

BINFORD MEDICAL EXCHANGE OFFER TERM SHEET

Binford Medical Developers, LLC ("Binford") would offer membership interests as described below in exchange for the currently outstanding notes (and all rights that accompany those notes) which Binford issued to direct lenders.

Class C Membership Interests Terms Summary

The Class C Membership Interests will be membership interests in Binford Medical Developers, LLC, an Indiana limited liability company.

The Class C membership interests:

1. Will be entitled to a 10% per year preferred return.
2. Preferred return payments will begin one year from date the notes are exchanged for the Class C interests.
3. Will be senior to any rights of the developer to receive distributions of any type.
4. Will be subordinate to:
 - (i) First mortgage on the property (including any replacements or refinancings); and,
 - (ii) Class B membership interest preferred return.
5. The Class C interests preferred return will be based on 60% of the amount of the notes which are exchanged for the Class C interests.
6. The Class C interests will be secured by a mortgage on the property owned by Binford. The mortgage will be subordinate to the liens specified in item 4 above.
7. Binford may redeem the Class C interests beginning on the 4th anniversary of the issuance of the Class C interests.
8. Binford may redeem the Class C interests if substantially all of the real estate which Binford owns is sold, regardless of the date of the sale.
9. If Binford redeems the Class C interests:
 - (i) You will be paid the full amount of the note which you exchanged for the Class C interests; and,
 - (ii) You will be paid all of the 10% preferred return.
10. Beginning on the 4th anniversary of the issuance of the Class C interests, you will have the right to require Binford to repurchase your Class C interests. The purchase price will be the amount of the original note which you exchanged for the Class C interest. You will also be entitled to any of the 10% annual preferred return that has not yet been paid to you at that time.