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HEALTH FACILITIES COMMISSION
DECEMBER 11, 2025
APPLICATION REVIEW

NAME OF PROJECT: Heelex, LLC

PROJECT NUMBER: CN2509-034

ADDRESS: 6450 Kingston Pike, Suite 2
Knoxville (Knox County), TN 37919

LEGAL OWNER: Heelex, LLC
6450 Kingston Pike, Suite 2
Knoxville (Knox County), TN 37919

OPERATING ENTITY: N/A

CONTACT PERSON: Scott McDearman, Attorney
(423) 756-8400

DATE FILED: September 25, 2025

PROJECT COST: \$1,603,600

PURPOSE FOR FILING: Initiation of linear accelerator services.

Staff Review

Note to Commission members: This staff review is an analysis of the statutory criteria of Need, Consumer Advantage Attributed to Competition, and Quality Standards, including data verification of the original application and, if applicable, supplemental responses submitted by the applicant. Any Health Facilities Commission (HFC) Staff comments will be presented as a "Note to Commission members" in bold italic.

PROJECT DESCRIPTION

This applicant is seeking **Consent Calendar Approval** for the initiation of linear accelerator services located at 6450 Kingston Pike, Suite 2, Knoxville (Knox County), Tennessee 37919. The service will be limited to the provision of benign (low) radiation therapy services.

Executive Summary

- If approved, the applicant projects the project will open for service in January 2026.
- The applicant currently provides low-dose radiation services, which is also known as benign radiotherapy, to its patients at Heelex Medical Center clinic. These services have historically been provided using an Xstrahl Ortho Voltage therapy machine.
- The applicant states that it will continue to provide low-dose radiation services at its clinic through the initiation of linear accelerator services.
- The applicant does not treat cancerous tumors within the body. Instead, low-dose radiation services are used to treat conditions such as plantar fasciitis, osteoarthritis, dupuytren's contracture, bursitis, tendonitis, peyronie's disease, and certain skin conditions, including warts, psoriasis, keloids, and non-melanoma skin cancers.
- The applicant states that patients typically require six to eight treatment sessions.
- The applicant states that it will initiate linear accelerator services using a Mobetron unit, to be overseen by one of the owners of the facility, Dr. Todd Scarborough, who is a radiation oncologist, but the facility will not operate as a radiation oncology center. The Mobetron unit is a higher energy radiation treatment than the Xstrahl Ortho Voltage machine delivering megavoltage from 6 – 12 Mv vs. 100-500 kV.
- The availability of the LINAC unit will allow the applicant to treat an additional range of conditions such as trochanteric bursitis and will be more precise targeting of irradiated areas than the Ortho Voltage machine.
- The applicant states that there are no significant differences between the LINAC unit and the Ortho Voltage machine related to procedure times, weights, safety, or comfort.
- The applicant states that it is the only provider of benign radiotherapy service in its proposed nine-county service area.
- There are fourteen linear accelerators in the proposed service area providing traditional megavoltage radiation therapy services: University of Tennessee Medical Center (3) ; Fort Sanders Regional Medical Center (2); North Knoxville Medical Center (2); Parkwest Medical Center (2); Methodist Medical Center – Oak Ridge (2); Turkey Creek Medical Center (1); Blount Memorial Hospital (1); and LeConte Medical Center (1).
- Please see application Item 1E. on Page 6 for the applicant's executive summary overview that includes project description, ownership, service area, existing similar service providers, project cost, and staffing.

Consent Calendar: ☒ Yes ☐ No

- Executive Director's Consent Memo Attached: ☐ Not applicable.

Facility Information

- The applicant, Heelex, LLC entered into a seven-year lease agreement with Jeffrey P. McCamy on February 18, 2020, for the proposed project space. For additional information on the leased office space and equipment, please refer to Attachment 9A.
- The applicant leases 3,060 square feet of space in the medical office building, including a connected linear accelerator vault.
- The applicant will lease the Mobetron LINAC unit for a seven-year term.
- The facility's clinical areas will include a linear accelerator vault with a control console adjacent to an existing Ortho Voltage unit within the applicant's clinic.
- The linear accelerator unit will operate Monday through Friday from 8:00 am to 4:30 pm on weekdays.

Ownership

- The proposed facility will be owned (50% each) by – Todd Scarbrough, MD - Chief Executive Officer & Medical Director - Robbie Hakeem, PhD - President & Medical Physicist.

Project Cost Chart

- The total project cost is \$1,603,600. Of this amount, the line-item costs are Fixed Equipment Costs (\$1,500,000), Legal, Administrative and Consulting Costs (\$50,000) and Other (Relocation and Installation of Equipment) Costs (\$50,000).
- For additional information, please see Project Costs Chart on Page 9 of the application.

NEED

The applicant provided the following supporting the need for the proposed project:

- The applicant's practice includes a medical clinic and a podiatry clinic serving approximately 110-130 patients per month with conditions treatable through low-dose radiation therapy which has historically been delivered through an ortho voltage machine. Each patient receives between six to eight treatments. The demand for up to 12,000 treatments per year demonstrated the level of demand for this service in the region.
- There are no other providers using benign radiotherapy to treat the types of conditions that the applicant focuses on serving.
- Medicare reimbursement policies are changing in January 2026 limiting reimbursement of low dose radiation treatments to only those procedures that are performed on a linear accelerator. The ortho voltage machine treatments will no longer be eligible. Medicare patients represent two-thirds of the applicant's

patient base and therefore the applicant must initiate LINAC services to continue to treat these patients.

- The applicant treats two types of cancer, basal cell and squamous cell, neither of which are reported in the Tennessee cancer registry. The applicant estimates that approximately 3,100 of these types of cancers are diagnosed in the service area annually based upon nationwide rates of detection.
- The applicant has included 21 letters of support/patient testimonials as Attachment – Letters of Recommendation.

(For applicant discussion, see Item 2.E., Pages 7 & 8)

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

MRT Criteria

All applicable criteria and standards were met:

Please see Attachment 1N for a full listing of the criteria and standards and the applicant's responses.

Service Area Demographics

- The service area is defined as Anderson, Blount, Grainger, Jefferson, Loudon, Knox, Roane, Sevier and Union Counties. (see Attachment 2N for a county level map).
- The target population is the population age 18 and older for the service area. (See Attachment 3N for more demographic details.)

	2025 Population		2029 Population		% Change		TennCare %
	Total	Target 18+*	Total	Target 18+*	Total	Target 18+*	
Anderson	80,627	62,089	82,334	63,295	2.1%	1.9%	19.5%
Blount	144,400	113,294	149,197	117,222	3.3%	3.5%	14.4%
Grainger	24,579	19,467	24,783	19,699	0.8%	1.2%	23.6%
Jefferson	58,783	46,450	60,612	48,186	3.1%	3.7%	21.7%
Loudon	61,596	49,574	65,232	52,579	5.9%	6.1%	15.4%
Knox	508,654	389,891	526,032	404,221	3.4%	3.7%	15.0%
Roane	55,607	44,379	55,767	44,632	0.3%	0.6%	20.1%
Sevier	101,026	78,877	103,572	80,879	2.5%	2.5%	18.8%
Union	20,745	16,096	20,966	16,422	1.1%	2.0%	24.9%
Service Area Total	1,056,017	820,117	1,088,495	847,135	3.1%	3.3%	16.7%
Tennessee Total	7,242,733	5,496,748	7,462,831	5,667,593	3.0%	3.1%	19.5%

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

*Table reflects population 20+. Applicants identified target population is 18+. Demographic data has been updated to reflect 2025-2029 by HFC staff.

- The service area is projected to grow at a faster rate (3.1%) than the State of Tennessee as a whole (3.0%) from 2025-2029.

- The percentage of individuals enrolled in TennCare is lower (16.7%) than the State of Tennessee (19.5%).

Service Area Historical Utilization

- There are (14) LINAC units located in the project service area, all operated by hospitals.

Service Area LINAC Utilization 2021-2023

County	Provider	2021 Treatments	2022 Treatments	2023 Treatments	LINAC Units	2023 Treatments Per LINAC	% Change in Treatments 2021-2023
Anderson	Methodist Medical Center – Oak Ridge	6,764	7,592	7,610	2	3,805	12.5%
Blount	Blount Memorial Hospital	3,243	3,215	4,408	1	4,408	35.9%
Knox	Fort Sanders Medical Center – Knoxville	8,237	8,858	9,441	2	4,721	14.6%
Knox	North Knoxville Medical Center	5,385	4,841	7,785	2	3,892	44.6%
Knox	Parkwest Medical Center	8,436	8,670	8,463	2	4,231	0.3%
Knox	Turkey Creek Medical Center	4,150	4,109	6,018	1	6,018	45.0%
Knox	University of Tennessee Medical Center	16,831	17,346	17,675	3	5,891	5.0%
Sevier	LeConte Medical Center	6,092	5,213	5,540	1	5,540	-9.1%

Source: CN2509-034 Attachment 5N

- The LINAC units located at Turkey Creek Medical Center are utilized at the highest rate in the service area (6,018 treatments per unit) and have increased by the largest percentage from 2021-2023 (45.0%).
- The applicant states that no other providers operating linear accelerators offer low-dose radiation therapy.

Applicant's Historical and Projected Utilization

There is no historical LINAC utilization for the applicant. Its projections for Year 1 are detailed below:

Applicants Projected MRT Utilization by County - Procedures

Service Area Counties	Projected Utilization Year 1 (2026)	% Total
Knox	4,760	85%
Anderson	112	2%
Blount	112	2%
Grainger	112	2%
Loudon	112	2%
Roane	112	2%
Sevier	112	2%
Union	112	2%
Jefferson	56	1%
Total	5,600	100%

Source: CN2509-034, Application, Page 19

- The applicant is projecting patient volume based upon the historical referrals of its patients residing in the service area. The initial utilization of the new unit is projected to be approximately 50% of the total historical utilization of its ortho voltage machine.
- The applicant projects that (85%) of its utilization will be from residents of Knox County where the facility is located.
- The applicant states that it expects utilization to reach historical levels by the third year of operation.

The following table indicates the applicant's projected utilization for Heelex, LLC:

Projected LINAC Procedures at Heelex, LLC 2026-2027

	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)
Procedures	5,600	8,400	10,500
State Health Plan Target Utilization	3,162	NA	6,323
Percent of Target Met	177%	NA	166%

Source: CN2509-034, Attachment 6N

- The number of MRT treatments to be performed at Heelex, LLC are projected to increase from 5,600 procedures in 2026 to 10,500 procedures in 2028.
- Projected utilization of the LINAC unit is expected to exceed the state health plan minimum utilization standard in Year 1 (2026) by reaching (177% - 5,600 treatments vs. 3,162 utilization standard) and exceeding state plan standards (166% - 10,500 treatments vs. 6,323 utilization standard) in Year 3 (2028).
- If approved, the applicant states most of its Medicare patients will be treated with the linear accelerator instead of the ortho voltage machine.
- The applicant states that its historical patient base for low-dosage radiation therapy has grown approximately 9.3% annually.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

- The applicant states that its historical patient base of patients choosing to receive low dose radiation therapy services to treat plantar fasciitis, osteoarthritis, dupuytren's contracture, bursitis, tendonitis, peyronie's disease, warts, psoriasis, keloids, and non-melanoma skin cancers, when alternative options such as surgery or long-term medication are available, demonstrates the advantage to consumers in the service area.

Charges

In Year One and Year Two of the proposed project, the average charges per treatment are as follows:

	Projected Data Chart	
	Year 1 (2026)	Year 2 (2027)
Gross Charges	\$214.29	\$214.29
Deduction from Revenue	\$0.00	\$0.00
Average Net Charges	\$214.29	\$214.29

Source: CN2509-034, Application, Page 27

- The applicant's states that its gross charges for each course of treatment will be approximately \$214.29 which are comparable to that applicant's charges for low-dose radiation therapy that it currently offers.

Gross Charge Comparison of LINAC Providers

Provider	County	Provider Type	LINAC Units	2023 Treatments	Gross Charges	Average Charge per Treatment
Methodist Medical Center - Oak Ridge	Anderson	HOSP	2	7,610	\$14,126,396	\$1,856.29
Blount Memorial Hospital	Blount	HOSP	1	4,408	\$11,081,782	\$2,514.02
Fort Sanders Medical Center - Knoxville	Knox	HOSP	2	9,441	\$23,283,223	\$2,466.18
North Knoxville Medical Center	Knox	HOSP	2	7,785	Not Available	NA
Parkwest Medical Center	Knox	HOSP	2	8,463	\$15,834,915	\$1,871.08
Turkey Creek Medical Center	Knox	HOSP	1	6,018	Not Available	NA
University of Tennessee Medical Center	Knox	HOSP	3	17,675	\$64,958,419	\$3,675.16
LeConte Medical Center	Sevier	HOSP	1	5,540	\$10,941,300	\$1,974.96
Heelex, LLC (proposed)	Knox	RAD	1	5,600	\$1,200,000	\$214.28
Total				53,137	\$140,226,035	\$2,638.95

Source: CN2509-034, HFC Medical Equipment Registry, HFC generated for reference. Applicant does not include a comparison table due to dissimilar services.

- The applicant states that its charges are not comparable to traditional megavoltage radiation therapy provided by the existing linear accelerators in the service area.
- The applicant's proposed gross charge of \$214.28 per treatment is significantly lower than the average of traditional MRT providers.

Project Payor Mix

The proposed project payor mix for Year One is as follows:

	Percentage of Gross Operating Revenue					
	Medicare	Medicaid	Commercial	Self-Pay	Other	Charity Care
Year 1	70.5%	1.5%	25.0%	1.5%	1.5%	0%

Source: CN2509-034, Application, Page 28

- The applicant states that it will continue to contract with all TennCare Managed Care Organizations: WellPath, BlueCross BlueShield of TN (BlueCare), United Healthcare Community Plan.
- Please refer to Item 10C. in the Consumer Advantage section of the application for specific Payor Mix information.
- A full list of in-network payors is included as Attachment 2.C.

- The applicant states that none of its commercial plans require that low dosage radiation therapy procedures be performed on a LINAC.
- The applicant expects to perform the majority of treatments for its Medicare patients in the new LINAC unit representing (70.5%) of gross revenue in Year 1.

Agreements

- The applicant states that it will not establish transfer agreements with any area hospitals because the Mobetron services pose no acute medical risk. If a medical emergency occurs, patients will be transferred by EMS through local emergency response.

Staffing

The applicant's Year One proposed staffing includes the following:

	Year One
Direct Patient Care Positions	8.0
Non-Patient Care Positions	6.0
Contractual Staff	0.0
Total	14.0

Source: CN2509-034 Attachment 8Q

- Direct Care positions includes the following: Board Certified Radiation Oncologist (1.0 FTE), Medical / Radiation Therapist (1.0 FTE), Radiation Therapists (4.0 FTEs), and Medical Assistants (2.0 FTEs).
- Non-Patient Care positions includes the following: Front Desk Receptionist (2.0 FTEs); Credentialing Specialist (1.0 FTE); Biller (1.0 FTE); Administrator (1.0 FTE); and IT/ Administrative Support (1.0 FTE).
- There are no Contractual Staff proposed by the applicant.
- The applicant does not expect to require additional staff to support the operation of the new LINAC.
- The two co-owners of the applicant are a board-certified radiation oncologist and a medical/radiation physicist.
- Please refer to Attachment 8Q. of the application for additional detail regarding project staffing.

QUALITY STANDARDS

The applicant commits to obtaining and/or maintaining the following:

Licensure	Certification	Accreditation
TDEC Division of Radiological Health	Medicare / TennCare	American Society for Therapeutic Radiation Oncology (ASTRO)* or the American College of Radiology

Source: CN2509-034, Supplemental #1, Page 6-7.

*The ASTRO Accreditation Program for Excellence ("APEX") consists of a series of standards and evidence indicators relating to the performance of radiation oncology practices, focusing on quality and safety of radiation oncology services.

- The applicant states that it will seek accreditation through either of the American College of Radiology or the American Society for Radiation Oncology, to the extent that either of those organizations provide accreditation for low dose radiotherapy. The applicant will not be providing traditional radiation oncology services. Treatments will be performed under the oversight of a board-certified radiation oncologist and a medical/radiation physicist.
- The applicant will seek licensure for the Mobetron through the Tennessee Department of Environment Conservation Division of Radiological Health, and certification through Medicare and TennCare.
- The applicant states that it employs nationally certified (AART) radiation therapists and maintains training and competency consistent with best practices.
- The LINAC unit is a Mobetron model, which the applicant states is a self-shielding unit. The room in which the LINAC will be installed already has lead-shielding. See Attachment 9A for the equipment lease.
- The applicant provides an overview of its Quality Control and Monitoring Plan for its radiation oncology services in response to Supplemental #2, Question 5 (Pages 2-4).

Application Comments

Application Comments may be filed by the Department of Health, Department of Mental Health, and Substance Abuse Services, and the Department of Disability and Aging. The following department(s) filed comments with the Commission and are attached:

- ☐ Department of Health
- ☐ Department of Mental Health and Substance Abuse Services
- ☐ Department of Disability and Aging
- ☒ **No comments were filed**

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, Outstanding Certificate of Need applications, or denied applications, pending applications on file for this applicant.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent denied applications or pending applications for other entities proposing this type of service.

Outstanding Applications

Project Name	University of Tennessee Medical Center, CN2103-010AEE
Project Cost	\$13,456,526
Approval Date	June 23, 2021
Description	The initiation of linear accelerator services at an existing satellite facility located at 5779 Creekwood Park Boulevard, Lenoir City (Loudon County), Tennessee, 37772. The proposed service area includes Loudon, McMinn, Monroe, and Roane Counties, and three ZIP codes (37922, 37932, and 37934) in West Knox County. The University of Tennessee Medical Center is owned by University Health System, Inc. which is a private, not-for-profit public benefit corporation established by The University of Tennessee Board of Trustees as authorized by the Tennessee General Assembly.
Project Status	Project Status Update – August 2025 – Development of the project has been suspended as UTMC is considering some possible changes to the structure and scope of the project. If those changes require HFC approval a request will be filed at the appropriate time.
Expiration Date	August 1, 2026

TPP (11/15/2025)

CRITERIA AND **STANDARDS**

CRITERIA & STANDARDS

Heelex currently provides benign radiotherapy services to approximately 30 patients per week. Each patient receives 6-8 radiation therapy procedures. Thus, Heelex currently provides approximately 7,900-12,000 radiation therapy treatments per year. Heelex anticipates an initial reduction in volume, as not all of patients will be treated with its linear accelerator, and reimbursement will change effective January 1, 2026. The linear accelerator allows Heelex to treat a greater variety of conditions while sparing patients' skin. Heelex will not be treating any cancerous tumors within patients' bodies. Despite the anticipated initial reduction in volume, Heelex estimates conservatively that it will treat 800 patients with the linear accelerator in 2026, 1200 in 2027 and 1500 in 2028. Each patient will need 6-8 radiotherapy treatments. The Tennessee state health plan standards and criteria for megavoltage radiation therapy services are designed for traditional radiation oncology facilities. As noted, Heelex will not be treating cancers within patients' bodies. The only cancerous growths Heelex treats are non-melanoma skin cancers. Below are each of the mega voltage radiation therapy services standards and criteria, followed by Heelex's response.

1. Determination of Need

A. These utilization standards were developed based on the following assumptions related to operating time;

1. 8 hours a day,
2. 5 treatment days per week,
3. 52 weeks per year, and
4. 95% average up-time.

Type of Linear Accelerator	Estimated Patients Per Day	Capacity Minimum (40%)	Capacity Optimal (80%)	Capacity Maximum (100%)
Non-IMRT, Non-IGRT	32	3162	6323	7904
IMRT only without OBI	32	3162	6323	7904
IMRT with OBI	38	3754	7509	9386
SRS only	14	1383	2766	3458
SBRT only	16	1581	3162	3952
Hybrid MRTs	32	1362	6323	7904

Heelex anticipates treating 21-22 patients per week in year 1, increasing to 40 patients per day by year 3. Each patient will receive 6-8 treatments of benign radiotherapy, resulting in a total of approximately 5,600 treatments in year 1, 8,400 in year 2 and 10,500 treatments year 3.

B. Applicants should use the treatment codes provided on the agent's HSDA website to calculate utilization.

- The treatments codes supplied do not address low dose radiation, and therefore are inapplicable.

C. An applicant proposing a new Linear Accelerator should project a minimum of at least 3,162 MRT procedures in the first year of service in its proposed Service Area, building to a minimum of 6,323 procedures per year by the third year of service and for every year thereafter.

- Heelex projects approximately 5,600 treatments in year 1, 8,400 treatments in year 2 and 10,500 treatments in year 3.

D. Applicants should utilize the publicly available Tennessee Cancer Registry (<https://www.tn.gov/health/health-program-areas/tcr.html>) data to estimate the need within the proposed service area. These data should then be compared to the data included in the HSDA's Medical Equipment Registry for the defined market to determine the need.

To estimate the number of radiation therapy treatment patients in its proposed service area, the applicant should multiply the number of cancer patients by 60%. A minimum of 600 cancer patients and 360 radiation patients should reside in the proposed service area. Data included in the HSDA's Medical Equipment Registry may also be used to determine the need for radiation services in the proposed service area.

- Heelex will not be treating patients with cancer other than those with non-melanoma skin cancers, principally basal cell and to a lesser extent, squamous cell growths.

2.Relationship to Existing Similar Services in the Proposed Service Area: Applicants should provide an inventory of and assess all available technologies and utilization in the service area. Additionally, the applicant should provide evidence that volumes in the proposed service area will support the introduction of new MRT services without causing existing providers to fall below the minimum thresholds outlined in the following table.

