necessary prior to the effective date of such legislation and regulations in order to comply therewith. Business Associate hereby agrees that the terms and conditions of this Agreement shall be deemed to comply with the privacy and security provisions contained in the HITECH Act.

5.3. Termination for Cause by the Borrower. The Borrower may immediately terminate this Agreement if the Borrower makes the determination that the Business Associate has breached a material term of this Agreement; provided that the Borrower must first provide the Business Associate with written notice of the existence of a material breach and afford the Business Associate the opportunity to cure said material breach within fifteen (15) days before terminating this Agreement. In the event that termination of this agreement is not feasible in Borrower's sole discretion, the parties hereby acknowledge that Borrower shall have the right to report the breach to the Secretary, notwithstanding any other provision of this Agreement to the contrary.

5.4. Effect of Termination. The Parties agree that, upon the event of termination pursuant to this Article IV, where feasible, the Business Associate shall within thirty (30) days of such termination return or destroy all PHI in its possession. If the Business Associate deems it infeasible for the Business Associate to return to the Borrower or destroy all PHI that was received from, or created or disclosed on behalf of, the Borrower, pursuant to 45 C.F.R. §164.504(e)(2)(I), the Business Associate agrees to extend any and all protections, limitations and restrictions contained in this Agreement to the Business Associate's use and/or disclosure of any such PHI retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of such PHI infeasible. The Business Associate further agrees to recover any PHI that is then in the possession of its subcontractors or agents. Such PHI shall be retained by the Business Associate in accordance with the terms of this Article IV. If it is infeasible for the Business Associate to obtain from a subcontractor or agent any such PHI, the Business Associate will provide notice to the Borrower of the conditions that make return or destruction infeasible; and require the subcontractors and agents to agree to extend any and all protections, limitations and restrictions contained in this Agreement to the subcontractors' and/or agents' use and/or disclosure of such PHI, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of such PHI infeasible.

ARTICLE VI
MISCELLANEOUS

6.1. Survival. The respective rights and obligations of the Business Associate and the Borrower under the provisions of Sections 3.1(m), 5.4, 6.5, and 6.16 shall survive termination of this Agreement indefinitely. In addition, the respective rights and obligations of the Business Associate under the provisions of Sections 2.1, 2.2, 3.1 and 4.1, solely with respect to PHI the Business Associate retains in accordance with Section 5.4 because it is not feasible to return or destroy such PHI, shall survive termination of this Agreement indefinitely.

6.2. Effect on Future Agreements. The Parties may enter into other agreements from time to time that include additional functions, activities and services provided by the Business Associate, and to the extent that such agreements include the use and disclosure of PHI, the Parties agree that the terms of this Agreement shall also apply.

6.3. Amendments; Waiver. This Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the Parties and such amendment shall comply with the requirements of HIPAA, the Privacy Rule, the Security Rule, and other applicable Law. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

6.4. Severability. The Parties intend this Agreement to be enforced as written. However, if any portion or provision of this Agreement will to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected thereby, and each portion and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law and if any provision, or part thereof, is held to be unenforceable because of the duration of such provision, the Borrower and the Business Associate agree that the court making such determination shall have the power to reduce the duration of such provision, and/or to delete specific words and phrases, and in its reduced form such provision will then be enforceable and will be enforced.

6.5. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

6.6. Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or (other than for the delivery of fees) via facsimile to the facsimile telephone numbers listed below:

If to the Business Associate, to:

Fifth Third Bank
222 S. Riverside Plaza, 30th Floor
Chicago, Illinois 60606
Attn: Michael E. May
Fax: (312) 704-4127

If to the Borrower, to:

[_____]
[_____]
[_____]
Attn: [_____]
Fax: (_____) _____-_____

Each Party named above may change its address and that of its representative for notice by the giving of notice as provided above.

6.7. Interpretation. Any conflict between the terms of this Agreement regarding the use and disclosure of PHI and any other agreement between the Parties shall be resolved so that the terms of this Agreement supersede and replace the relevant terms of any such other agreement.

6.8. Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

6.9. Disputes. If any controversy, dispute or claim arises between the Parties with respect to this Agreement, the Parties shall make good faith efforts to resolve such matters informally.

6.10. Parties Bound. This Agreement and the rights and obligations hereunder shall be binding upon and inure to the benefit of the parties, and their respective heirs, personal representatives, and permitted assigns. This Agreement shall also bind and inure to the benefit of any successor of the Borrower by merger or consolidation.

6.11. Successors and Assigns. This Agreement and each party's obligations hereunder will be binding on the representatives, assigns, and successors of such party and will inure to the benefit of the assigns and successors of such party; provided, however, that the rights and obligations of the Business Associate hereunder are not assignable.

6.12. Data Ownership. Business Associate acknowledges and agrees that between Business Associate and the Borrower (and not with respect to any third party) that the Borrower is the owner of the PHI.

6.13. Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

6.14. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois.

6.15. Additional Documents. Each party shall execute any document that may be reasonably requested from time to time by the other party to implement or complete such party's obligations pursuant to this Agreement.

6.16. LIMITATION OF LIABILITY. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES OF ANY KIND OR NATURE, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE), OR OTHERWISE, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.

(Signature Pages Follow)

(Signature Page to Business Associate Agreement
[_____])

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf effective as of the Effective Date.

BUSINESS ASSOCIATE:

FIFTH THIRD BANK, an Ohio banking corporation, as Agent

By: _____
Michael E. May
Vice President

(Signature Page to Business Associate Agreement
[_____])

BORROWER: [_____]

By: _____
[_____]
[_____]

Exhibit 31.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark S. Heaney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Addus HomeCare Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervisions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2014

By: /s/ Mark S. Heaney
Mark S. Heaney
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dennis B. Meulemans, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Addus HomeCare Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervisions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2014

By: /s/ Dennis B. Meulemans
Dennis B. Meulemans
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
(AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2014 of Addus HomeCare Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark S. Heaney, President and Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2014

By: /s/ Mark S. Heaney
Mark S. Heaney
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
(AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2014 of Addus HomeCare Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dennis B. Meulemans, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2014

By: /s/ Dennis B. Meulemans
Dennis B. Meulemans
Chief Financial Officer