

Aspen Development Fund LLP Projected Balance Sheet

	2014	2015	2016	2017	2018
<u>ASSETS</u>					
Current assets:					
Cash	106,115,911	48,033,817	21,490,329	30,138,480	39,768,072
Accounts Receivable	5,345,314	5,345,314	5,345,314	5,345,314	5,345,314
Inventory	250,419	250,419	250,419	250,419	250,419
Prepaid Expenses	1,067,077	1,067,077	1,067,077	1,067,077	1,067,077
Total current assets	112,778,721	54,696,627	28,153,139	36,801,290	46,430,882
Fixed assets:					
Property and Equipment	3,063,242	2,478,754	36,444,205	104,944,958	101,852,552
Buildings Under Construction	11,940,000	71,640,000	71,640,000	0	0
Intangibles	14,463,955	12,482,095	10,797,514	9,365,620	8,148,510
Goodwill	33,205,051	33,205,051	33,205,051	33,205,051	33,205,051
Total fixed assets	62,672,248	119,805,900	152,086,770	147,515,629	143,206,113
Other assets:					
Deferred Taxes	2,745,959	2,745,959	2,745,959	2,745,959	2,745,959
Investments	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total other assets	5,245,959	5,245,959	5,245,959	5,245,959	5,245,959
Total Assets	180,696,928	179,748,485	185,485,868	189,562,877	194,882,955
<u>LIABILITY AND PARTNER'S EQUITY</u>					
Current liabilities:					
Operating LOC	1,293,777	1,293,777	1,293,777	1,293,777	1,293,777
Accounts Payable	5,223,289	5,223,289	5,223,289	5,223,289	5,223,289
Deferred Revenue	4,567,250	4,567,250	4,567,250	4,567,250	4,567,250
Total current liabilities	11,084,316	11,084,316	11,084,316	11,084,316	11,084,316
Long term liabilities:					
Due to Related Party	3,990,163	0	0	0	0
Convertible Debentures	2,570,000	2,570,000	2,570,000	2,570,000	2,570,000
Capital Lease Obligations	827,549	827,549	827,549	827,549	827,549
Long Term Debt	94,195,235	94,195,235	93,183,485	91,113,515	88,948,460
Total long term liabilities	101,582,947	97,592,784	96,581,034	94,511,064	92,346,009
Partner's equity					
Opening Equity	0	68,029,665	71,071,385	77,820,518	83,967,497
Partner Contributions	66,119,000	0	0	0	0
Partner Withdrawals	0	0	0	0	0
Net Income	1,910,665	3,041,720	6,749,132	6,146,979	7,485,132
Total partner's equity	68,029,665	71,071,385	77,820,518	83,967,497	91,452,630
Total Liabilities and Partner's Equity	180,696,928	179,748,485	185,485,868	189,562,877	194,882,955

Aspen Development Fund LLP

Projected Income Statement

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
QHR Revenues	33,874,762	38,955,977	44,799,373	51,519,279	59,247,171
Medical Clinic Revenues	3,102,607	3,102,607	30,426,607	63,582,607	63,582,607
Surgical Centre Revenues	5,939,919	5,939,919	5,939,919	5,939,919	5,939,919
Total Revenue	42,917,288	47,998,503	81,165,899	121,041,805	128,769,697
Expenditures					
COGS	6,958,032	7,405,179	7,919,398	8,510,750	9,190,804
Service Costs	14,024,152	16,127,774	18,546,940	21,328,982	24,528,329
Selling and Admin	12,228,789	14,063,108	16,172,574	18,598,460	21,388,229
Physician Profit Share	818,189	818,189	19,718,189	38,618,189	38,618,189
Wages and Benefits	2,139,132	2,139,132	3,760,662	11,868,312	11,868,312
Amortization of P&E	675,976	584,489	1,854,549	3,139,247	3,092,406
Amortization of Intangibles	2,331,600	1,981,860	1,684,581	1,431,894	1,217,110
Interest on LTD	284,376	239,862	2,187,465	4,175,460	4,080,375
Fund Administration	385,000	385,000	385,000	385,000	385,000
General and Admin	1,161,378	1,212,190	2,187,409	6,838,533	6,915,812
Total Expenditures	41,006,623	44,956,782	74,416,767	114,894,826	121,284,565
Net Income	1,910,665	3,041,720	6,749,132	6,146,979	7,485,132