Type of Linear Accelerator	Minimum (40)%
Non-IMRT, NON-IGRT	3162
IMRT only	3162
IMRT with OBI	3754
SRS only	1383
SBRT only	1581
Hybrid MRT's	3162

a. Applicants should use the treatment codes provided on the HSDA website to calculate utilization.

- Not applicable

b. Applicants should utilize the data included in the HSDA's Medical Equipment Registry along with the publicly available Tennessee's Cancer Registry (<http://tn.gov/health/health-program-areas-tcr.html>) to estimate the capacity for all existing units located within the applicant's proposed service area.

- Because Heelex will not be treating patients with traditional radiation therapy, and because no other provider in the area treats patients with low dose radiation therapy, the capacity of existing linear accelerators in the service area is irrelevant.

c. An exception to the need standards may occur as new or improved technology and equipment or new or improved technology and equipment or new treatment applications for MRT units develop. An applicant must demonstrate that the proposed MRT Unit offers a unique and necessary technology for the provision of health care services in the proposed service area.

- Heelex currently serves over 1,400 patients per year, and even with a projected initial reduction in patient volume, Heelex will provide over 5,000 radiotherapy treatments in year 1 and 9,000 or more treatments by year 3. The only change in Heelex's operations will be the provision of low dose radiation therapy treatment using the linear accelerator instead of an Xstrahl ortho voltage machine. Low dose radiation therapy services, also known as benign radiotherapy services, are currently provided exclusively by Heelex in the service area. Heelex anticipates no change in that regard with the lease of a linear accelerator. Therefore, while new technology is not an issue here, the proposed utilization of the linear accelerator is unique to the Knoxville medical community.

3.Establishment of Service Area. For linear accelerators that do not perform SRT or SBRT procedures, the contiguous counties representing a reasonable area in which an applicant intends to provide MRT services.

Applicants should utilize the publicly available Tennessee's Cancer Registry (<https://www.tn.gov/health/health-program-areas/tcr.html>) data to estimate the need within the proposed service area. These data should then be compared to the data included in the HSDA's Medical Equipment Registry for the defined market to determine the need.

To estimate the number of radiation treatment patients in its proposed service area, the applicant should multiply the number of cancer patients by 60%. A minimum of 600 cancer patients and 360 radiation patients should reside in the proposed service area. Data included in the HSDA's Medical Equipment Registry may also be used to determine the need for radiation services in the proposed service area.

Otherwise, a service area shall be the contiguous counties representing a reasonable area in which an applicant intends to provide MRT services.

Additionally, the applicant must demonstrate that the patient origin of the proposed site aligns with other existing cancer-related healthcare services provided within the defined service.

- The majority of Heelex's current patients are from Knox County. Almost all of its patients come from Knox and its contiguous counties. Heelex will continue to provide only low dose radiation therapy services, and therefore it does not compete with cancer-related healthcare providers.

4.Access to MRT Units

- a. An MRT unit should be located at a site that allows reasonable access for residents of the proposed service area.

- b. An applicant for any proposed new Linear Accelerator should document that the proposed location of the Linear Accelerator is within a 45 minute drive time of the majority of the proposed service area's population.

- c. Applications that include non-Tennessee counties in their proposed service areas should provide evidence of the number of existing MRT units that service the non-Tennessee counties and the impact on MRT unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if those data are available).

- The new linear accelerator will be located in a treatment room at 5616 Kingston Pike, Suite 101 in Knoxville. The site is centrally located and easily accessible by car or public transportation. Given the central Knox county location, the facility is located less than a 45 minute drive from the majority of its patients.

5.Economic Efficiencies: All applicants for any proposed new MRT unit should document that lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

- Heelex currently utilizes a somewhat lower cost technology in its Xstrahl ortho voltage machine, but has determined that a linear accelerator, over time, will provide better overall treatment for patients. Specifically, a linear accelerator is gentler on patient's skin and allows Heelex to treat a broader variety of conditions, although it will not operate as a radiation oncology facility and will not treat tumors within patients' bodies. Further, beginning January 1, 2026, Medicare will no longer reimburse providers of low dose radiation therapy treatments unless they provide the treatment with a linear accelerator.

6.Separate Inventories for Linear Accelerators and for other MRT units: A separate inventory shall be maintained by the HSDA for Linear Accelerators, and, if data are available, for Linear Accelerators dedicated to SRT and/or SBRT procedures and other types of MRT Units.

- Not applicable

1. Patient Safety and Quality of Care: The applicant shall provide evidence that any proposed MRT Unit is safe and effective for its proposed use.

a. The United States Food and Drug Administration (FDA) must certify the proposed MRT Unit for clinical use.

- The linear accelerator will be FDA certified.

b. The applicant should demonstrate that the proposed MRT Units shall be housed in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

- The linear accelerator will be located in an existing treatment room. The linear accelerator will meet applicable federal standards, manufacturer specifications, and the Department of Health's requirements. Heelex will lease a Mobetron self-shielding linear accelerator, so additional shielding should be unnecessary.

c. The applicant should demonstrate how emergencies within the MRT Unit facility will be managed in conformity with accepted medical practice.

- Mobetron low dose radiation services pose no acute medical risk. In the unlikely event of an unrelated medical emergency, patients would be managed under standard EMS protocol and be transported to the nearest emergency room.

d. The applicant should establish protocols that assure that all MRT Procedures performed are medically necessary and will not unnecessarily duplicate other services.

- Heelex has in place protocols that assure that all benign radiotherapy procedures are medically necessary and do not duplicate other services.

e. An applicant proposing to acquire any MRT Unit shall demonstrate that it meets the staffing and quality assurance requirements of the American Society of Therapeutic Radiation and Oncology (ASTRO),

the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO) or a similar accrediting authority such as the National Cancer Institute (NCI).

Applicants should provide

evidence of accreditation by ASTRO, ACR, or other similar accrediting authority either as a stand-alone facility or through that of a parent organization with oversight capabilities.

- Heelex currently employs a board-certified radiation oncologist, a radiation physicist, radiation therapists, medical assistants, and other staff licensed and/or trained in the provision of radiation therapy services.

f. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subjects' transfer agreement hospital medical staff.

- Mobetron low dose radiation services pose no acute medical risk. In the unlikely event of an unrelated medical emergency, patients would be managed under standard EMS protocol and be transported to the nearest emergency room.

g. All applicants should demonstrate the ability to provide simulations and treatment planning services to support the volumes they projects and any impact such services may have on volumes and treatment times. N/A

h. Applicants should provide evidence of plans for the radiation oncology physician treating patients to participate in consultative services and a multi-disciplinary cancer committee to ensure high quality treatment for the patients. Additionally, each center should have a dedicated radiation oncologist to serve as medical director with defined responsibilities overseeing quality assurance for the site.

- Heelex will not be treating cancers subject to a cancer committee or oncologists.

i. Treatment planning at off-site centers should be coordinated with a multi-disciplinary cancer center.

- Not applicable

8.Data requirements: Applicants shall agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

- Heelex will cooperate with the Department of Health and/or Tennessee Health Facilities Commission by providing all requested information and statistical data related to the operation and provision of services and to report the data in the time and format requested.

9.Services to High-Need and Underserved Populations: Special consideration should be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including uninsured, low-income, and underserved geographic regions, as well as to other underserved population groups. This includes any applicant:

a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration,

b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program, and/or

c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program.

- As a Tenn Care provider, Heelex currently serves low-income, underserved patients. It plans to continue doing so once it begins providing services with the linear accelerator.

10.Access: An applicant should demonstrate an ability and willingness to serve equally all of the service area in which it seeks certification.

- Heelex currently serves equally all of its service area and will continue to do so once it installs the Linear Accelerator.

11.Adequate staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed service area.

- Heelex has adequate staffing to serve its patients with the linear accelerator, and anticipates recruiting, hiring, and training no additional individuals by virtue of its utilization of a linear accelerator to deliver low dose radiotherapy services.

12.Assurance of Resources: The applicant shall document that it will provide the resources necessary to properly support the applicable level of services. Included in such documentation shall be a letter of support from the applicant's governing board of directors, Chief Executive Officer, or Chief Financial Officer documenting the full commitment of the applicant to develop and maintain the facility resources, equipment, and staffing to provide the appropriate services. The applicant shall also document the financial costs of maintaining these resources and its ability to sustain them.

- Heelex will finance the project through a loan and cash reserves.

13.Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

- Need current quality assurance measures or protocols.

14.Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of TDH. The applicant shall also demonstrate its accreditation status with the Joint Commission or other applicable accrediting agency.

- Heelex will comply with all rules of the Tennessee Department of Health. Because it will be providing only low dose radiation therapy services, and is not required to be licensed, it will not be required to seek accreditation through the Joint Commission or other accrediting agency.

Criteria #1. Determination of Need

The following table outlines the utilization standards that should be used to determine need in the proposed service area.

Type of Linear Accelerator	Estimated Patients Per Day	Capacity		
		Minimum (40%)	Optimal (80%)	Maximum (100%)
Non-IMRT, Non-IGRT	32	3162	6323	7904
IMRT only without OBI	32	3162	6323	7904
IMRT with OBI	38	3754	7509	9386
SRS Only	14	1383	2766	3458
SBRT Only	16	1581	3162	3952
Hybrid MRTs	32	3162	6323	7904

Criteria #1.a. Determination of Need (Non-IMRT, Non-IGRT)

Facility	Facility Type	Projected First Three Years (MRT) Utilization	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
Heelex LLC	Clinic	Year 1 (2026)	5,600	1	Non-IMRT, Non-IGRT	5,600	3,162	177%
		Year 2 (2027)	8,400	1	Non-IMRT, Non-IGRT	8,400	NA	#VALUE!
Add Rows as Necessary		Year 3 (2028)	10,500	1	Non-IMRT, Non-IGRT	10,500	6,323	166%

Criteria #1.a. Determination of Need (IMRT only without OBI)

Facility	Facility Type	Projected First Three Years (MRT) Utilization	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
		Year 1 (20XX)			IMRT only without OBI	#DIV/0!	3,162	#DIV/0!
		Year 2 (20XX)			IMRT only without OBI	#DIV/0!	NA	#DIV/0!
Add Rows as Necessary		Year 3 (20XX)			IMRT only without OBI	#DIV/0!	6,323	#DIV/0!

Criteria #1.a. Determination of Need (IMRT with OBI)

Facility	Facility Type	Projected First Three Years (MRT) Utilization	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
		Year 1 (20XX)			IMRT with OBI	#DIV/0!	3,754	#DIV/0!
		Year 2 (20XX)			IMRT with OBI	#DIV/0!	NA	#DIV/0!
Add Rows as Necessary		Year 3 (20XX)			IMRT with OBI	#DIV/0!	7,509	#DIV/0!

Criteria #1.a. Determination of Need (SRS Only)

Facility	Facility Type	Projected First Three Years (MRT) Utilization	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
		Year 1 (20XX)			SRS Only	#DIV/0!	1,383	#DIV/0!
		Year 2 (20XX)			SRS Only	#DIV/0!	NA	#DIV/0!
Add Rows as Necessary		Year 3 (20XX)			SRS Only	#DIV/0!	2,766	#DIV/0!

Criteria #1.a. Determination of Need (SBRT Only)

Facility	Facility Type	Projected First Three Years (MRT) Utilization	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
		Year 1 (20XX)			SBRT Only	#DIV/0!	1,581	#DIV/0!
		Year 2 (20XX)			SBRT Only	#DIV/0!	NA	#DIV/0!
Add Rows as Necessary		Year 3 (20XX)			SBRT Only	#DIV/0!	3,162	#DIV/0!

Criteria #1.a. Determination of Need (Hybrid MRTs)

Facility	Facility Type	Projected First Three Years (MRT) Utilization	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
		Year 1 (20XX)			Hybrid MRTs	#DIV/0!	3,162	#DIV/0!
		Year 2 (20XX)			Hybrid MRTs	#DIV/0!	NA	#DIV/0!
Add Rows as Necessary		Year 3 (20XX)			Hybrid MRTs	#DIV/0!	6,323	#DIV/0!

Criteria #1.d. Determination of Need

PSA County	20XX Population (in 100,000s) - 4 Years from Current Year	New Cancer Rate/100K Population (CDC Age Adjusted)*	Projected New Cancer Patients/Year	Patients Needing Radiation Therapy Treatments (60%)
N/A				0
				0
Add Rows as Necessary				0

Criteria #2. Relationship to Existing Similar Services in the Proposed Service Area

Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
Parkwest Medical Center	Hospital	-2023	3,893	1	Non-IMRT, Non-IGRT	3,893	3,162	123%
University of Tennessee Medical Center	Hospital	-2023	5,892	1	Non-IMRT, Non-IGRT	5,892	3,162	186%

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

In response to the

For Non-IMRT, Non-IGRT units. Please note that because Heelix LLC does not treat invasive cancers, it does not regard this criteria as relevant. Heelix treats non-cancerous conditions, as well as basal cell and some squamous cell cancers, which are not reported on any cancer registry.

Criteria #2. Relationship to Existing Similar Services in the Proposed Service Area

Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
Add Rows as Necessary		(20XX)			IMRT only without OBI	#DIV/0!	3,162	#DIV/0!

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Criteria #2. Relationship to Existing Similar Services in the Proposed Service Area

Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
Add Rows as Necessary		(20XX)			IMRT with OBI	#DIV/0!	3,754	#DIV/0!

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Criteria #2. Relationship to Existing Similar Services in the Proposed Service Area

Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
Add Rows as Necessary		(20XX)			SRS Only	#DIV/0!	1,383	#DIV/0!

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Criteria #2. Relationship to Existing Similar Services in the Proposed Service Area

Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
Add Rows as Necessary		(20XX)			SBRT Only	#DIV/0!	1,581	#DIV/0!

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Criteria #2. Relationship to Existing Similar Services in the Proposed Service Area

Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT	Utilization Threshold per MRT Unit	% of Threshold Met
Add Rows as Necessary		(20XX)			Hybrid MRTs	#DIV/0!	3,162	#DIV/0!

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Criteria #4. Access to MRT Units

Service Area County	Distance to Proposed MRT Facility	Projected Number of Cases Year 1	% of Projected Cases Year 1
Anderson	20 miles	112	2.00%
Blount	15 miles	112	2.00%
Grainger	40 miles	112	2%
Hamblen	40 miles	112	2%
Jefferson	38 miles	56	1%
Knox	0-5 miles	4,760	85%
Roane	32 miles	112	2%

Sevier	35 miles	112	2.00%
Union	30 miles	112	2%
TOTAL		5,600	100%

LETTER OF INTENT



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

LETTER OF INTENT

The Publication of Intent is to be published in The Knoxville News Sentinel which is a newspaper of general circulation in Knox County., Tennessee, on or before 09/15/2025 for one day.

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Heelex, LLC, a/an existing clinic owned by Heelex, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for the initiation of linear accelerator services located at 6450 Kingston Pike, Suite 2, Knoxville (Knox County), Tennessee 37919. The service will be limited to the provision of benign (low) radiation therapy services.. The address of the project will be 6450 Kingston Pike, Suite 2, Knoxville, Knox, Tennessee, 37919. The estimated project cost will be \$1,203,000.

The anticipated date of filing the application is 10/01/2025

The contact person for this project is Attorney Scott McDearman who may be reached at Law firm - 633 Chestnut St., Suite 900, Chattanooga, Tennessee, 37450 – Contact No. 423-756-8400.

Scott McDearman

09/09/2025

smcdearman@gkhpc.com

Signature of Contact

Date

Contact's Email Address

The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the next business day. Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov.

HF 51 (Revised 6/1/2023)

RDA 1651



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

PUBLICATION OF INTENT

The following shall be published in the “Legal Notices” section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Heelex, LLC, a/an existing clinic owned by Heelex, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for the initiation of linear accelerator services located at 6450 Kingston Pike, Suite 2, Knoxville (Knox County), Tennessee 37919. The service will be limited to the provision of benign (low) radiation therapy services.. The address of the project will be 6450 Kingston Pike, Suite 2, Knoxville, Knox, Tennessee, 37919. The estimated project cost will be \$1,203,000.

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ORIGINAL **APPLICATION**



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

CERTIFICATE OF NEED APPLICATION

1A. Name of Facility, Agency, or Institution

Heelex, LLC

Name

6450 Kingston Pike, Suite 2

Knox

Street or Route

County

Knoxville

Tennessee

37919

City

State

Zip

<https://www.heelex.net>

Website Address

Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

2A. Contact Person Available for Responses to Questions

Scott McDearman

Attorney

Name

Title

Grant, Konvalinka, & Harrison, P.C.

smcdearman@gkhpc.com

Company Name

Email Address

633 Chestnut St., Suite 900

Street or Route

Chattanooga

Tennessee

37450

City

State

Zip

Attorney, Legal Counsel

423-756-8400

Association with Owner

Phone Number

3A. Proof of Publication

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

Date LOI was Submitted: 09/11/25

Date LOI was Published: 09/14/25

4A. Purpose of Review (Check appropriate box(es) – more than one response may apply)

- ☐ Establish New Health Care Institution
- ☐ Relocation
- ☐ Change in Bed Complement
- ☐ Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- ☐ Initiation of MRI Service
- ☐ MRI Unit Increase
- ☐ Satellite Emergency Department
- ☐ Addition of Therapeutic Catheterization
- ☐ Positron Emission Tomography (PET) Service
- ☒ Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

Initiation of HealthCare services

- ☐ Burn Unit
- ☐ Neonatal Intensive Care Unit
- ☐ Open Heart Surgery
- ☐ Organ Transplantation
- ☐ Cardiac Catheterization
- ☒ Linear Accelerator
- ☐ Home Health
- ☐ Hospice
- ☐ Opiate Addiction Treatment Provided through a Non-Residential Substitution-Based Treatment Section for Opiate Addiction

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate “N/A” (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

5A. Type of Institution (Check all appropriate boxes – more than one response may apply)

- ☐ Hospital
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- ☐ Home Health
- ☐ Hospice
- ☐ Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- ☐ Nursing Home
- ☐ Outpatient Diagnostic Center
- ☐ Rehabilitation Facility
- ☐ Residential Hospice
- ☐ Nonresidential Substitution Based Treatment Center of Opiate Addiction

☒ Other

Other -

Physician's Practice Office

Hospital -

6A. Name of Owner of the Facility, Agency, or Institution

Heelex, LLC

Name

6450 Kingston Pike, Suite 2

865-999-5988

Street or Route

Phone Number

Knoxville

Tennessee

37919

City

State

Zip

7A. Type of Ownership of Control (Check One)

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Partnership
- ☐ Corporation (For Profit)
- ☐ Corporation (Not-for-Profit)
- ☐ Government (State of TN or Political Subdivision)
- ☐ Joint Venture
- ☒ Limited Liability Company
- ☐ Other (Specify)

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

RESPONSE: Organizational Chart Heelex, LLC - Ownership & Management Structure Owners (50% each) - Todd Scarbrough, MD - Chief Executive Officer & Medical Director - Robbie Hakeem, PhD - President & Medical Physicist Executive Leadership - Stephanie Thornell - Vice President, Administration & Operation

8A. Name of Management/Operating Entity (If Applicable)

Name

Street or Route

County

City

State

Zip

Website Address

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- ☐ Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
- ☒ Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☐ Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
- ☐ Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
- ☐ Letter of Intent, or other document showing a commitment to lease the property - attach reference document
- ☐ Other (Specify)

RESPONSE: The lease is attached as Exhibit 9A.

10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

RESPONSE: See Attachment 10A which shows a complete floor plan of the first floor at 6450 Kingston Pike, Suite 2 identifying the clinical layout, including exam rooms, the Mobetron treatment area, physics/administrative space, and patient reception.

11A. Public Transportation Route

Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. (Attachment 11A)

RESPONSE: The facility is located at 6450 Kingston Pike, Suite 2, a major thoroughfare with regular bus service through the Knoxville area transit.

12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres);
- Location of structure on the site;
- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

(Attachment 12A)

RESPONSE: See Attachment 12A which shows property boundaries, acreage, parking, and the building footprint of the 6450 Kingston Pike parcel.

13A. Notification Requirements

- TCA §68-11-1607(c)(9)(B) states that “... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested.” Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.
 - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
 - ☐ Notification in process, attached at a later date
 - ☐ Notification not in process, contact HFC Staff
 - ☒ Not Applicable
- TCA §68-11-1607(c)(9)(A) states that “... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.
 - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
 - ☐ Notification in process, attached at a later date
 - ☐ Notification not in process, contact HFC Staff
 - ☐ Not Applicable

EXECUTIVE SUMMARY

1E. Overview

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.

RESPONSE:

Heelex, LLC will be leasing a linear accelerator and initiating linear accelerator services. Heelex is a medical clinic and currently provides low dose radiation services at Heelex Medical Center, located 6450 Kingston Pike, Suite 2 in Knoxville, and traditional podiatry services at Heelex Podiatry at 5616 Kingston Pike, Suite 101, also in Knoxville. The clinic employs Xstrahl Ortho Voltage therapy machines to deliver low dose radiation (also referred to as benign radiotherapy) to patients for various conditions, including but not limited to plantar fasciitis, osteoarthritis, dupuytren's contracture, bursitis, tendonitis, peyronie's disease, and certain skin conditions, including warts, psoriasis, keloids, and non-melanoma skin cancers. Heelex does not treat cancerous tumors within the body. The dosages are lower than required for the treatment of cancerous tumors, and typically involve five treatment sessions.

Heelex is applying for a Certificate of Need to augment its Xstrahl Ortho Voltage machines with a linear accelerator to treat patients for the same conditions with the use of benign radiotherapy. While the linear accelerator operation will be overseen by a radiation oncologist, Dr. Todd Scarborough, Heelex will not be operating a radiation oncology center, as its personnel do not treat cancers within patients' bodies. The linear accelerator will be located at the Heelex Medical Center at 6450 Kingston Pike, Suite 2, Knoxville, Tennessee.

-
- Ownership structure

RESPONSE: Limited Liability Company

- Service Area

RESPONSE: Knox and surrounding counties

- Existing similar service providers

RESPONSE: No other medical provider in the Knoxville area provides low dose radiation services for the treatment of conditions Heelex treats. Heelex is unaware of any similar providers in the state of Tennessee.

- Project Cost

RESPONSE: \$1,653,712.50

- Staffing

RESPONSE: Heelex has a radiation oncologist, radiation physicist, radiation therapists, and medical assistants as well as adequate administrative support personnel on staff currently. As such, Heelex anticipates hiring no additional staff.

2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed ONE PAGE (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need

RESPONSE: Heelex, LLC ("Heelex") operates a medical clinic and a separate podiatry clinic and is the only medical provider in the service area to offer low dose radiation therapy services for the treatment of numerous non-cancerous conditions, as well as some non-melanoma skin cancer. Heelex currently sees approximately 110-130 patients per month. Each patient receives 6-8 treatments of low dose radiotherapy, currently delivered via an Xstrahl ortho voltage machine. Heelex has been treating patients with low dose radiation for over five years. No other medical provider in Knoxville or its contiguous counties uses benign radiotherapy to treat conditions such as plantar fasciitis, osteoarthritis, dupuytren's contracture, bursitis, tendonitis, peyronie's disease, warts, psoriasis, keloids, and non-melanoma skin cancers. By virtue of the fact that Heelex has administered approximately 7,900-12,000 treatments per year, and while it projects treating a lower volume of patients initially, it will increase to the current volume within 2-3 years. The need is therefore apparent. Beginning in January of 2026, however, Medicare will reimburse medical providers for the low dose radiation treatments Heelex provides only if those treatments are delivered with a linear accelerator rather than an orthovoltage machine. Medicare recipients make up more than 2/3 of Heelex's radiotherapy patients. Heelex must therefore obtain a linear accelerator to continue to deliver treatment to its patients in the Knoxville area.

- Quality Standards

RESPONSE: Heelex is and will continue to be fully staffed with licensed and experienced professionals. Heelex currently has on staff a board-certified radiation oncologist, a medical/radiation physicist, and 12 additional full time employees which include: 4 radiation therapists, 2 medical assistants, 6 administrative support positions which include 2 front desk receptionists, 1 credentialing specialist, 1 biller, 1 administrator, and 1 IT/administrative support. Heelex currently accepts most private insurance as well as Tenn Care, Medicare, and Tricare making it accessible to virtually all of the population. In its almost six years of operation, Heelex has an unblemished record for providing quality services. Additionally, the linear accelerator is a Mobetron, which is a self-shielding, extremely precise instrument. Heelex has adequate space to house the Mobetron. Because the Mobetron is self-shielding, and because the room in which the Mobetron will be installed already has lead shielding, the only construction necessary will be the relocation of the extra unit to another room and the installation of the Mobetron. The cost for the relocation and installation should be approximately \$50,000. Heelix will seek accreditation through either of the American College of Radiology or the American Society for Radiation Oncology, to the extent that either of those organizations provide accreditation for low dose radiotherapy. Heelix will not be providing traditional radiation oncology services.

- Consumer Advantage

- Choice

RESPONSE: Patients certainly have multiple options to treat plantar fasciitis, osteoarthritis, dupuytren's contracture, bursitis, tendonitis, peyronie's disease, warts, psoriasis, keloids, and non-melanoma skin cancers. Heelex, however, is the only provider in the Knoxville service area to provide low dose radiation treatment for these conditions. Approval of Heelex's request to acquire a linear accelerator and initiate low dose radiation therapy services will allow Knoxville area patients to continue to exercise the option to receive low dose radiation therapy services for these conditions. Heelex makes available a unique choice in the Knoxville market. Improved

access/availability to healthcare services as the only provider of low dose radiation therapy services for many non-cancerous conditions, Heelex makes available a unique choice in the Knoxville market. Additionally, Heelex accepts most private insurance plans, as well as Tenn Care and Medicare, making the services Heelex provides accessible for virtually everyone. Finally, Heelex's treatment facility is on Kingston Pike in Knoxville, where public transportation is readily available.

- Improved access/availability to health care service(s)

RESPONSE: As the only provider of low dose radiation therapy services for many non-cancerous conditions, Heelex makes available a unique choice in the Knoxville market. Additionally, Heelex accepts most private insurance plans, as well as Tenn Care and Medicare, making these services Heelex provides accessible for virtually everyone. Finally, Heelex's treatment facility is on Kingston Pike in Knoxville, where public transportation is available.

- Affordability

RESPONSE: Treatment costs at Heelex are comparable to or less than costs for alternative treatments for the conditions Heelex treats. The average charge is approximately \$3,000.00. The average reimbursement is just over \$1,500.00.

3E. Consent Calendar Justification

- ☒ Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- ☐ Consent Calendar NOT Requested

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency's Executive Director at the time the application is filed.

4E. PROJECT COST CHART**A. Construction and equipment acquired by purchase:**

1. Architectural and Engineering Fees	
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$50,000
3. Acquisition of Site	
4. Preparation of Site	
5. Total Construction Costs	
6. Contingency Fund	
7. Fixed Equipment (Not included in Construction Contract)	\$1,500,000
8. Moveable Equipment (List all equipment over \$50,000 as separate attachments)	
9. Other (Specify): Relocation and installation of equipment.	\$50,000

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	
2. Building only	
3. Land only	
4. Equipment (Specify):	
5. Other (Specify):	

C. Financing Costs and Fees:

1. Interim Financing	
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify):	

D. Estimated Project Cost (A+B+C)	\$1,600,000
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E. CON Filing Fee	\$3,600
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F. Total Estimated Project Cost (D+E)	\$1,603,600
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TOTAL

GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with TCA §68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers.” In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

- 1N. Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. <https://www.tn.gov/hsda/hsda-criteria-and-standards.html> (Attachment 1N)

RESPONSE:

Heelex currently provides benign radiotherapy services to approximately 30 patients per week. Each patient receives 6-8 radiation therapy procedures. Thus, Heelex currently provides approximately 7,900-12,000 radiation therapy treatments per year. Heelex anticipates an initial reduction in volume, as not all of patients will be treated with its linear accelerator, and reimbursement will change effective January 1, 2026. The linear accelerator allows Heelex to treat a greater variety of conditions while sparing patients' skin. Heelex will not be treating any cancerous tumors within patients' bodies. Despite the anticipated initial reduction in volume, Heelex estimates conservatively that it will treat 800 patients with the linear accelerator in 2026, 1200 in 2027 and 1500 in 2028. Each patient will need 6-8 radiotherapy treatments. The Tennessee state health plan standards and criteria for megavoltage radiation therapy services are designed for traditional radiation oncology facilities. As noted, Heelex will not be treating cancers within patients' bodies. The only cancerous growths Heelex treats are non-melanoma skin cancers. Below are each of the mega voltage radiation therapy services standards and criteria, followed by Heelex's response.

1. Determination of Need

A. These utilization standards were developed based on the following assumptions related to operating time;

1. 8 hours a day,
2. 5 treatment days per week,
3. 52 weeks per year, and
4. 95% average up-time.

Type of Linear Accelerator	Estimated Patients Per Day	Capacity Minimum (40%)	Capacity Optimal (80%)	Capacity Maximum (100%)
Non-IMRT, Non-IGRT	32	3162	6323	7904
IMRT only without OBI	32	3162	6323	7904
IMRT with OBI	38	3754	7509	9386
SRS only	14	1383	2766	3458
SBRT only	16	1581	3162	3952
Hybrid MRTs	32	1362	6323	7904

Heelex anticipates treating 21-22 patients per week in year 1, increasing to 40 patients per day by year 3. Each patient will receive 6-8 treatments of benign radiotherapy, resulting in a total of approximately 5,600 treatments in year 1, 8,400 in year 2 and 10,500 treatments year 3.

B. Applicants should use the treatment codes provided on the agent's HSDA website to calculate utilization.

- The treatments codes supplied do not address low dose radiation, and therefore are inapplicable.

C. An applicant proposing a new Linear Accelerator should project a minimum of at least 3,162 MRT procedures in the first year of service in its proposed Service Area, building to a minimum of 6,323 procedures per year by the third year of service and for every year thereafter.

- Heelex projects approximately 5,600 treatments in year 1, 8,400 treatments in year 2 and 10,500 treatments in year 3.

D. Applicants should utilize the publicly available Tennessee Cancer Registry (<https://www.tn.gov/health/health-program-areas/tcr.html>) data to estimate the need within the proposed service

area. These data should then be compared to the data included in the HSDA's Medical Equipment Registry for the defined market to determine the need.

To estimate the number of radiation therapy treatment patients in its proposed service area, the applicant should multiply the number of cancer patients by 60%. A minimum of 600 cancer patients and 360 radiation patients should reside in the proposed service area. Data included in the HSDA's Medical Equipment Registry may also be used to determine the need for radiation services in the proposed service area.

· Heelex will not be treating patients with cancer other than those with non-melanoma skin cancers, principally basal cell and to a lesser extent, squamous cell growths.

2.Relationship to Existing Similar Services in the Proposed Service Area: Applicants should provide an inventory of and assess all available technologies and utilization in the service area. Additionally, the applicant should provide evidence that volumes in the proposed service area. Additionally, the applicant should provide evidence that volumes in the proposed service area will support the introduction of new MRT services without causing existing providers to fall below the minimum thresholds outlined in the following table.

Type of Linear Accelerator	Minimum (40)%
Non-IMRT, NON-IGRT	3162
IMRT only	3162
IMRT with OBI	3754
SRS only	1383
SBRT only	1581

a. Applicants should use the treatment codes provided on the HSDA website to calculate utilization.

- Not applicable

b. Applicants should utilize the data included in the HSDA's Medical Equipment Registry along with the publicly available Tennessee's Cancer Registry (<http://tn.gov/health/health-program-areas-tcr.html>) to estimate the capacity for all existing units located within the applicant's proposed service area.

- Because Heelex will not be treating patients with traditional radiation therapy, and because no other provider in the area treats patients with low dose radiation therapy, the capacity of existing linear accelerators in the service area is irrelevant.

c. An exception to the need standards may occur as new or improved technology and equipment or new or improved technology and equipment or new treatment applications for MRT units develop. An applicant must demonstrate that the proposed MRT Unit offers a unique and necessary technology for the provision of health care services in the proposed service area.

- Heelex currently serves over 1,400 patients per year, and even with a projected initial reduction in patient volume, Heelex will provide over 5,000 radiotherapy treatments in year 1 and 9,000 or more treatments by year 3. The only change in Heelex's operations will be the provision of low dose radiation therapy treatment using the linear accelerator instead of an Xstrahl ortho voltage machine. Low dose radiation therapy services, also known as benign radiotherapy services, are currently provided exclusively by Heelex in the service area. Heelex anticipates no change in that regard with the lease of a linear accelerator. Therefore, while new technology is not an issue here, the proposed utilization of the linear accelerator is unique to the Knoxville medical community.

3.Establishment of Service Area. For linear accelerators that do not perform SRT or SBRT procedures, the contiguous counties representing a reasonable area in which an applicant intends to provide MRT services.

Applicants should utilize the publicly available Tennessee's Cancer Registry (<https://www.tn.gov/health/health-program-areas/tcr.html>) data to estimate the need within the proposed service area. These data should then be compared to the data included in the HSDA's Medical Equipment Registry for the defined market to determine the need.

To estimate the number of radiation treatment patients in its proposed service area, the applicant should multiply the number of cancer patients by 60%. A minimum of 600 cancer patients and 360 radiation patients should reside in the proposed service area. Data included in the HSDA's Medical Equipment Registry may also be used to determine the need for radiation services in the proposed service area.

Otherwise, a service area shall be the contiguous counties representing a reasonable area in which an applicant intends to provide MRT services.

Additionally, the applicant must demonstrate that the patient origin of the proposed site aligns with other existing cancer-related healthcare services provided within the defined service.

- The majority of Heelex's current patients are from Knox County. Almost all of its patients come from Knox and its contiguous counties. Heelex will continue to provide only low dose radiation therapy services, and therefore it does not compete with cancer-related healthcare providers.

4. Access to MRT Units

a. An MRT unit should be located at a site that allows reasonable access for residents of the proposed service area.

b. An applicant for any proposed new Linear Accelerator should document that the proposed location of the Linear Accelerator is within a 45 minute drive time of the majority of the proposed service area's population.

c. Applications that include non-Tennessee counties in their proposed service areas should provide evidence of the number of existing MRT units that service the non-Tennessee counties and the impact on MRT unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if those data are available).

- The new linear accelerator will be located in a treatment room at 5616 Kingston Pike, Suite 101 in Knoxville. The site is centrally located and easily accessible by car or public transportation. Given the central Knox county location, the facility is located less than a 45 minute drive from the majority of its patients.

5.Economic Efficiencies: All applicants for any proposed new MRT unit should document that lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

- Heelex currently utilizes a somewhat lower cost technology in its Xstrahl ortho voltage machine, but has determined that a linear accelerator, over time, will provide better overall treatment for patients. Specifically, a linear accelerator is gentler on patient's skin and allows Heelex to treat a broader variety of conditions, although it will not operate as a radiation oncology facility and will not treat tumors within patients' bodies. Further, beginning January 1, 2026, Medicare will no longer reimburse providers of low dose radiation therapy treatments unless they provide the treatment with a linear accelerator.

6.Separate Inventories for Linear Accelerators and for other MRT units: A separate inventory shall be maintained by the HSDA for Linear Accelerators, and, if data are available, for Linear Accelerators dedicated to SRT and/or SBRT procedures and other types of MRT Units.

- Not applicable

1. **Patient Safety and Quality of Care:** The applicant shall provide evidence that any proposed MRT Unit is safe and effective for its proposed use.

a. The United States Food and Drug Administration (FDA) must certify the proposed MRT Unit for clinical use.

- The linear accelerator will be FDA certified.

b. The applicant should demonstrate that the proposed MRT Units shall be housed in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

- The linear accelerator will be located in an existing treatment room. The linear accelerator will meet applicable federal standards, manufacturer specifications, and the Department of Health's requirements. Heelex will lease a Mobetron self-shielding linear accelerator, so additional shielding should be unnecessary.

c. The applicant should demonstrate how emergencies within the MRT Unit facility will be managed in conformity with accepted medical practice.

- Mobetron low dose radiation services pose no acute medical risk. In the unlikely event of an unrelated medical emergency, patients would be managed under standard EMS protocol and be transported to the nearest emergency room.

- d. The applicant should establish protocols that assure that all MRT Procedures performed are medically necessary and will not unnecessarily duplicate other services.
- Heelex has in place protocols that assure that all benign radiotherapy procedures are medically necessary and do not duplicate other services.
- e. An applicant proposing to acquire any MRT Unit shall demonstrate that it meets the staffing and quality assurance requirements of the American Society of Therapeutic Radiation and Oncology (ASTRO),
- the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO) or a similar accrediting authority such as the National Cancer Institute (NCI). Applicants should provide evidence of accreditation by ASTRO, ACR, or other similar accrediting authority either as a stand-alone facility or through that of a parent organization with oversight capabilities.
- Heelex currently employs a board-certified radiation oncologist, a radiation physicist, radiation therapists, medical assistants, and other staff licensed and/or trained in the provision of radiation therapy services.
- f. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subjects' transfer agreement hospital medical staff.
- Mobetron low dose radiation services pose no acute medical risk. In the unlikely event of an unrelated medical emergency, patients would be managed under standard EMS protocol and be transported to the nearest emergency room.
- g. All applicants should demonstrate the ability to provide simulations and treatment planning services to support the volumes they projects and any impact such services may have on volumes and treatment times. **N/A**
- h. Applicants should provide evidence of plans for the radiation oncology physician treating patients to participate in consultative services and a multi-disciplinary cancer committee to ensure high quality treatment for the patients. Additionally, each center should have a dedicated radiation oncologist to serve as medical director with defined responsibilities overseeing quality assurance for the site.
- Heelex will not be treating cancers subject to a cancer committee or oncologists.
- i. Treatment planning at off-site centers should be coordinated with a multi-disciplinary cancer center.
- Not applicable

8.Data requirements: Applicants shall agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

- Heelex will cooperate with the Department of Health and/or Tennessee Health Facilities Commission by providing all requested information and statistical data related to the operation and provision of services and to report the data in the time and format requested.

9.Services to High-Need and Underserved Populations: Special consideration should be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including uninsured, low-income, and underserved geographic regions, as well as to other underserved population groups. This includes any applicant:

- a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration,
- b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program, and/or
- c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program.

- As a Tenn Care provider, Heelex currently serves low-income, underserved patients. It plans to continue doing so once it begins providing services with the linear accelerator.

10.Access: An applicant should demonstrate an ability and willingness to serve equally all of the service area in which it seeks certification.

- Heelex currently serves equally all of its service area and will continue to do so once it installs the Linear Accelerator.

11.Adequate staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed service area.

- Heelex has adequate staffing to serve its patients with the linear accelerator, and anticipates recruiting, hiring, and training no additional individuals by virtue of its utilization of a linear accelerator to deliver low dose radiotherapy services.

12.Assurance of Resources: The applicant shall document that it will provide the resources necessary to properly support the applicable level of services. Included in such documentation shall be a letter of support from the applicant's governing board of directors, Chief Executive Officer, or Chief Financial Officer documenting the full commitment of the applicant to develop and maintain the facility resources, equipment, and staffing to provide the appropriate services. The applicant shall also document the financial costs of maintaining these resources and its ability to sustain them.

- Heelex will finance the project through a loan and cash reserves.

13.Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

- As a clinic which will provide low dose radiation therapy services, Heelex will not be required to be licensed or report data to any governmental entity. Nevertheless, Heelex employs only appropriately licensed individuals and monitors each patient's result in appropriate follow-up care.

14.Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of TDH. The applicant shall also demonstrate its accreditation status with the Joint Commission or other applicable accrediting agency.

- Heelex will comply with all rules of the Tennessee Department of Health. Because it will be providing only low dose radiation therapy services, and is not required to be licensed, accreditation through the Joint Commission or other accrediting agency is not available.

-
- 2N.** Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

RESPONSE:

Heelex is aware of no other providers in Knox or surrounding counties, or even in the state of Tennessee, which provide low dose radiotherapy services. Accordingly, the approval of this application will have no impact on other medical providers in the service area.

Complete the following utilization tables for each county in the service area, if applicable.

PROJECTED UTILIZATION

Unit Type: ☒ Procedures ☐ Cases ☐ Patients ☐ Other _____		
Service Area Counties	Projected Utilization Recent Year 1 (Year = 2026)	% of Total
Knox	4,760	85.00%
Anderson	112	2.00%
Roane	112	2.00%
Union	112	2.00%
Blount	112	2.00%
Jefferson	56	1.00%
Sevier	112	2.00%
Loudon	112	2.00%
Grainger	112	2.00%
Total	5,600	100%

3N. A. Describe the demographics of the population to be served by the proposal.

RESPONSE:

See Attachment 3N. - Heelex treats adult patients with benign musculoskeletal and connective tissue conditions. The typical payor mix is approximately 25% commercial insurance, 70% Medicare/Medicare Advantage, less than 2% Medicaid (TennCare), and 2% self-pay/charity. Because no other Tennessee facility offers comparable benign radiation therapy services, regional demand is expected to exceed predicted volumes as patients self-refer or are referred by podiatrists, orthopedists, and primary care physicians.

B. Provide the following data for each county in the service area:

- Using current and projected population data from the Department of Health.
(www.tn.gov/health/health-program-areas/statistics/health-data/population.html);
- the most recent enrollee data from the Division of TennCare
(<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>),
- and US Census Bureau demographic information
(<https://www.census.gov/quickfacts/fact/table/US/PST045219>).

RESPONSE:

Downloaded current and projected population data, downloaded TennCare enrollee data, census bureau under going maintenance.

- 4N.** Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly those who are uninsured or underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE:

Heelex treats adult patients with benign musculoskeletal and connective tissue conditions. The typical payor mix is approximately 25% commercial insurance, 70% Medicare/Medicare Advantage, less than 5% Medicaid (TennCare), and self-pay/charity. Because no other Tennessee facility offers comparable benign RT services, regional demand is expected to exceed predicted volumes as patients self-refer or are referred by podiatrists, orthopedists, and primary care physicians. Heelex participates in Medicare (since 2020). Dr. Todd J. Scarborough has been a continuous Medicare participating provider since 2023. Heelex also participates in TennCare.

- 5N.** Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g. cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

RESPONSE:

Heelex is the sole provider of low dose radiation treatment in its service area. It is unaware of any other existing or approved but unimplemented services of similar healthcare providers in the service area.

- 6N.** Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE:

See Attachment 6N.

- 7N.** Complete the chart below by entering information for each applicable outstanding CON by applicant or share common ownership; and describe the current progress and status of each applicable outstanding CON and how the project relates to the applicant, and the percentage of ownership that is shared with the applicant's owners.

RESPONSE:

Heelex, LLC and its principals report no prior Certificates of Need denials or revocations.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

- 1C.** List all transfer agreements relevant to the proposed project.