Aspen Development Fund LLP

Projected Statement of Cash Flows

	2014	2015	2016	2017	2018
Operations					
Net Income	1,910,665	3,041,720	6,749,132	6,146,979	7,485,132
Add back items not affecting cash:					
Amortization of P&E	675,976	584,489	1,854,549	3,139,247	3,092,406
Amortization of Intangibles	2,331,600	1,981,860	1,684,581	1,431,894	1,217,110
Total cash provided by (used for) operations	4,918,241	5,608,069	10,288,262	10,718,120	11,794,648
Investing					
Acquisition of fixed assets	(11,940,000)	(59,700,000)	(35,820,000)	0	0
Total cash provided by (used for) investing	(11,940,000)	(59,700,000)	(35,820,000)	0	0
Financing					
Repayment of amount due to related party	0	(3,990,163)	0	0	0
Repayment of long term debt	0	0	(1,011,750)	(2,069,970)	(2,165,055)
Partner's contributions	66,119,000	0	0	0	0
Total cash used for financing	66,119,000	(3,990,163)	(1,011,750)	(2,069,970)	(2,165,055)
Increase (decrease) in cash	59,097,241	(58,082,094)	(26,543,488)	8,648,150	9,629,593
Cash, beginning of period	47,018,670	106,115,911	48,033,817	21,490,329	30,138,480
Cash, end of period	106,115,911	48,033,817	21,490,329	30,138,480	39,768,072

Aspen Development Fund LLP

2014-2018 Projection Assumptions

Revenues

- QHR is expected to see annual growth of 15%
- Newly constructed medical clinics will be staffed with 5 physicians billing \$30K/month each
- Moose Jaw, Regina and Surgical Clinic revenues are based on projections provided by Aspen Medical Canada mgmt

Expenditures

- QHR expenditures are calculated at historical percentages of total sales
- Newly constructed medical clinics will have a 70/30 revenue split with physicians
- Newly constructed medical clinics Wages and Benefits and G&A expenditures are based on the Moose Jaw clinic model
- Newly constructed clinic amortization is based on a 40 year straight line calc and interest expense is based on 85% bank financing over 25 years at 4.5%
- Moose Jaw, Regina and Surgical Clinic expenditures are based on projections provided by Aspen Medical Canada mgmt
- Fund admin includes a CEO, CFO, Admin Assistant and 5 Directors meeting 6 times a year

QHR Technologies Inc

Cash	1,592,896
Accounts Receivable	4,272,048
Inventory	7,641
Prepaid Expenses	999,459
Property and Equipment	2,287,179
Intangibles	15,544,000
Goodwill	5,580,641
Deferred Taxes	2,737,470

Total Assets	33,021,334
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Operating LOC	975,000
Accounts Payable	4,326,304
Deferred Revenue	4,446,935
Capital Lease Obligations	827,549
Long Term Debt	2,512,723

Total Liabilities	13,088,511
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Total Identifiable Net Assets	19,932,823
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Goodwill on Acquisition	25,067,177
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Total Cash Purchase Consideration	45,000,000
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Aspen Medical Canada Inc

Cash	94,611
Accounts Receivable	1,073,266
Inventory	242,778
Prepaid Expenses	67,618
Property and Equipment	1,452,039
Intangibles	1,251,555
Deferred Taxes	8,489
Investments	2,500,000

Total Assets	6,690,356
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Operating LOC	318,777
Accounts Payable	896,985
Deferred Revenue	120,315
Due to Related Party	3,990,163
Convertible Debentures	2,570,000
Long Term Debt	341,512

Total Liabilities	8,237,752
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Total Identifiable Net Assets	-1,547,396
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Goodwill on Acquisition	2,557,233
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Total Cash Purchase Consideration	1,009,837
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QHR Technologies Inc Projected Income Statement