RESPONSE: Mobetron services pose no acute medical risk. No transfer agreements are required. In the rare event of an unrelated emergency, patients would be managed under Standard EMS protocols and transferred to the nearest hospital

- 2C.** List all commercial private insurance plans contracted or plan to be contracted by the applicant.

- ☒ Aetna Health Insurance Company
- ☒ Ambetter of Tennessee Ambetter
- ☒ Blue Cross Blue Shield of Tennessee
- ☒ Blue Cross Blue Shield of Tennessee Network S
- ☒ Blue Cross Blue Shiled of Tennessee Network P
- ☒ BlueAdvantage
- ☐ Bright HealthCare
- ☒ Cigna PPO
- ☐ Cigna Local Plus
- ☐ Cigna HMO - Nashville Network
- ☐ Cigna HMO - Tennessee Select
- ☐ Cigna HMO - Nashville HMO
- ☐ Cigna HMO - Tennessee POS
- ☐ Cigna HMO - Tennessee Network
- ☐ Golden Rule Insurance Company
- ☐ HealthSpring Life and Health Insurance Company, Inc.
- ☒ Humana Health Plan, Inc.
- ☒ Humana Insurance Company
- ☐ John Hancock Life & Health Insurance Company
- ☐ Omaha Health Insurance Company
- ☐ Omaha Supplemental Insurance Company
- ☐ State Farm Health Insurance Company
- ☒ United Healthcare UHC
- ☒ UnitedHealthcare Community Plan East Tennessee
- ☐

- ☐ UnitedHealthcare Community Plan Middle Tennessee
- ☐ UnitedHealthcare Community Plan West Tennessee
- ☐ WellCare Health Insurance of Tennessee, Inc.
- ☐ Others

- 3C. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

RESPONSE:

While Tennessee has multiple radiation oncology clinics, Heelex, to our knowledge is the only clinic focused exclusively on benign radiotherapy. Other radiation centers primarily provide oncology services. Accordingly, there are no comparable facilities in the Knoxville region or statewide offering this breadth of benign RT services.

- 4C. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

RESPONSE:

Heelex is and will continue to be fully staffed with licensed and experienced professionals. Heelex currently has on staff a board-certified radiation oncologist, a medical/radiation physicist, a total of 12 full time employees including: 4 radiation therapists, 4 medical assistants and 6 administrative support positions which include 2 front desk receptionists, 1 credentialing specialist, 1 biller, 1 administrator, and 1 IT/administrative support.

- 5C. Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

RESPONSE:

The Mobetron will be registered with the Tennessee Division of Radiological Health in compliance with Rule 0400-20. Treatments will be performed under the oversight of a board-certified radiation oncologist and a medical/radiation physicist. Tennessee does not require RT's to hold a state license; Heelex employs nationally certified RT's (AART) and maintains training and competency consistent with best practices. Heelex will comply with all applicable Tennessee radiation safety laws and regulations. Heelex plans to obtain ASTRO or ACRO accreditation after the Mobetron installation.

6C. See INSTRUCTIONS to assist in completing the following tables.

HISTORICAL DATA CHART

- ☒ Project Only
☐ Total Facility

Give information for the last *three (3)* years for which complete data are available for the facility or agency.

	Year 1	Year 2	Year 3
	2022	2023	2024
A. Utilization Data			
Specify Unit of Measure <u>Procedures</u>	7350	7700	8225
B. Revenue from Services to Patients			
1. Inpatient Services	\$0.00	\$0.00	\$0.00
2. Outpatient Services	\$1,575,000.00	\$1,650,000.00	\$1,762,500.00
3. Emergency Services	\$0.00	\$0.00	\$0.00
4. Other Operating Revenue (Specify) _____	\$0.00	\$0.00	\$0.00
Gross Operating Revenue	\$1,575,000.00	\$1,650,000.00	\$1,762,500.00
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$0.00	\$0.00	\$0.00
2. Provision for Charity Care	\$0.00	\$0.00	\$0.00
3. Provisions for Bad Debt	\$0.00	\$0.00	\$0.00
Total Deductions	\$0.00	\$0.00	\$0.00
NET OPERATING REVENUE	\$1,575,000.00	\$1,650,000.00	\$1,762,500.00

PROJECTED DATA CHART

- ☒ Project Only
☐ Total Facility

Give information for the *two (2)* years following the completion of this proposal.

	Year 1	Year 2
	2026	2027
A. Utilization Data		
Specify Unit of Measure <u>Procedures</u>	5600	8400
B. Revenue from Services to Patients		
1. Inpatient Services	\$0.00	\$0.00
2. Outpatient Services	\$1,200,000.00	\$1,800,000.00
3. Emergency Services	\$0.00	\$0.00
4. Other Operating Revenue (Specify) _____	\$0.00	\$0.00
Gross Operating Revenue	\$1,200,000.00	\$1,800,000.00
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$0.00	\$0.00
2. Provision for Charity Care	\$0.00	\$0.00
3. Provisions for Bad Debt	\$0.00	\$0.00

Total Deductions\$0.00\$0.00**NET OPERATING REVENUE**\$1,200,000.00\$1,800,000.00

- 7C. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

Project Only Chart

	Previous Year to Most Recent Year	Most Recent Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	\$214.29	\$214.29	\$214.29	\$214.29	0.00
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	\$0.00	\$0.00	\$0.00	\$0.00	0.00
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	\$214.29	\$214.29	\$214.29	\$214.29	0.00

- 8C. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

RESPONSE:

The proposed gross charge for each course of low dose radiation therapy, consisting of 6-8 treatments per patient will be approximately \$3,000.00, and the net revenue from each course of treatment should equal approximately \$1,500.00. The initiation of linear accelerator services should have minimal to no impact on existing patient charges.

- 9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE:

While Tennessee has multiple radiation oncology clinics, Heelex, is to our knowledge, the only clinic focused exclusively on benign radiotherapy. Other radiation centers primarily provide oncologic services. Accordingly, there are no comparable facilities in the Knoxville region or statewide offering this breadth of benign RT services.

- 10C.** Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**Applicant's Projected Payor Mix
Project Only Chart**

Payor Source	Year-2026		Year-2027	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$846,000.00	70.50	\$1,269,000.00	70.50
TennCare/Medicaid	\$18,000.00	1.50	\$27,000.00	1.50
Commercial/Other Managed Care	\$300,000.00	25.00	\$450,000.00	25.00
Self-Pay	\$18,000.00	1.50	\$27,000.00	1.50
Other(Specify)	\$18,000.00	1.50	\$27,000.00	1.50
Total	\$1,200,000.00	100%	\$1,800,000.00	100%
Charity Care	\$0.00		\$0.00	

**Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

Discuss the project's participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project.

RESPONSE: In the past five years, Heelex has not treated a large volume of Medicaid/TennCare or charity patients, consistent with referral patterns and patient demographics. However, the clinic remains open to accepting TennCare patients and offering charity care when appropriate.

QUALITY STANDARDS

- 1Q.** Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

☒ Yes

☐ No

- 2Q.** The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?

☒ Yes

☐ No

- Does the applicant commit to obtaining and maintaining all applicable state licenses in good standing?

☒ Yes

☐ No

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?

☒ Yes

☐ No

3Q. Please complete the chart below on accreditation, certification, and licensure plans. Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	☐ Health Facilities Commission/Licensure Division ☐ Intellectual & Developmental Disabilities ☐ Mental Health & Substance Abuse Services		
Certification	☒ Medicare ☒ TennCare/Medicaid ☐ Other _____	Active Active	1295371409 1194700625
Accreditation(s)			

4Q. If checked “TennCare/Medicaid” box, please list all Managed Care Organization’s currently or will be contracted.

- ☒ AMERIGROUP COMMUNITY CARE- East Tennessee
- ☒ AMERIGROUP COMMUNITY CARE - Middle Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - West Tennessee
- ☒ BLUECARE - East Tennessee
- ☐ BLUECARE - Middle Tennessee
- ☐ BLUECARE - West Tennessee
- ☒ UnitedHealthcare Community Plan - East Tennessee
- ☐ UnitedHealthcare Community Plan - Middle Tennessee
- ☐ UnitedHealthcare Community Plan - West Tennessee
- ☐ TENNCARE SELECT HIGH - All
- ☐ TENNCARE SELECT LOW - All
- ☐ PACE
- ☐ KBB under DIDD waiver
- ☐ Others

5Q. Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

- ☒ Yes
- ☐ No

6Q. For an existing healthcare institution applying for a CON:

- Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.
 - ☒ Yes
 - ☐ No
 - ☐ N/A

- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

- ☐ Yes
☒ No
☐ N/A

7Q. Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

Has any of the following:

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or.

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;
☐ Yes
☒ No
- Criminal fines in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- Civil monetary penalties in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- Administrative monetary penalties in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;
☐ Yes
☒ No
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
☐ Yes
☒ No
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.
☐ Yes
☒ No

8Q. Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

☐ Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs(enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
Direct Patient Care Positions	8.00	8.00
Total Direct Patient Care Positions	8	8

B. Non-Patient Care Positions		
Non-Patient Care Positions	6.00	6.00
Total Non-Patient Care Positions	6	6
Total Employees (A+B)	14	14

C. Contractual Staff		
Contractual Staff Position	0.00	0.00
Total Staff (A+B+C)	14	14

DEVELOPMENT SCHEDULE

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Commission, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the “good cause” for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

Phase	Days Required	Anticipated Date (Month/Year)
1. Initial HFC Decision Date		12/10/25
2. Building Construction Commenced		12/09/25
3. Construction 100% Complete (Approval for Occupancy)	10	12/19/25
4. Issuance of License	30	01/08/26
5. Issuance of Service	30	01/08/26
6. Final Project Report Form Submitted (Form HR0055)	60	02/07/26

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.



PO Box 631340 Cincinnati, OH 45263-1340

AFFIDAVIT OF PUBLICATION

Grant, Konvalinka, and Harris
 633 Chestnut Street, Suite 900
 Chattanooga TN 37450

STATE OF WISCONSIN, COUNTY OF BROWN

The Knoxville News-Sentinel, a daily newspaper published in the city of Knoxville, Knox County, State of Tennessee, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue dated and was published on the publicly accessible website:

KNS knoxnews.com 09/14/2025
 KNS Knoxville News Sentinel 09/14/2025

and that the fees charged are legal.
 Sworn to and subscribed before on 09/14/2025


 Legal Clerk


 Notary, State of WI, County of Brown

8.25.26

My commission expires

Publication Cost:	\$165.84	
Tax Amount:	\$0.00	
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Order No:	11663972	# of Copies:
Customer No:	1556528	0
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THIS IS NOT AN INVOICE!*Please do not use this form for payment remittance.*

MARIAH VERHAGEN
 Notary Public
 State of Wisconsin

NOTIFICATION OF INTENT TO⁶² APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Heelex, LLC, a/an existing clinic owned by Heelex, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for the initiation of linear accelerator services located at 6450 Kingston Pike, Suite 2, Knoxville (Knox County), Tennessee 37919. The service will be limited to the provision of benign (low) radiation therapy services. The address of the project will be 6450 Kingston Pike, Suite 2, Knoxville, Knox, Tennessee, 37919. The estimated project cost will be \$1,203,000.

The anticipated date of filing the application is 10/01/2025. The contact person for this project is Attorney Scott McDearman who may be reached at Law firm - 633 Chestnut St., Suite 900, Chattanooga, Tennessee, 37450 – Contact No. 423-756-8400.

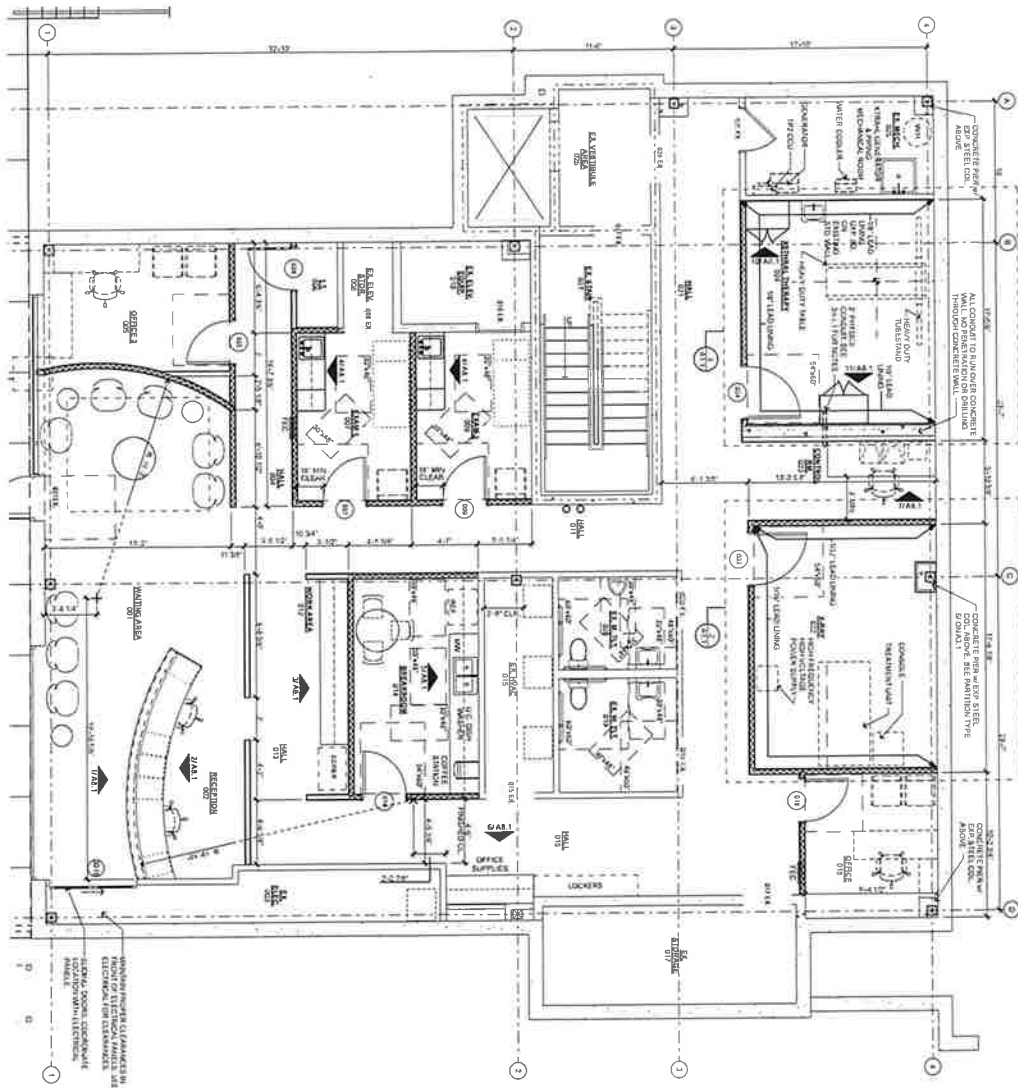
The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov.

September 14 2025

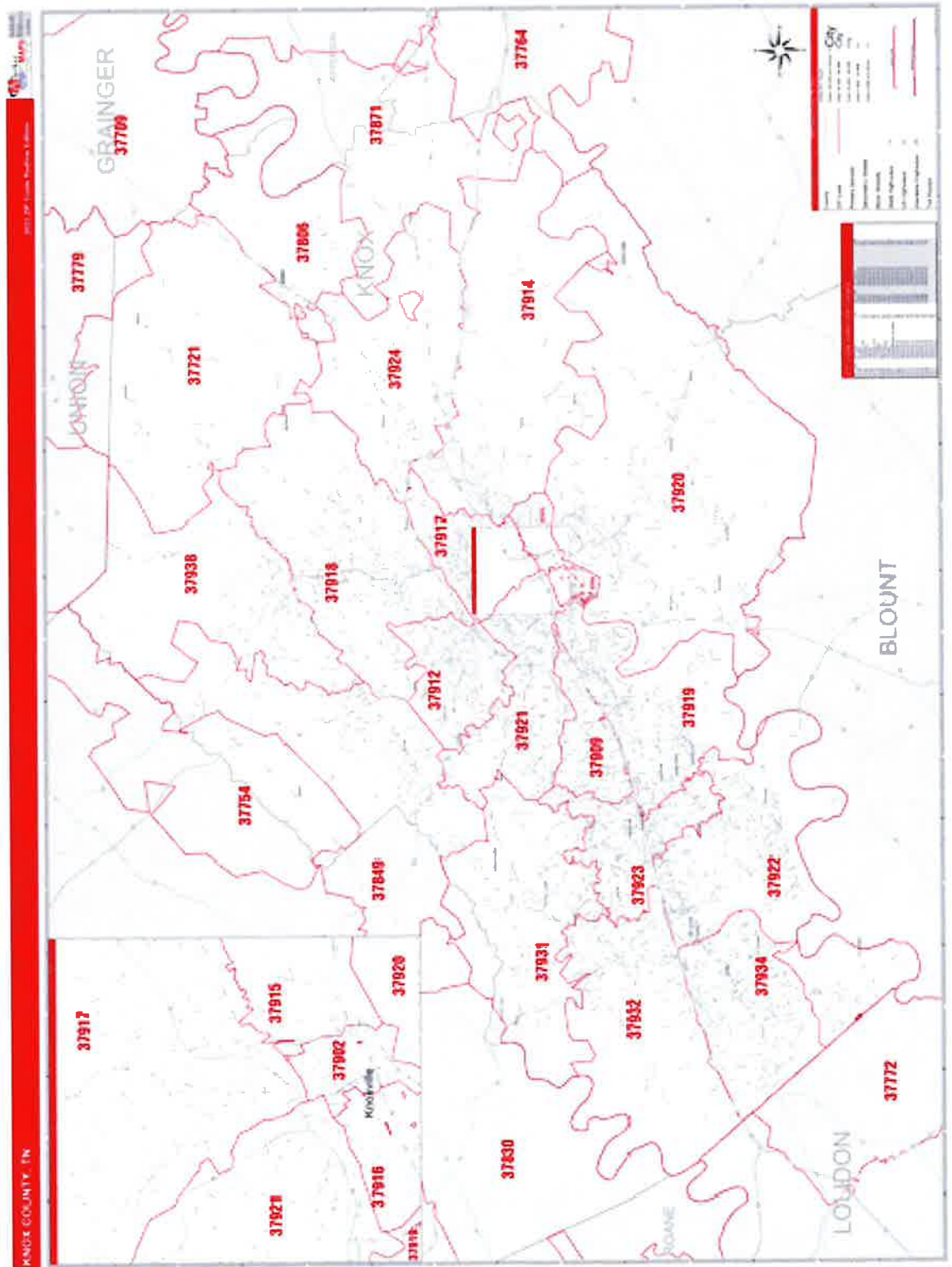
LOKR0369634

CONSENT CALENDAR

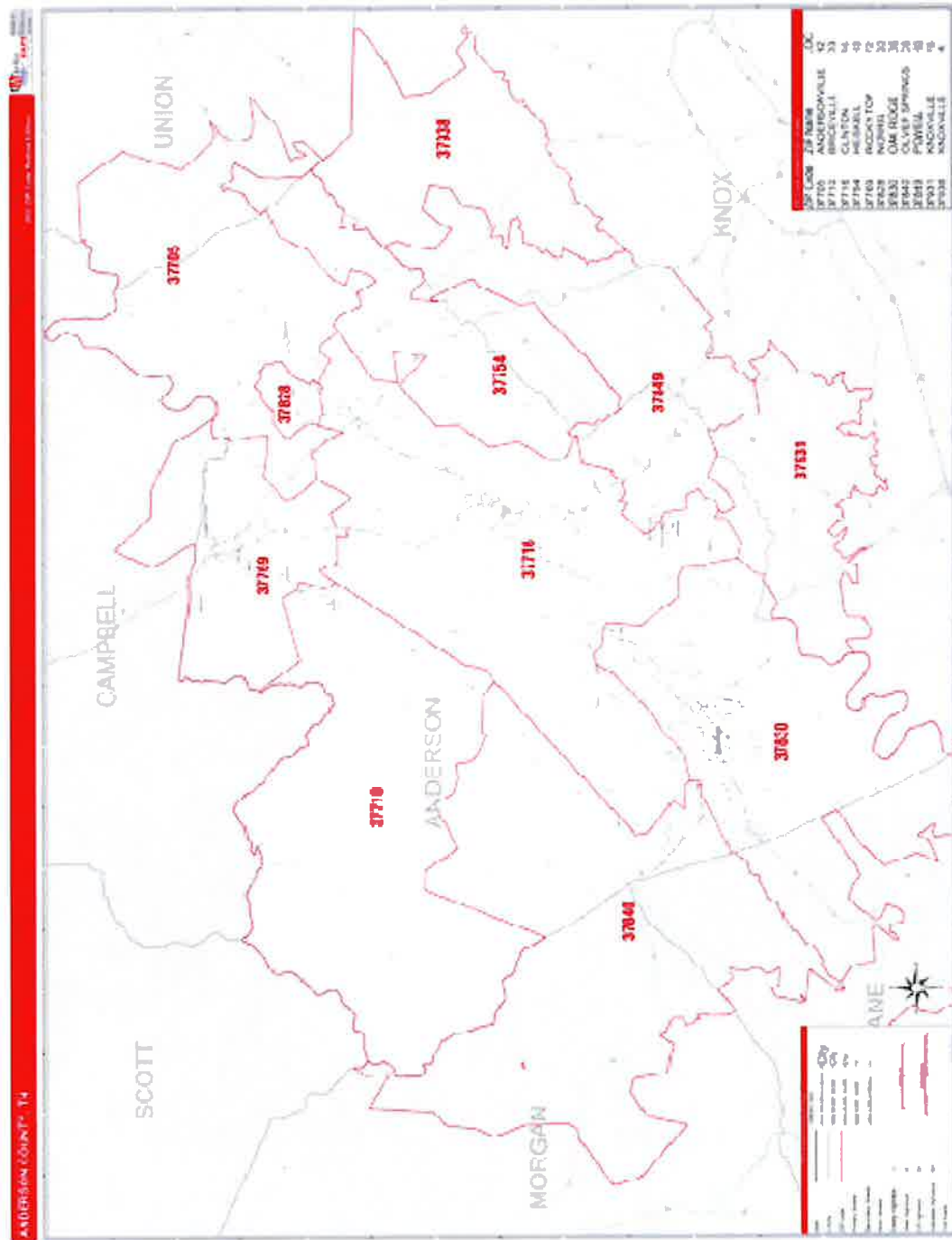
Heelex, LLC (“Heelex”) requests that its Certificate of Need application be placed on the consent calendar. Heelex is the only provider of low-dose radiation therapy services in the greater Knoxville area. It has been providing these services to patients for approximately five years. Because Heelex has no competitors, or even potential competitors of which it is aware, Heelex anticipates no opposition to this Certificate of Need application. Heelex’s historic and predicted patient volume demonstrate that Heelex provides needed healthcare in the area to be served. Further, Heelex’s quality assurance measures meet all appropriate quality standards with the State. Because no competition for Heelex’s services exists in the service area, there will be no effects attributed to competition or duplication as Heelex is a unique provider in the Knoxville area market, the availability of its services is positive for consumers.



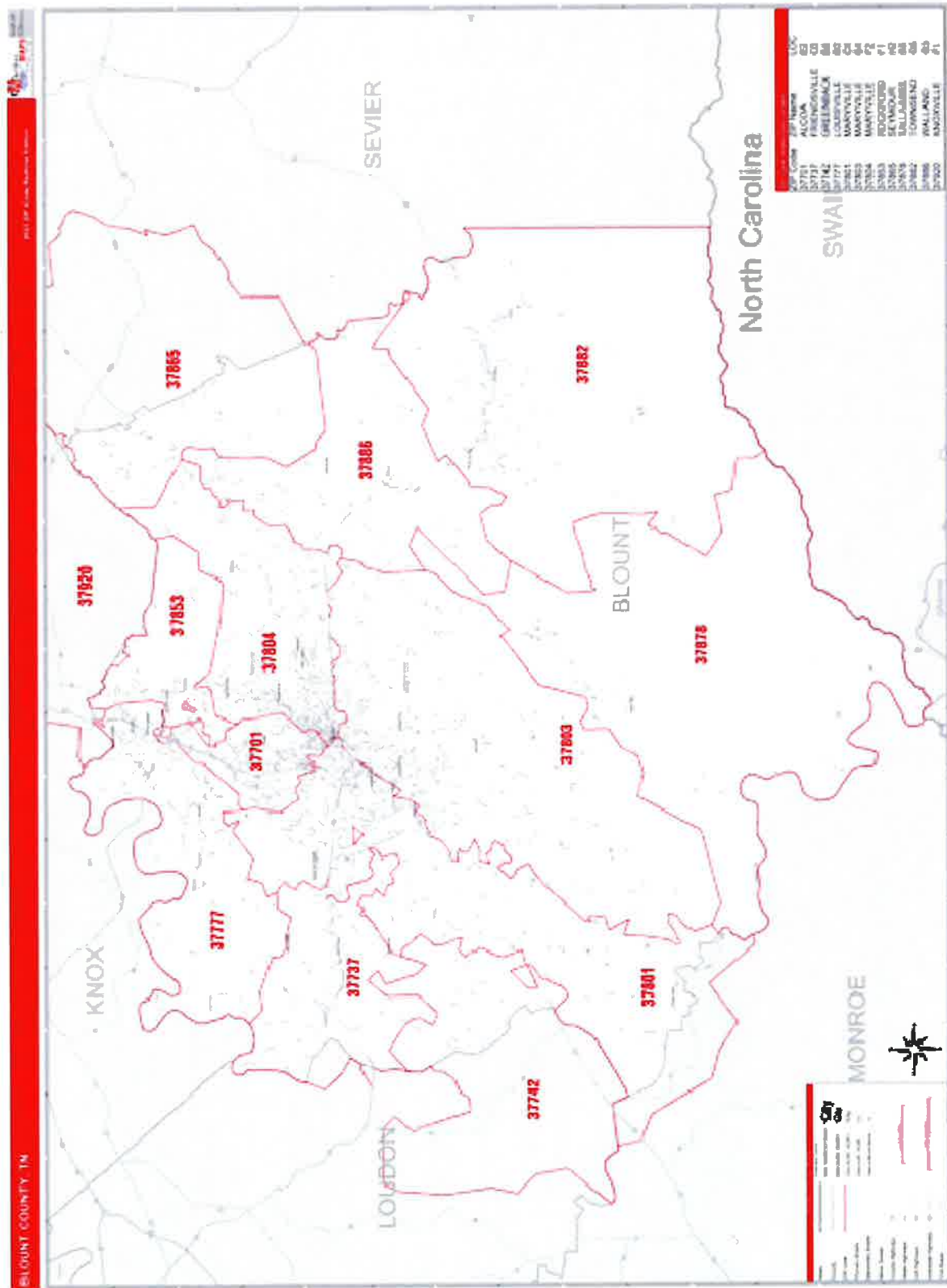
Knox County Zip Code Map



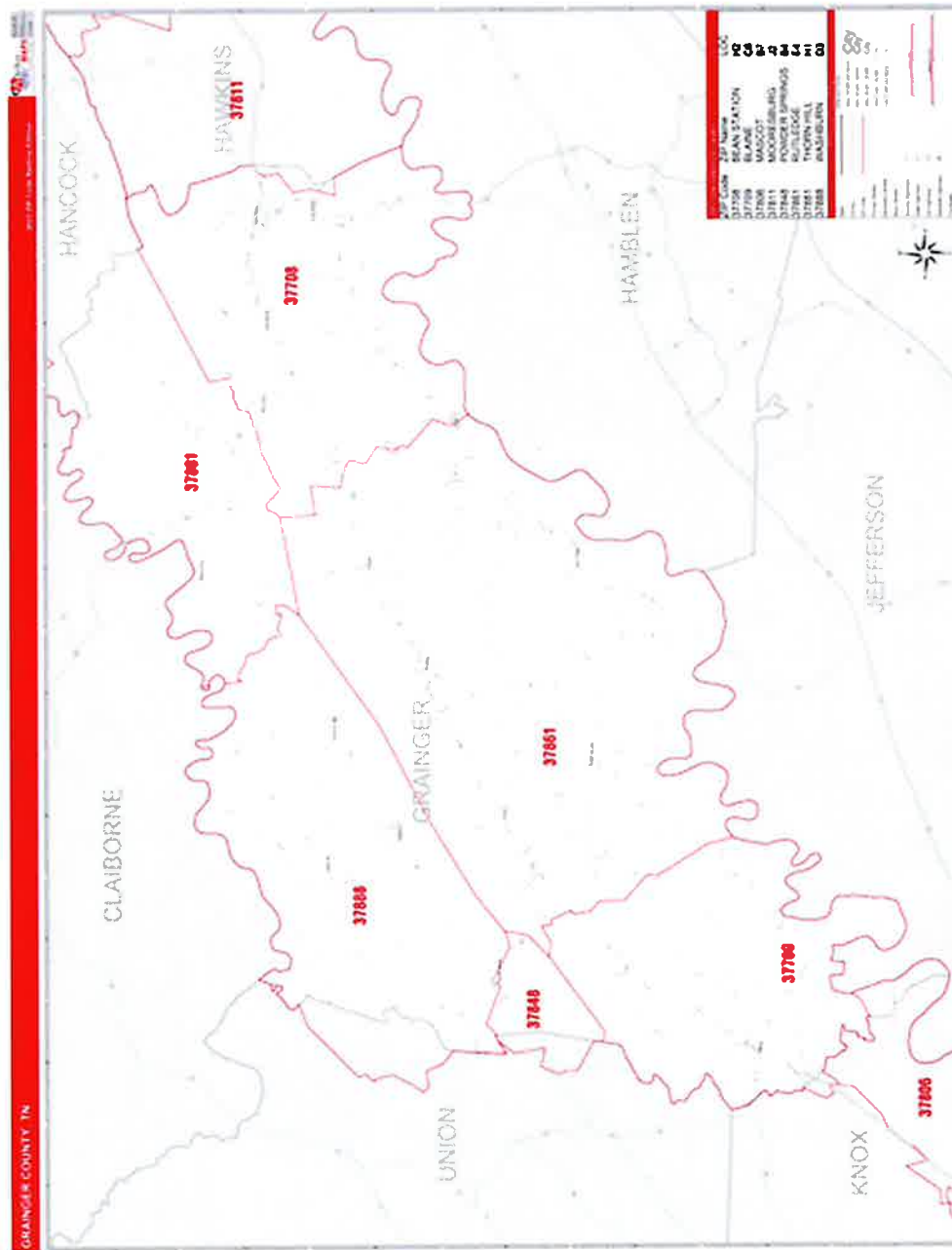
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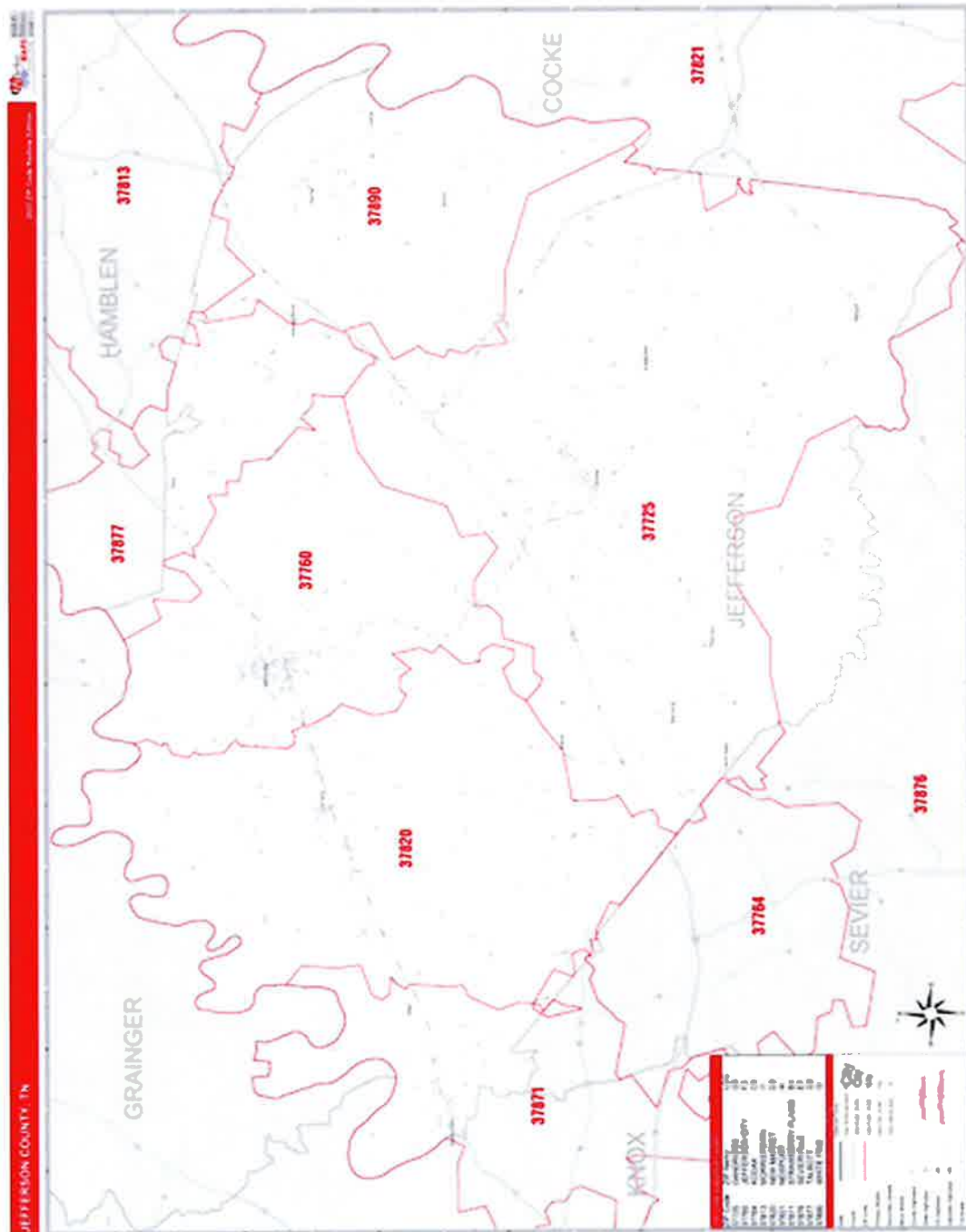
Blount County:



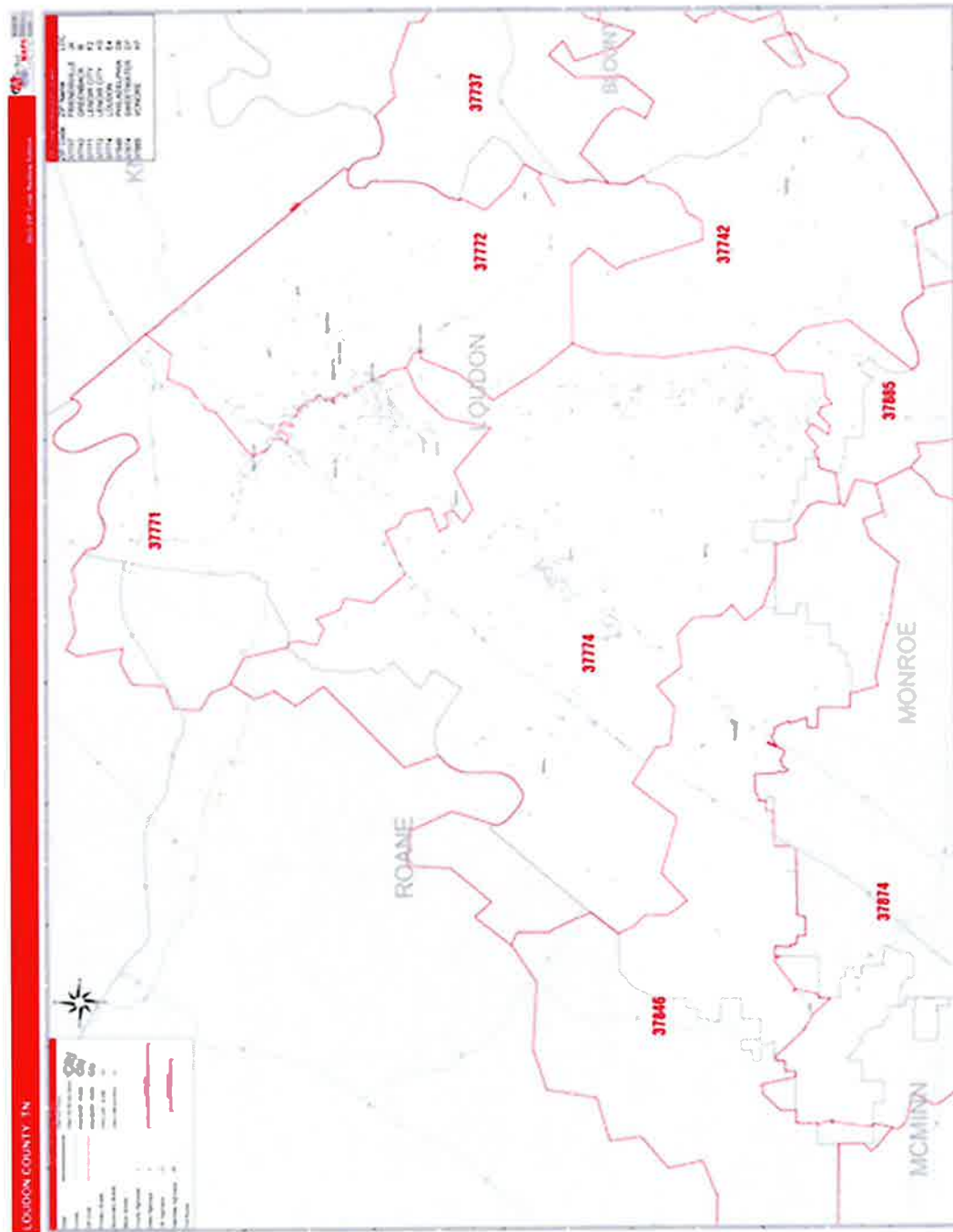
Grainger County:



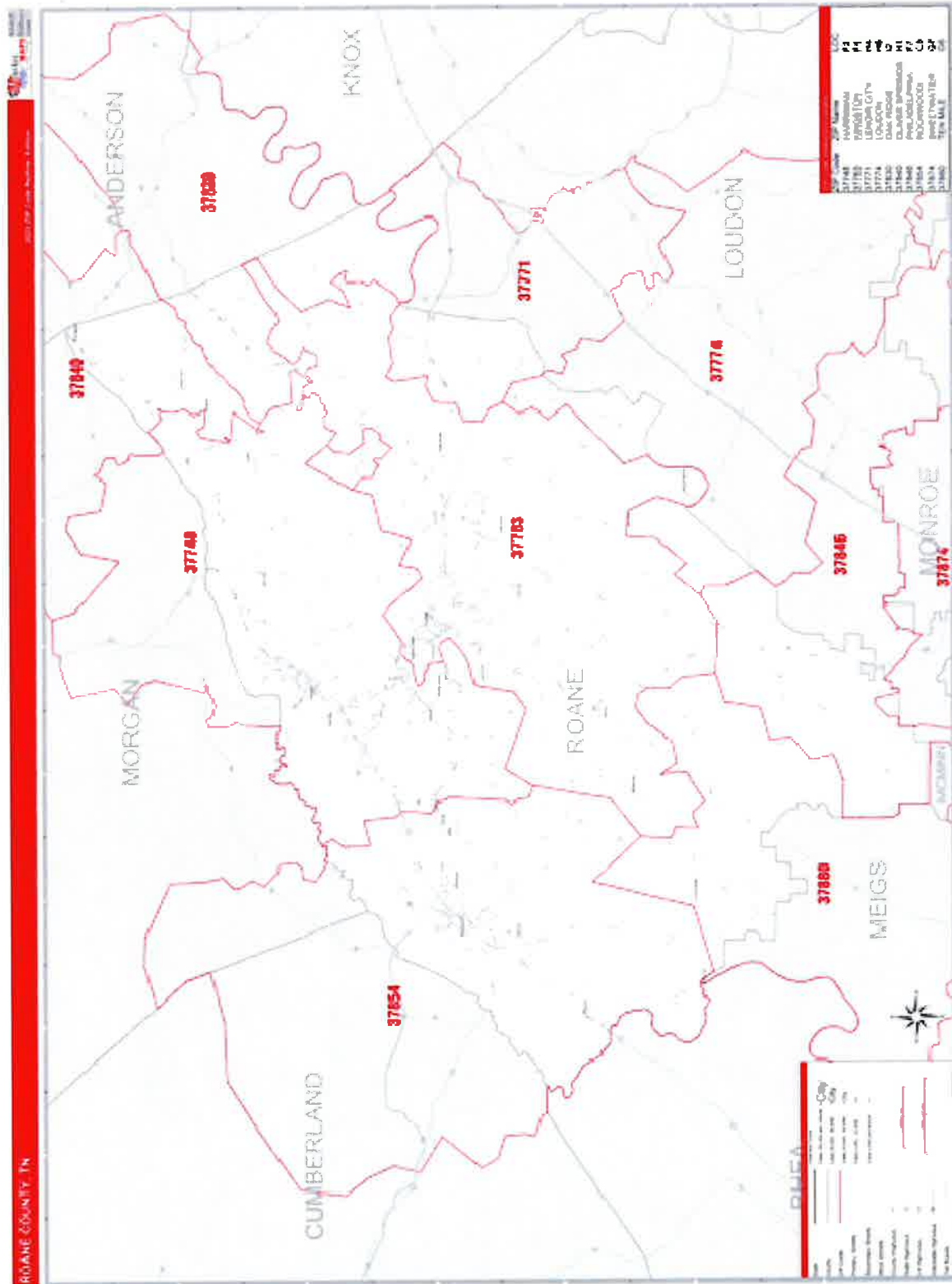
Jefferson County:



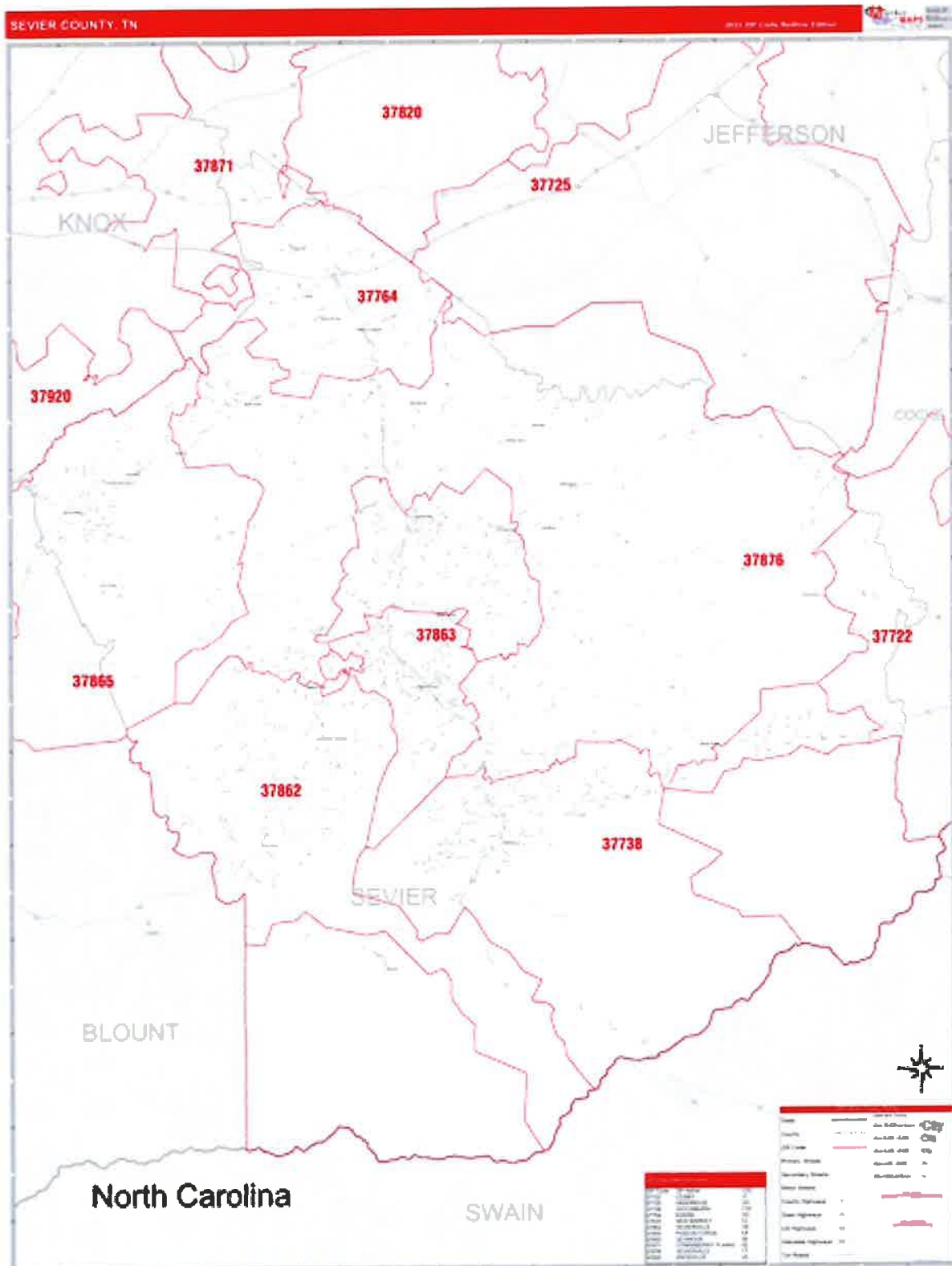
Loudon County:



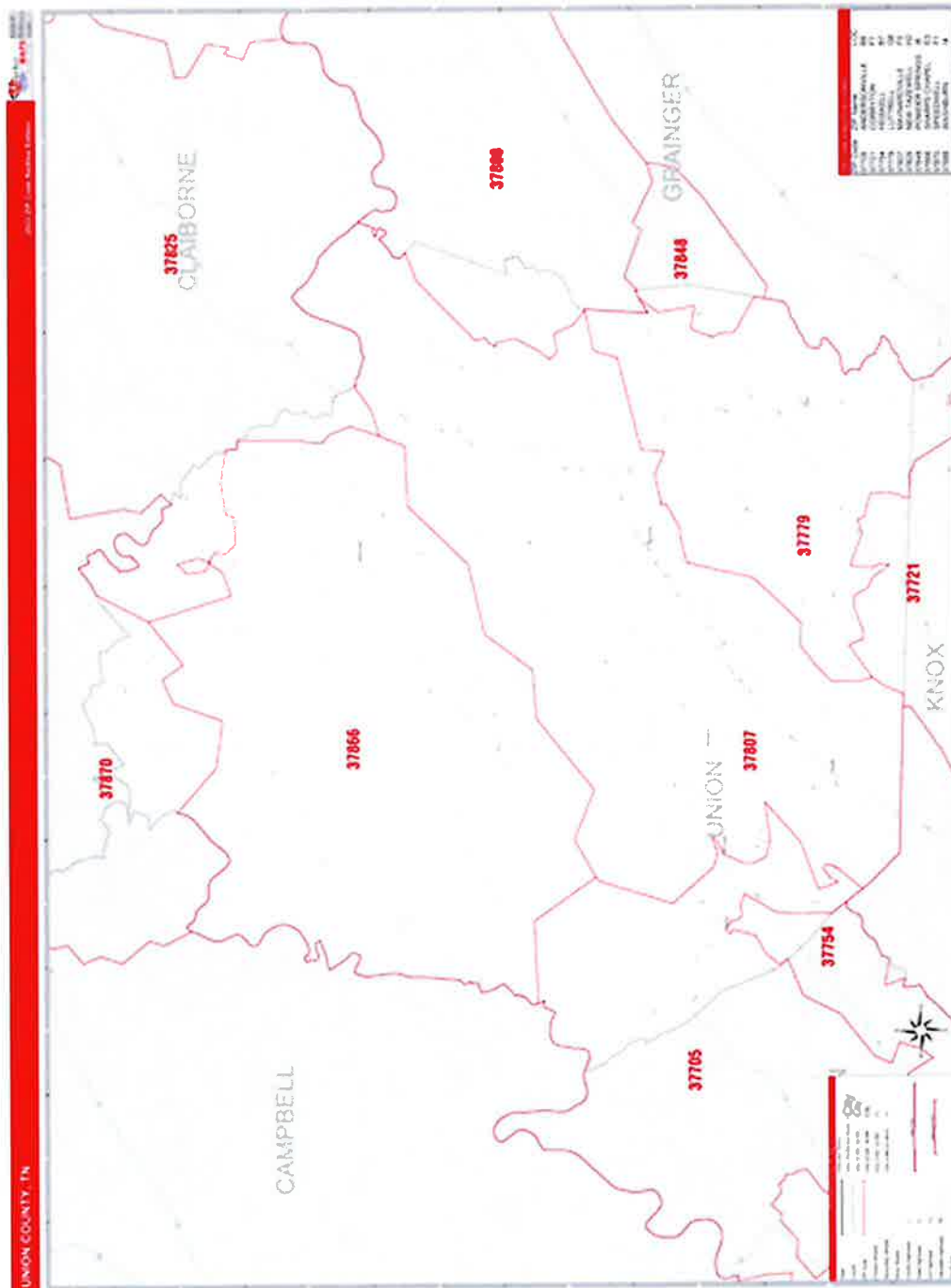
Roane County:

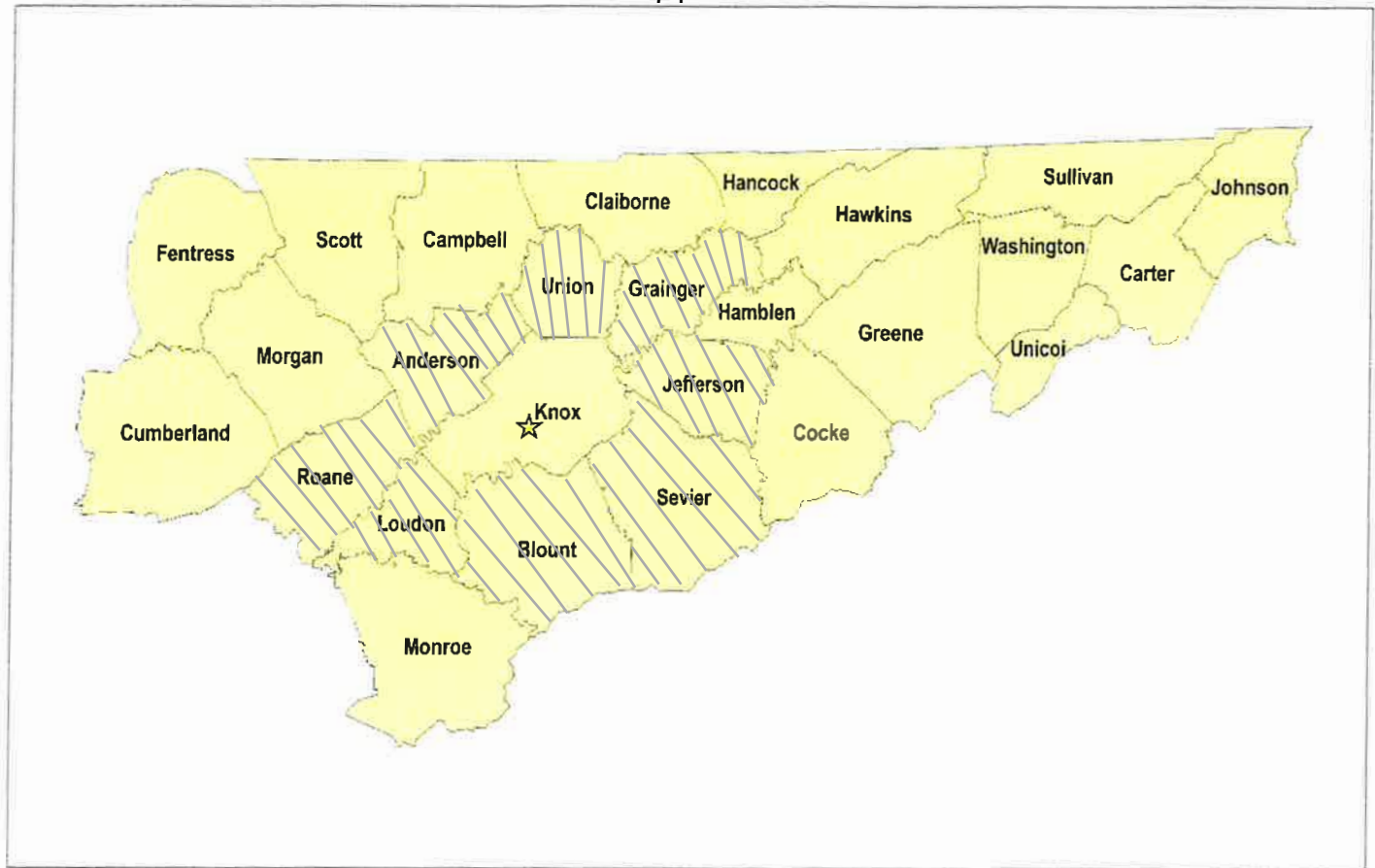


Sevier County:



Union County:



**Local EMA Directory****Local Emergency Planning Committee (LEPC)****East Region Office**

803 North Concord Street
Knoxville, TN 37919

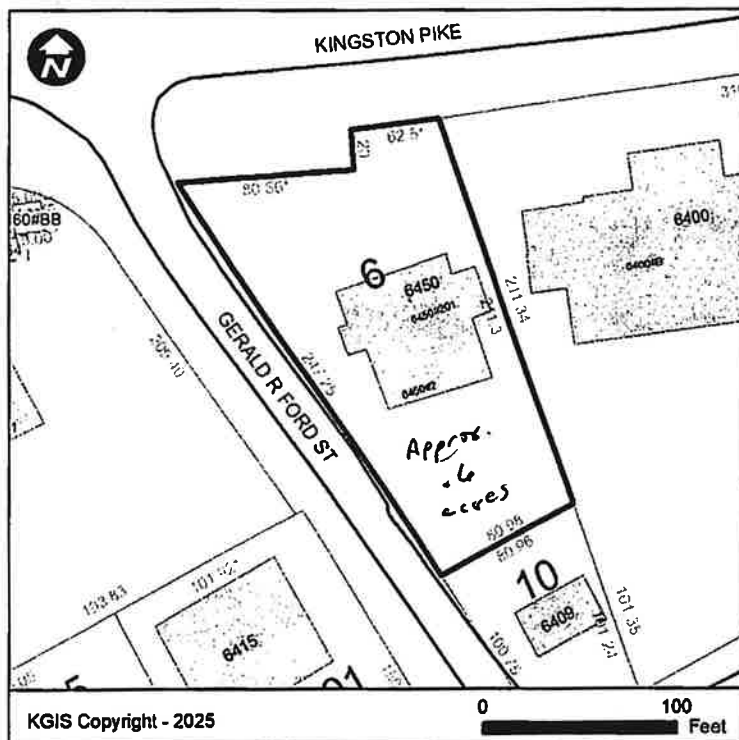
865-594-5650

1-800-533-7343

Fax: (865) 594-5668



75
6450 KINGSTON PIKE - Property Map and Details Report



Property Information

Parcel ID:	121AC006
Location Address:	6450 KINGSTON PIKE
CLT Map:	121
Insert:	A
Group:	C
Condo Letter:	
Parcel:	6
Parcel Type:	NORMAL
District:	
Ward:	47
City Block:	47560
Subdivision:	CHINA INN
Rec. Acreage:	0
Calc. Acreage:	0
Recorded Plat:	85S - 53
Recorded Deed:	20110727 - 0004782
Deed Type:	Deed:Deed
Deed Date:	7/27/2011

Address Information

Site Address: 6450 KINGSTON PIKE
 KNOXVILLE - 37919

Address Type: BUSINESS

Site Name: BARRE3

Please contact Knoxville-Knox County Planning at (865) 215-2500 if you have questions.

Owner Information

MCCAMY JEFFREY P
 6450 KINGSTON PIKE
 KNOXVILLE TN 37919

The owner information shown in this section does not necessarily reflect the person(s) responsible for Last Year's property taxes. Report any errors to the Knox County Property Assessor's office at (865) 215-2365.

Jurisdiction Information

County: KNOX COUNTY

City / Township: Knoxville

Fire Response: KNOXVILLE FIRE DEPARTMENT

Please contact the Knox County Fire Prevention Bureau at (865) 215-4660 if you have questions.

Other Information

Census Tract: 44.04

Planning Sector: West City

Please contact Knoxville-Knox County Planning at (865) 215-2500 if you have questions.

Political Districts

Voting Precinct: 47N

Voting Location: Bearden High School
 8352 KINGSTON PIKE

TN State House: 90

TN State Senate: 6

County Commission: 4 Shane Jackson
 (at large seat 10) Larsen Jay
 (at large seat 11) Kim Frazier

City Council: 2 Andrew Roberto
 (at large seat A) Lynne Fugate
 (at large seat B) Debbie Helsley
 (at large seat C) Amelia Parker

School Board: 4 Katherine Bike

Please contact Knox County Election Commission at (865) 215-2480 if you have questions.

School Zones

Elementary: BEARDEN
 ELEMENTARY

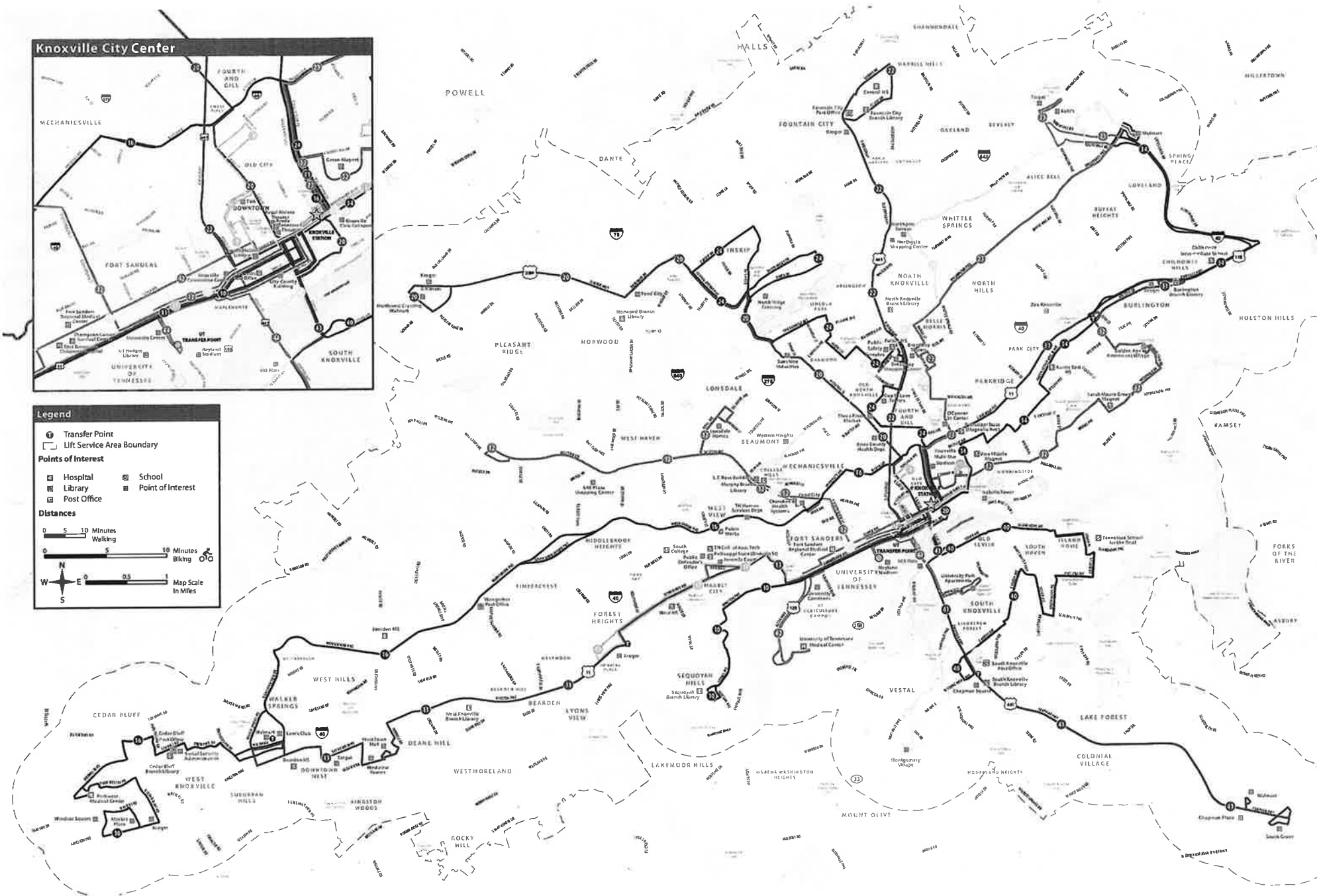
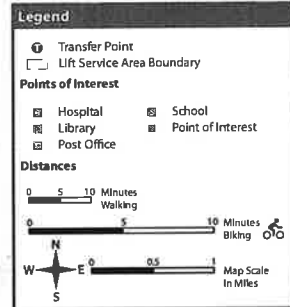
Intermediate:

Middle: BEARDEN MIDDLE

High: WEST HIGH

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Legend

Route Timepoint

T Transfer Point

○ Bus Stop

Points of Interest

H Hospital

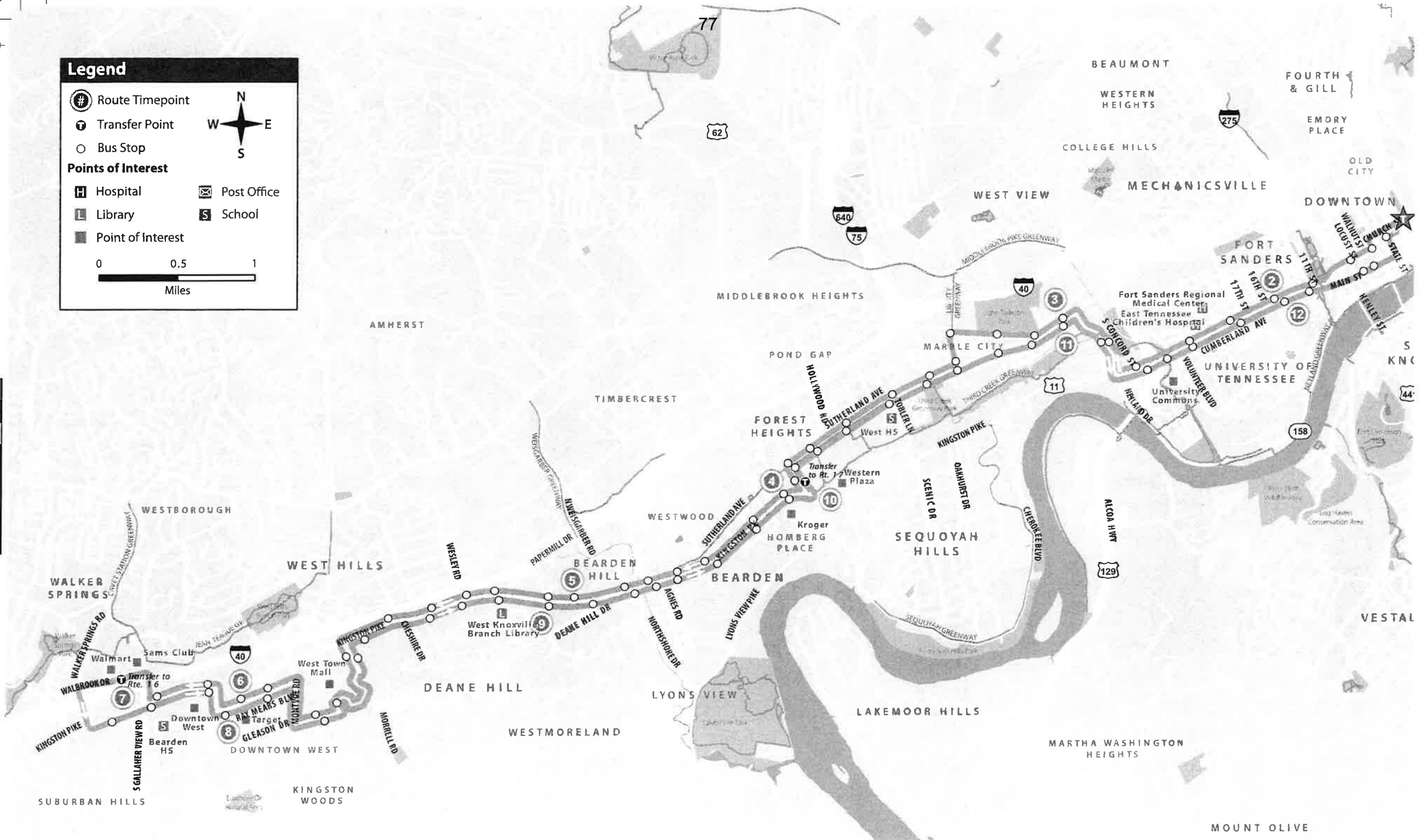
✉ Post Office

L Library

S School

■ Point of Interest

0 0.5 1
Miles



Item 5N - Service Area Historical Utilization

Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
Methodist Medical Center - Oak Ridge	Hospital	2023	7,610	2	IMRT, IGRT	3,805
	Hospital	2022	7,592	2	IMRT, IGRT	3,796
		2021	6,764	2	IMRT, IGRT	3,382