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
QHR Revenues	33,874,762	38,955,977	44,799,373	51,519,279	59,247,171
Total Revenue	33,874,762	38,955,977	44,799,373	51,519,279	59,247,171
Expenditures					
COGS	2,980,979	3,428,126	3,942,345	4,533,697	5,213,751
Service Costs	14,024,152	16,127,774	18,546,940	21,328,982	24,528,329
Selling and Admin	12,228,789	14,063,108	16,172,574	18,598,460	21,388,229
Amortization of P&E	457,436	365,949	292,759	234,207	187,366
Amortization of Intangibles	2,331,600	1,981,860	1,684,581	1,431,894	1,217,110
Interest on LTD	131,376	86,862	0	0	0
General and Admin	338,748	389,560	447,994	515,193	592,472
Total Expenditures	32,493,079	36,443,238	41,087,193	46,642,432	53,127,256
Net Income	1,381,683	2,512,738	3,712,180	4,876,847	6,119,915

Moose Jaw Medical Clinic Projected Income Statement

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Revenues	1,654,800	1,654,800	1,654,800	1,654,800	1,654,800
Total Revenue	1,654,800	1,654,800	1,654,800	1,654,800	1,654,800
Expenditures					
Physician Profit Share	818,189	818,189	818,189	818,189	818,189
Interest on LTD	60,000	60,000	60,000	60,000	60,000
Wages and Benefits	324,306	324,306	324,306	324,306	324,306
General and Admin	183,357	183,357	183,357	183,357	183,357
Total Expenditures	1,385,852	1,385,852	1,385,852	1,385,852	1,385,852
Net Income	268,948	268,948	268,948	268,948	268,948

Aspen Surgical Clinic Projected Income Statement

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Revenues	5,939,919	5,939,919	5,939,919	5,939,919	5,939,919
Total Revenue	5,939,919	5,939,919	5,939,919	5,939,919	5,939,919
Expenditures					
COGS	3,774,765	3,774,765	3,774,765	3,774,765	3,774,765
Amortization of P&E	200,000	200,000	200,000	200,000	200,000
Interest on LTD	93,000	93,000	93,000	93,000	93,000
Wages and Benefits	1,083,828	1,083,828	1,083,828	1,083,828	1,083,828
General and Admin	348,024	348,024	348,024	348,024	348,024
Total Expenditures	5,499,617	5,499,617	5,499,617	5,499,617	5,499,617
Net Income	440,302	440,302	440,302	440,302	440,302

Regina Medical Clinic Projected Income Statement

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Revenues	1,447,807	1,447,807	1,447,807	1,447,807	1,447,807
Total Revenue	1,447,807	1,447,807	1,447,807	1,447,807	1,447,807
Expenditures					
COGS	202,288	202,288	202,288	202,288	202,288
Amortization of P&E	18,540	18,540	18,540	18,540	18,540
Wages and Benefits	730,998	730,998	730,998	730,998	730,998
General and Admin	291,249	291,249	291,249	291,249	291,249
Total Expenditures	1,243,075	1,243,075	1,243,075	1,243,075	1,243,075
Net Income	204,732	204,732	204,732	204,732	204,732

Newco Medical Clinics Projected Income Statement

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Revenues	0	0	27,324,000	60,480,000	60,480,000
Total Revenue	0	0	27,324,000	60,480,000	60,480,000
Expenditures					
Physician Profit Share	0	0	18,900,000	37,800,000	37,800,000
Interest on LTD	0	0	2,034,465	4,022,460	3,927,375
Wages and Benefits	0	0	1,621,530	9,729,180	9,729,180
Amortization of P&E	0	0	1,343,250	2,686,500	2,686,500
General and Admin	0	0	916,785	5,500,710	5,500,710
Total Expenditures	0	0	24,816,030	59,738,850	59,643,765
Net Income	0	0	2,507,970	741,150	836,235

Medical Clinic Development

Triple Net

Project Budget

	Feet		\$ Per		
Land					
100*125	12,500		50.00		625,000
Hard Costs					
Site Work	Units		\$ Per		
Site Preparation	12,500	12			150,000
Buildings (cost to build out)					
2 floors @ 6,000 ft e	12,000	150			1,800,000
Tenant Allowances floors 1 & 2	12,000	30.00			360,000
					<u>2,935,000</u>
Soft Costs					
contingency	5.00%	2,935,000			13,507
Legal Appraisal Etc	0.75%	2,935,000			22,013
Design	9.00%	2,935,000			264,150
Financing Fees	1.00%	2,935,000			29,350
Interest	3.00%	2,935,000			88,050
Development Fee	7.50%	3,065,907			229,943
					<u>647,013</u>
					<u>3,582,013</u>
Total Land & Construction Costs				cost/foot	\$ 298.50