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Facility	Facility Type	Year (Second Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
Blount Memorial Hospital	Hospital	2023	4,408	1	SRS, IMRT, IGRT	4,408
		2022	3,215	1		3,215
		2021	3,243	1		3,243

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Facility	Facility Type	Year (Third Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
Knox County - East TN Radiation Therapy Services, LLC	Hospital	2021	269	1	SBRT, IMRT, IGRT	269
Fort Sanders Knoxville	Hospital	2023	9,441	2	IMRT	4,721
	Hospital	2022	8,858	2	IMRT	4,429
	Hospital	2021	8,237	2	IMRT	4,119

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Facility	Facility Type	Year	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
North Knoxville Medical Center	Hospital	2023	7,785	2	IGRT, IMRT, SRS, SBRT, IMRT	3,892.50
		2022	4,841	2	IGRT, IMRT, SRS, SBRT, IMRT	2,420.50
		2021	5,385	2	IGRT, IMRT, SRS, SBRT, IMRT	2,692.50
Facility	Facility Type	Year	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
Park West Medical Center	Hospital	2023	8,463	2	IMRT, IGRT, VMAT, SBRT	4,231.50
		2022	8,670	2	IMRT, IGRT, VMAT, SBRT	4,335.00
		2021	8,436	2	IMRT, IGRT, VMAT, SBRT	4,218.00
Facility	Facility Type	Year	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
Turkey Creek Medical Center	Hospital	2023	6,018	1	IMRT, IGRT	6,018.00
		2022	4,109	1	IMRT, IGRT	4,109.00
		2021	4,150	1	IMRT, IGRT	4,150.00
Facility	Facility Type	Year	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
University of TN Medical Center	Hospital	2023	17,675	3	IMRT, IMRT, Triple Photon	5,891.66
		2022	17,346	3	IMRT, IMRT, Triple Photon	5,782.00
		2021	16,831	3	IMRT, IMRT, Triple Photon	5,610.33

Facility	Facility Type	Year	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
LeConte Medical Center	Hospital	2023	5,540	1	IMRT, IGRT	5,540.00
		2022	5,213	1	IMRT, IGRT	5,213.00
		2021	6,092	1	IMRT, IGRT	6,092.00

Item 6N - Applicant Historical Utilization (Last 3 Years)

Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
N/A - No MRT unit		(20XX)		0		#DIV/0!
		(20XX)		0		#DIV/0!
		(20XX)		0		#DIV/0!

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Item 6N - Applicant Projected Utilization (Year 1 and Year 2)

Facility	Facility Type	Projected First Two Years (MRT)	Annual # of Procedures	# MRT Units	MRT Unit Type	Procedures per MRT
Heelex, LLC	Clinic	Year 1 (2026)	5,600	1	Mobetron self-shielding linear accelerator	5,600
Heelex, LLC	Clinic	Year 2 (2027)	8,400	1	Mobetron self-shielding linear accelerator	8,400

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

8C

The proposed gross charge for each course of low dose radiation therapy, consisting of 6-8 treatments per patient will be approximately \$3,000.00, and the net revenue from each course of treatment should equal approximately \$1,500.00. The initiation of linear accelerator services should have minimal to no impact on existing patient charges.

9C

While Tennessee has multiple radiation oncology clinics, Heelex, is to our knowledge, the only clinic focused exclusively on benign radiotherapy. Other radiation centers primarily provide oncologic services. Accordingly, there are no comparable facilities in the Knoxville region or statewide offering this breadth of benign RT services.

8Q. Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

☐ Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs (enter year)	Projected FTEs Year One
A. Direct Patient Care Positions		
Board-certified radiation oncologist	1.0	1.0
Medical/radiation physicist	1.0	1.0
Radiation therapists	4.0	4.0
Medical assistants	2.0	2.0
Total Direct Patient Care Positions	8.0	8.0

B. Non-Patient Care Positions		
Front desk receptionists	2.0	2.0
Credentialing specialist	1.0	1.0
Biller	1.0	1.0
Administrator	1.0	1.0
IT/Administrative Support	1.0	1.0
Total Employees (A+B)	14.0	

C. Contractual Staff		
	0.0	0.0
Total Staff (A+B+C)	14.0	14.0

September 17, 2025

Tennessee Health Facilities Commission
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Re: Certificate of Need Application for Heelex, LLC's Initiation of Linear Accelerator Services

Dear Sir or Madam:

Heelex, LLC will fund its acquisition of a linear accelerator and initiation of linear accelerator services through a combination of operating funds, cash reserves, and a bank loan.

Sincerely,

A handwritten signature in black ink, appearing to be 'Robbie Hakeem', written over a horizontal line.

Robbie Hakeem
Member, Heelex, LLC

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2023

DISTRIBUTION ACCOUNT	BUFFALO	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
Income						
Medical Services		3,934,505.45		980,532.82		4,915,038.27
Refunds		-35.00		-277.78		-312.78
Total for Income	0	3,934,470.45	0	980,255.04	0	\$4,914,725.49
Cost of Goods Sold	0	3,934,470.45	0	980,255.04	0	\$4,914,725.49
Gross Profit	0	3,934,470.45	0	980,255.04	0	\$4,914,725.49
Expenses						
1099 Contractors		300.00				\$300.00
Cleaning		10,600.00		12,720.00		23,320.00
Dr. Ely		10,000.00				10,000.00
Paul Rothery		36,000.00		18,000.00		54,000.00
Ryan Unger		44,500.00				44,500.00
Total for 1099 Contractors	0	101,400.00	0	30,720.00	0	\$132,120.00
Advertising & Marketing		-191.46		1,123.96		\$932.50
Allen Sign Co		1,667.70		4,012.14		5,679.84
CEW		2,823.80		412.97		3,236.77
Cumulus		21,075.48				21,075.48
Facebook		899.90				899.90
Graphic Creations		1,077.35		1,799.23		2,876.58
Image Matters				1,834.53		1,834.53
Knoxville Ice Bears		9,180.84				9,180.84
Metropolitan Airport Authority		2,160.00				2,160.00
Target One		2,367.36				2,367.36
Trademark		1,785.00				1,785.00
WATE		120,353.00		58,870.00		179,223.00
Waze		119.99				119.99
WBIR Tegna		63,055.00		33,815.00		96,870.00
WTNZ		39,545.00		12,610.00		52,155.00
WVLT		500.00				500.00
YELP		1,433.14				1,433.14
Total for Advertising & Marketing	0	267,852.10	0	114,477.83	0	\$382,329.93
Amortization Expense		8,667.00				8,667.00
Auto Expenses		783.00				\$783.00
Auto Detail		3,160.00				3,160.00
Auto-Hakeem		6,189.63				6,189.63
Auto Lease		37,007.23				37,007.23
Total for Auto Expenses	0	47,139.86	0	0	0	\$47,139.86
Bank Charges & Fees		736.08				736.08
Business Gifts		4,458.51				4,458.51
Charity		6,122.30		750.00		6,872.30
Consulting fees - RH		7,109.71				7,109.71

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2023

DISTRIBUTION ACCOUNT	BUFFALO	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
Consulting fees - TJS		163,848.91				163,848.91
Depreciation Expense		728,126.00				728,126.00
Dues		1,021.85		1,165.00		\$2,186.85
American College of Foot and Ankle Surgeons				1,950.00		1,950.00
Annual Fee		1,395.00		300.00		1,695.00
DEA Registration				888.00		888.00
Membership Dues		1,115.00				1,115.00
Suite Live Plan		359.78				359.78
Tennessee Podiatric Medical Assoc				1,850.00		1,850.00
The Virginian Golf Course		2,774.00				2,774.00
TN Podiatric Medical				1,850.00		1,850.00
Total for Dues	0	6,665.63	0	8,003.00	0	\$14,668.63
Employee disaster relief payments						0
Employee disaster relief payments		20,000.00				20,000.00
Total for Employee disaster relief payments	0	20,000.00	0	0	0	\$20,000.00
Finance costs				12.88		12.88
Fuel		757.51				757.51
Insurance		197.00				\$197.00
Auto Insurance		1,420.95				1,420.95
Business Owners Policy		3,398.00				3,398.00
Health Insurance		70,960.79		21,509.70		\$92,470.49
Dental & Vision Insurance		440.77		279.04		719.81
Vision Insurance		98.96		60.80		159.76
Total for Health Insurance	0	71,500.52	0	21,849.54	0	\$93,350.06
Life Insurance		6,297.29				6,297.29
MAG Prof Liability Scarbrough		9,634.50				9,634.50
Malpractice Insurance Hancock				5,053.84		5,053.84
Malpractice Insurance Ritchey				5,112.00		5,112.00
PICA				1,307.09		1,307.09
Workers Comp		4,141.00				4,141.00
Total for Insurance	0	96,589.26	0	33,322.47	0	\$129,911.73
Interest Paid		109,546.60				109,546.60
Interest Paid Podiatry				87,106.72		87,106.72
Laundry Alsco		10,501.58				10,501.58
Legal & Professional Services		1,976.55	4,400.00	1,693.33		\$8,069.88
Advanced MD		95,159.22		22,917.22		118,076.44
American Profit Recovery		795.36				795.36
Astro		805.00				805.00
David Wilson	4,956.98	58.75				5,015.73
LBMC, PC		5,000.00				5,000.00
Legal & Professional Fees		15,000.00				15,000.00

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2023

DISTRIBUTION ACCOUNT	BUFFALO	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
Mayeri		15,417.50				15,417.50
Milligan Lawless			11,561.50			11,561.50
PPS		8,490.00				8,490.00
Radphys Oncology		37,560.50				37,560.50
TN Dept of Environment and Conservation		621.36				621.36
Trust Company		7,591.73				7,591.73
Wolf, McClane, Bright, Allen & Carpenter, PLLC		21,332.00	967.50			22,299.50
Zivi		1,400.00				1,400.00
Total for Legal & Professional Services	4,956.98	211,207.97	16,929.00	24,610.55	0	\$257,704.50
Meals & Entertainment		14,651.11	41.17	2,163.43	1,233.63	\$18,089.34
Meals & Entertainment Meals TJS		6,185.63				6,185.63
Meals & Entertainment RH		25,138.92				25,138.92
Staff Meals		12,540.02		308.50	217.69	13,066.21
Total for Meals & Entertainment	0	58,515.68	41.17	2,471.93	1,451.32	\$62,480.10
Medical Supplies		9,080.08		2.42		\$9,082.50
Gill Podiatry				37,997.00		37,997.00
Landauer		4,186.95		257.90		4,444.85
Merck		2,907.35				2,907.35
Supplies & Materials				1,337.50		1,337.50
Volunteer X Ray		1,772.60		1,503.79		3,276.39
Total for Medical Supplies	0	17,946.98	0	41,098.61	0	\$59,045.59
Office Supplies & Software		16,894.09		4,322.69		\$21,216.78
Amazon		10,111.93		16,621.80	1,588.95	28,322.68
Best Buy		316.80		1,092.47	2,300.97	3,710.24
Costco		373.78				373.78
Food City		555.53		6.60		562.13
Office Depot		1,547.16		2,057.65		3,604.81
Office Needs		71.00				71.00
Quickbooks		3,283.35		92.86		3,376.21
Sams Club		267.39				267.39
Titan Technologies		49,055.63		44,834.91	10,608.53	104,499.07
Total for Office Supplies & Software	0	82,476.66	0	69,028.98	14,498.45	\$166,004.09
Other Business Expenses		6,096.26		237.28		\$6,333.54
Cintas		2,983.76		2,195.54		5,179.30
Communications Center				35.00		35.00
EFAX		688.59				688.59
Employee Business Gifts		100.00				100.00
Fleenor Security		2,106.47				2,106.47
GoDaddy		245.63				245.63
Kings Dry Cleaners				14.39		14.39
ShredPro		463.50		932.15		1,395.65

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2023

DISTRIBUTION ACCOUNT	BUFFALO	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
Smoky Mountain Water		508.86		456.57		965.43
Xerox Image Matters				1,759.58		1,759.58
Total for Other Business Expenses	0	13,193.07	0	5,630.51	0	\$18,823.58
Payroll						0
Payroll Billing Fee		4,914.22		496.78		5,411.00
Payroll - Employee Payroll		641,417.42		920,433.43		1,561,850.85
Payroll - Employer Taxes		52,160.06		49,531.44		101,691.50
Payroll - Owners Payroll		923,320.90				923,320.90
Payroll - Owners Taxes		33,714.95				33,714.95
Total for Payroll	0	1,655,527.55	0	970,461.65	0	\$2,625,989.20
Postage		1,159.91		875.43		2,035.34
Rent & Lease		113,135.80	19,256.78	97,956.00		230,348.58
Repairs & Maintenance		27,396.84				27,396.84
Retirement Contribution		14,212.51		12,915.21		27,127.72
Retirement Contribution - Owners		19,800.00				19,800.00
Taxes & Licenses		3,528.88				\$3,528.88
Medical License		4,595.29	500.00			5,095.29
Radioactive Material License		2,730.00				2,730.00
Total for Taxes & Licenses	0	10,854.17	500.00	0	0	\$11,354.17
Telephone		1,159.87		465.99		\$1,625.86
Cell		5,133.71				5,133.71
Total for Telephone	0	6,293.58	0	465.99	0	\$6,759.57
Training		570.70		3,185.00		3,755.70
Travel		19,653.73	10,359.38			30,013.11
Utilities						0
Answering Service				567.04		567.04
AT&T		16,497.37		11,876.26		28,373.63
Comcast		7,065.49		4,585.44		11,650.93
KUB		4,553.53				4,553.53
Ring Security Camera Subscription		504.78				504.78
Total for Utilities	0	28,621.17	0	17,028.74	0	\$45,649.91
Website Expense		459.80		2,599.90		\$3,059.70
Visually Speaking		10,870.00		2,750.00		13,620.00
Total for Website Expense	0	11,329.80	0	5,349.90	0	\$16,679.70
Total for Expenses	4,956.98	3,871,417.17	47,086.33	1,525,471.40	15,949.77	\$5,464,881.65
Net Operating Income	-4,956.98	63,053.28	-47,086.33	-545,216.36	-15,949.77	-\$550,156.16
Other Income						
Interest & Credit Card Rewards Income		3.80			0.27	4.07
Total for Other Income	0	3.80	0	0	0.27	\$4.07

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2023

DISTRIBUTION ACCOUNT	BUFFALO	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
Other Expenses					-1,385.95	-1,385.95
Ask My Accountant					-1,385.95	-\$1,385.95
Total for Other Expenses	0	0	0	0	1,386.22	\$1,390.02
Net Other Income	0	3.80	0	0		
Net Income	-4,956.98	63,057.08	-47,086.33	-545,216.36	-14,563.55	-\$548,766.14

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2024

DISTRIBUTION ACCOUNT	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
Income					
Medical Services	3,306,417.29		1,304,395.54		4,610,812.83
Other Income				83.33	83.33
Refunds			-726.84		-726.84
Total for Income	3,306,417.29	0	1,303,668.70	83.33	\$4,610,169.32
Cost of Goods Sold					
Gross Profit	3,306,417.29	0	1,303,668.70	83.33	\$4,610,169.32
Expenses					
1099 Contractors	8,933.43	0	3,325.00		\$12,258.43
Cleaning	10,600.00		13,980.00		24,580.00
Dr. Ely	2,000.00				2,000.00
Paul Rothery	15,000.00		6,000.00		21,000.00
Ryan Unger	65,250.00				65,250.00
Total for 1099 Contractors	101,783.43	0	23,305.00	0	\$125,088.43
Advertising & Marketing	17,607.59	0	1,891.85	-2,092.00	\$17,407.44
Allen Sign Co	5,740.58		585.00		6,325.58
Cumulus	11,334.00				11,334.00
Effectv	8,391.00				8,391.00
Image Matters			884.41		884.41
Knoxville Ice Bears	8,184.00				8,184.00
Metropolitan Airport Authority	10,450.00				10,450.00
Target One	1,199.35				1,199.35
WATE	151,146.50		2,500.00		153,646.50
WBIR Tegna	60,765.00		12,680.52		73,445.52
WTNZ	30,430.08				30,430.08
WVLT	55,955.55				55,955.55
Total for Advertising & Marketing	361,203.65	0	18,541.78	-2,092.00	\$377,653.43
Amortization Expense				8,666.49	8,666.49
Auto Expenses	12,439.67	0			\$12,439.67
Auto Detail	930.00				930.00
Auto-Hakeem	30.01				30.01
Auto Lease	53,088.09				53,088.09
Total for Auto Expenses	66,487.77	0	0	0	\$66,487.77
Bank Charges & Fees	3,375.92		259.74		3,635.66
Bonus	400.00				400.00
Business Gifts	5,612.54		78.92		5,691.46
Car & Truck (deleted)	2,832.47				2,832.47
Charity	1,750.00			-650.00	1,100.00
Contractors	1,735.00		760.00		2,495.00
Depreciation Expense				12,397.58	12,397.58

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2024

DISTRIBUTION ACCOUNT	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
Dues	3,218.04	0	2,785.00		\$6,003.04
American College of Radiation Oncology					
Annual Fee			195.56		195.56
IPFS			1,350.03		1,350.03
Membership Dues	520.00				520.00
State of TN	320.00				320.00
Suite Live Plan	360.00				360.00
The Virginian Golf Course	1,410.00				1,410.00
TN Podiatric Medical			3,700.00		3,700.00
Total for Dues	5,828.04	0	8,030.59	0	\$13,858.63
Expenses	18.29				18.29
Fuel	2,317.51				2,317.51
Insurance	9,535.42	864.22			\$10,399.64
Assurance Surprise Rental					
Auto Insurance	2,469.07				2,469.07
Builders Risk					
Business Owners Policy	1,525.00				1,525.00
Health Insurance	72,371.43		23,045.43		\$95,416.86
Dental & Vision Insurance	3,750.30		2,213.84		5,964.14
Other PEO Insurance	1,151.55		368.37		1,519.92
Vision Insurance	829.40		507.03		1,336.43
Total for Health Insurance	78,102.68	0	26,134.67	0	\$104,237.35
Life Insurance	2,898.02	-864.22			\$2,033.80
Principal	25,417.45				25,417.45
Total for Life Insurance	28,315.47	-864.22	0	0	\$27,451.25
MAG Prof Liability Scarbrough	8,508.59				8,508.59
Malpractice Insurance Hancock			6,689.48		6,689.48
Malpractice Insurance Ritchey			7,192.04		7,192.04
Malpractice Insurance Scarbrough	3,261.90				3,261.90
Workers Comp	-569.00				-569.00
Total for Insurance	131,149.13	0	40,016.19	0	\$171,165.32
Interest Paid	101,882.83		36,185.95	-230.78	137,838.00
Interest Paid Podiatry			65,081.73		65,081.73
Job Supplies			1,750.00		1,750.00
Laundry Alsco	10,012.11		405.44		10,417.55
Legal & Professional Services	69,223.88	1,585.00	500.00	-1,000.00	\$70,308.88
Advanced MD	25,739.40		23,233.84		48,973.24
LBMC, PC	32,931.50		1,615.00		34,546.50
Legal & Professional Fees	747.50	-1,585.00			-837.50
Mayeri	7,756.25				7,756.25
Milligan Lawless	275.50				275.50

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2024

DISTRIBUTION ACCOUNT	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
NCred	299.00		598.00		897.00
Radphys Oncology	43,686.40				43,686.40
TN Dept of Environment and Conservation	145.59				145.59
Woolf, McClane, Bright, Allen & Carpenter, PLLC	19,873.50				19,873.50
Total for Legal & Professional Services	200,678.52	0	25,946.84	-1,000.00	\$225,625.36
Meals & Entertainment	24,352.11	-955.76	107.60		\$23,503.95
Meals & Entertainment Meals TJS	515.85				515.85
Meals & Entertainment RH	13,590.13				13,590.13
Staff Meals	7,636.88	955.76			8,592.64
Total for Meals & Entertainment	46,094.97	0	107.60	0	\$46,202.57
Medical Supplies	697.73		2,713.70		\$3,411.43
CNMC	382.00				382.00
Gill Podiatry			42,820.73		42,820.73
PTW					
Volunteer X Ray	3,539.89				3,539.89
Total for Medical Supplies	4,619.62	0	45,534.43	0	\$50,154.05
Non-Deductible Entertainment	3,056.32				3,056.32
Office Supplies & Software	17,084.47	0	2,421.22	-455.27	\$19,050.42
Amazon	7,077.98		5,749.00		12,826.98
Food City	408.21		138.94		547.15
Office Depot	1,713.03		1,580.04		3,293.07
Quickbooks	2,246.15				2,246.15
Sams Club	1,724.65				1,724.65
Titan Technologies	48,017.69		49,582.10		97,599.79
Total for Office Supplies & Software	78,272.18	0	59,471.30	-455.27	\$137,288.21
Other Business Expenses	10,443.27	0	3,859.07	-71.00	\$14,231.34
Cintas	5,270.81		1,947.97		7,218.78
EFAX	726.01				726.01
Fleenor Security	360.00				360.00
Other Business Expenses	3,697.00		216.32		3,913.32
ShredPro	860.05		937.30		1,797.35
Smoky Mountain Water	393.90		519.73		913.63
Xerox Image Matters			3,208.36		3,208.36
Total for Other Business Expenses	21,751.04	0	10,688.75	-71.00	\$32,368.79
Payroll					0
Payroll Billing Fee	2,609.85		773.86		3,383.71
Payroll - Employee Payroll	784,314.86		1,076,649.44		1,860,964.30
Payroll - Employer Taxes	64,400.17		76,010.64		140,410.81
Payroll - Owners Payroll	412,000.00				412,000.00
Payroll - Owners Taxes	30,177.20				30,177.20
Total for Payroll	1,293,502.08	0	1,153,433.94	0	\$2,446,936.02

Profit and Loss by Class

HEELEX, LLC

January 1-December 31, 2024

DISTRIBUTION ACCOUNT	HEELEX	PHOENIX	PODIATRY	NOT SPECIFIED	TOTAL
Postage	1,060.27		2,142.82		3,203.09
Reimbursable Expenses			100.00		100.00
Rent & Lease	140,310.80	0	97,956.00		\$238,266.80
Todds AZ Apartment				0	
Total for Rent & Lease	140,310.80	0	97,956.00	0	\$238,266.80
Repairs & Maintenance	30,939.30		545.00		31,484.30
Retirement Contribution	15,828.07		24,951.39	5,977.14	46,756.60
Retirement Contribution - Owners	12,760.00				12,760.00
Taxes & Licenses	3,556.98	0	888.00		\$4,444.98
Medical License	250.00				250.00
Radioactive Material License	195.00				195.00
Total for Taxes & Licenses	4,001.98	0	888.00	0	\$4,889.98
Telephone	2,456.70	0	131.48	-221.79	\$2,366.39
Cell	6,973.40				6,973.40
Total for Telephone	9,430.10	0	131.48	-221.79	\$9,339.79
Travel	5,053.45		765.08		5,818.53
Utilities		0			0
Answering Service			1,504.13		1,504.13
AT&T	15,275.67		15,275.64		30,551.31
Comcast	11,353.21		7,867.35		19,220.56
KUB	5,269.32				5,269.32
Ring Security Camera Subscription	517.70				517.70
Total for Utilities	32,415.90	0	24,647.12	0	\$57,063.02
Website Expense	886.83	0			\$886.83
Visually Speaking	11,250.00		3,300.00		14,550.00
Total for Website Expense	12,136.83	0	3,300.00	0	\$15,436.83
Total for Expenses	2,708,300.12	0	1,645,025.09	22,320.37	\$4,375,645.58
Net Operating Income	598,117.17	0	-341,356.39	-22,237.04	\$234,523.74
Other Income					2.92
Interest & Credit Card Rewards Income	2.92				2.92
Total for Other Income	2.92	0	0	0	\$2.92
Other Expenses					
Ask My Accountant					0
Total for Other Expenses	0	0	0	0	0
Net Other Income	2.92	0	0	0	\$2.92
Net Income	598,120.09	0	-341,356.39	-22,237.04	\$234,526.66

HEELEX, LLC

Entity Type: Limited Liability Company (LLC)
Formed in: TENNESSEE
Term of Duration: Perpetual
Managed By: Member Managed
Series LLC: Yes
Number of Members: 6 or less

Status: Active
Control Number: 001062023
Initial Filing Date: 11/12/2019 3:59:49 PM
Fiscal Ending Month: December
AR Due Date: 04/01/2026
Obligated Member Entity: No

<u>Registered Agent</u>	<u>Principal Office Address</u>	<u>Mailing Address</u>
ROBBIE HAKEEM	6450 KINGSTON PIKE STE 2	6450 KINGSTON PIKE STE 2
1123 WESTLAND GARDENS BLVD	KNOXVILLE, TN 37919-4833	KNOXVILLE, TN 37919-4833
KNOXVILLE, TN 37922		
AR Standing: Good	RA Standing: Good	Other Standing: Good
		Revenue Standing: Good

History (11)

SERVICE AREA DEMOGRAPHIC CHART

(NOTE: KNOX AND SURROUNDING COUNTIES ARE HIGHLIGHTED IN YELLOW)

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population- Current Year 2024	Total Population- Projected Year 2026	Total Population-% Change	*Target Population- Current Year 2024	Target Population- Project Year 2026	Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
County A	78,892	79,419	.668%	62,782	63,304	25.6%	25.4%	41.6	\$57,652	12,021	15.2%	18,291	21.6%
County B	140,216	142,679	1.757%	113,092	115,207	24%	23.8%	43.8	\$78,504	12,314	8.8%	24,049	17.0%
County C	23,955	24,098	.597%	19,453	19,626	23.1%	22.8%	45.7	\$51,351	3,884	16.4%	6,484	22.7%
County D	66,354	66,934	.874%	51,377	51,855	29.2%	29.1%	40.1	\$53,210	13,467	20.6%	18,495	23.1%
County E	56,988	57,714	1.27%	46,217	46,904	23.3%	23%	44.1	\$63,084	6,229	11.5%	14,423	19.3%
County F	493,620	502,133	1.725%	388,760	395,292	27%	27%	37.5	\$70,265	68,134	14%	87,654	17.9%
County G	54,007	53,981	-481.42%	44,348	44,406	21.8%	21.6%	47.4	\$66,218	6,854	12.7%	12,779	19.4%
County H	104,497	106,941	2.334%	83,906	85,999	24.5%	24.4%	43.4	\$59,665	12,630	12.8%	22,595	20.1%
County I	20,322	20,354	.157%	16,242	16,340	25.1%	24.6%	42.4	\$61,858	2,773	13.9%	5,788	22.8%
Service Area Total	1,038,851	1,054,253		826,177	838,933	25.7%	25.7%	42.9	\$62,423	138,306		210,558	
State of TN Total	7,125,908	7,231,338	1.48%					39.1	\$67,631	978,460	14%	1,611,680	20%

Tennessee Population Estimates 2024 and 2026 *

	Population Estimate 2024			Population Estimate 2026			% Increase	
	Total	0-17	% 0-17	Total	0-17	% 0-17	0-17	Total
Tennessee	7,125,908	1,560,304	21.9%	7,231,338	1,578,103	21.8%	1.1%	1.5%
Anderson	78,892	16,110	20.4%	79,416	16,112	20.3%	0.0%	0.7%
Bedford	52,573	12,915	24.6%	53,707	13,154	24.5%	1.8%	2.2%
Benton	16,182	3,051	18.9%	16,188	3,010	18.6%	-1.3%	0.0%
Bledsoe	15,679	2,193	14.0%	15,872	2,197	13.8%	0.2%	1.2%
Blount	140,216	27,124	19.3%	142,679	27,472	19.3%	1.3%	1.8%
Bradley	112,767	24,194	21.5%	114,494	24,403	21.3%	0.9%	1.5%
Campbell	39,557	7,795	19.7%	39,362	7,711	19.6%	-1.1%	-0.5%
Cannon	15,208	3,128	20.6%	15,358	3,109	20.2%	-0.6%	1.0%
Carroll	27,529	6,012	21.8%	27,364	5,920	21.6%	-1.5%	-0.6%
Carter	55,890	9,508	17.0%	55,514	9,309	16.8%	-2.1%	-0.7%
Cheatham	41,865	8,633	20.6%	42,171	8,588	20.4%	-0.5%	0.7%
Chester	17,553	3,929	22.4%	17,619	3,894	22.1%	-0.9%	0.4%
Claiborne	32,436	5,883	18.1%	32,590	5,760	17.7%	-2.1%	0.5%
Clay	7,659	1,465	19.1%	7,662	1,448	18.9%	-1.1%	0.0%
Cocke	36,691	6,930	18.9%	36,840	6,824	18.5%	-1.5%	0.4%
Coffee	59,283	13,844	23.4%	60,055	13,939	23.2%	0.7%	1.3%
Crockett	14,152	3,258	23.0%	14,127	3,241	22.9%	-0.5%	-0.2%
Cumberland	64,464	10,452	16.2%	65,680	10,509	16.0%	0.5%	1.9%
Davidson	727,642	160,372	22.0%	737,504	163,413	22.2%	1.9%	1.4%
Decatur	11,602	2,250	19.4%	11,583	2,219	19.2%	-1.4%	-0.2%
DeKalb	21,454	4,405	20.5%	21,731	4,417	20.3%	0.3%	1.3%
Dickson	56,518	12,320	21.8%	57,497	12,450	21.7%	1.0%	1.7%
Dyer	36,824	8,551	23.2%	36,856	8,551	23.2%	0.0%	0.1%
Fayette	43,558	7,721	17.7%	44,426	7,909	17.8%	2.4%	2.0%
Fentress	19,032	3,771	19.8%	19,108	3,748	19.6%	-0.6%	0.4%
Franklin	42,918	8,545	19.9%	43,090	8,522	19.8%	-0.3%	0.4%
Gibson	49,577	11,696	23.6%	49,738	11,673	23.5%	-0.2%	0.3%
Giles	29,483	6,022	20.4%	29,412	5,963	20.3%	-1.0%	-0.2%
Grainger	23,955	4,502	18.8%	24,098	4,472	18.6%	-0.7%	0.6%
Greene	70,230	13,051	18.6%	70,428	12,978	18.4%	-0.6%	0.3%
Grundy	13,215	2,615	19.8%	13,063	2,534	19.4%	-3.1%	-1.2%
Hamblen	66,354	14,977	22.6%	66,934	15,079	22.5%	0.7%	0.9%
Hamilton	383,109	80,054	20.9%	388,310	81,144	20.9%	1.4%	1.4%
Hancock	6,344	1,243	19.6%	6,272	1,203	19.2%	-3.2%	-1.1%
Hardeman	24,562	4,484	18.3%	24,409	4,384	18.0%	-2.2%	-0.6%
Hardin	25,584	4,849	19.0%	25,548	4,756	18.6%	-1.9%	-0.1%
Hawkins	56,945	10,347	18.2%	56,906	10,200	17.9%	-1.4%	-0.1%
Haywood	16,550	3,540	21.4%	16,321	3,454	21.2%	-2.4%	-1.4%
Henderson	28,387	6,181	21.8%	28,516	6,151	21.6%	-0.5%	0.5%
Henry	32,156	6,128	19.1%	32,162	6,049	18.8%	-1.3%	0.0%
Hickman	25,930	5,069	19.5%	26,153	5,029	19.2%	-0.8%	0.9%
Houston	8,388	1,728	20.6%	8,432	1,722	20.4%	-0.3%	0.5%
Humphreys	18,683	3,875	20.7%	18,722	3,849	20.6%	-0.7%	0.2%
Jackson	12,055	2,110	17.5%	12,125	2,115	17.4%	0.2%	0.6%
Jefferson	56,988	10,771	18.9%	57,714	10,810	18.7%	0.4%	1.3%
Johnson	17,752	2,811	15.8%	17,683	2,750	15.6%	-2.2%	-0.4%
Knox	493,620	104,860	21.2%	502,133	106,841	21.3%	1.9%	1.7%
Lake	6,892	933	13.5%	6,862	902	13.1%	-3.4%	-0.4%
Lauderdale	25,372	5,384	21.2%	25,309	5,320	21.0%	-1.2%	-0.2%
Lawrence	44,981	10,438	23.2%	45,180	10,233	22.6%	-2.0%	0.4%

Tennessee Population Estimates 2024 and 2026 *

	Population Estimate 2024			Population Estimate 2026			% Increase	
	Total	0-17	% 0-17	Total	0-17	% 0-17	0-17	Total
Lewis	12,400	2,566	20.7%	12,398	2,525	20.4%	-1.6%	0.0%
Lincoln	35,066	7,259	20.7%	35,297	7,171	20.3%	-1.2%	0.7%
Loudon	57,893	10,527	18.2%	59,243	10,646	18.0%	1.1%	2.3%
McMinn	55,219	11,311	20.5%	55,648	11,341	20.4%	0.3%	0.8%
McNairy	26,010	5,342	20.5%	26,123	5,311	20.3%	-0.6%	0.4%
Macon	25,925	6,266	24.2%	26,451	6,379	24.1%	1.8%	2.0%
Madison	98,816	22,212	22.5%	98,975	22,118	22.3%	-0.4%	0.2%
Marion	28,886	5,785	20.0%	28,830	5,712	19.8%	-1.3%	-0.2%
Marshall	36,559	8,290	22.7%	37,263	8,423	22.6%	1.6%	1.9%
Maur	106,039	23,950	22.6%	109,080	24,620	22.6%	2.8%	2.9%
Meigs	12,824	2,513	19.6%	12,950	2,515	19.4%	0.0%	1.0%
Monroe	48,436	9,454	19.5%	48,948	9,372	19.1%	-0.9%	1.1%
Montgomery	231,296	62,319	26.9%	239,732	64,745	27.0%	3.9%	3.6%
Moore	6,502	1,203	18.5%	6,530	1,202	18.4%	-0.1%	0.4%
Morgan	21,727	3,943	18.1%	21,842	3,930	18.0%	-0.3%	0.5%
Obion	29,833	6,380	21.4%	29,647	6,356	21.4%	-0.4%	-0.6%
Overton	23,089	4,738	20.5%	23,310	4,756	20.4%	0.4%	1.0%
Perry	8,222	1,787	21.7%	8,278	1,783	21.5%	-0.2%	0.7%
Pickett	4,990	799	16.0%	4,953	785	15.9%	-1.8%	-0.7%
Polk	17,159	3,167	18.5%	17,295	3,159	18.3%	-0.2%	0.8%
Putnam	84,778	18,373	21.7%	86,614	18,736	21.6%	2.0%	2.2%
Rhea	34,243	7,316	21.4%	34,599	7,271	21.0%	-0.6%	1.0%
Roane	54,007	9,659	17.9%	53,981	9,575	17.7%	-0.9%	0.0%
Robertson	75,475	17,183	22.8%	76,975	17,446	22.7%	1.5%	2.0%
Rutherford	371,864	90,458	24.3%	388,241	94,152	24.3%	4.1%	4.4%
Scott	22,151	5,006	22.6%	22,155	4,957	22.4%	-1.0%	0.0%
Sequatchie	15,754	3,109	19.7%	16,015	3,137	19.6%	0.9%	1.7%
Sevier	104,497	20,591	19.7%	106,941	20,942	19.6%	1.7%	2.3%
Shelby	943,252	232,384	24.6%	946,162	232,458	24.6%	0.0%	0.3%
Smith	20,764	4,535	21.8%	20,971	4,545	21.7%	0.2%	1.0%
Stewart	14,046	2,795	19.9%	14,119	2,764	19.6%	-1.1%	0.5%
Sullivan	160,062	29,872	18.7%	160,421	29,877	18.6%	0.0%	0.2%
Sumner	208,192	47,098	22.6%	214,273	48,272	22.5%	2.5%	2.9%
Tipton	63,206	14,625	23.1%	63,749	14,638	23.0%	0.1%	0.9%
Trousdale	11,829	2,238	18.9%	11,991	2,232	18.6%	-0.2%	1.4%
Unicoi	17,869	3,162	17.7%	17,898	3,173	17.7%	0.3%	0.2%
Union	20,322	4,080	20.1%	20,354	4,014	19.7%	-1.6%	0.2%
Van Buren	5,903	1,128	19.1%	5,873	1,101	18.7%	-2.4%	-0.5%
Warren	41,992	9,334	22.2%	42,135	9,268	22.0%	-0.7%	0.3%
Washington	134,277	25,797	19.2%	136,000	26,090	19.2%	1.1%	1.3%
Wayne	16,325	2,508	15.4%	16,211	2,440	15.1%	-2.7%	-0.7%
Weakley	33,259	6,777	20.4%	33,258	6,756	20.3%	-0.3%	0.0%
White	28,600	5,870	20.5%	29,004	5,874	20.3%	0.1%	1.4%
Williamson	270,313	68,142	25.2%	282,760	70,524	24.9%	3.5%	4.6%
Wilson	160,783	36,425	22.7%	166,921	37,573	22.5%	3.2%	3.8%

* TN_CoPopProj_2021 UTCBER Population Projection Series.

Source: Boyd Center for Business and Economic Research, University of Tennessee, Knoxville
 Reassembled by the Tennessee Department of Health, Division of Population Health Assessment
 Note: These projections may not match Boyd Center projections precisely due to rounding.

 An official website of the United States government [Here's how you know](#)

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Measuring America's People and Economy

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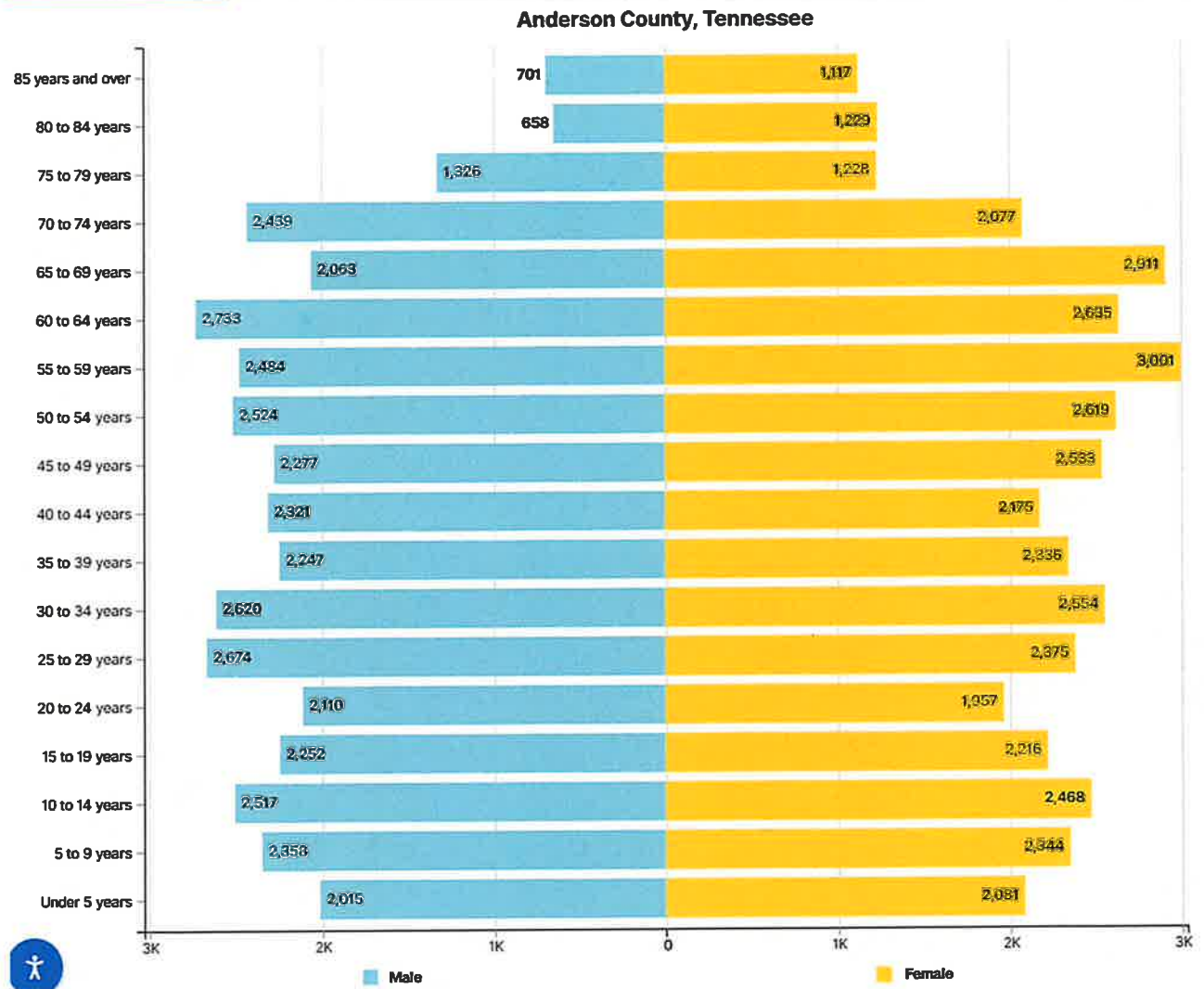
 Yes

 No

Anderson County

Sex and Age

Median Age – 42.3



Race And Ethnicity

Race and Ethnicity

American Indian and Alaska Native

302
American Indian and Alaska Native alone in Anderson County, Tennessee
28,044
American Indian and Alaska Native alone in Tennessee
P8 | 2020 Decennial Census

Asian

981
Asian alone in Anderson County, Tennessee
135,615
Asian alone in Tennessee
P8 | 2020 Decennial Census

Black or African American

2,888
Black or African American alone in Anderson County, Tennessee
1,092,948
Black or African American alone in Tennessee
P8 | 2020 Decennial Census

Hispanic or Latino
2,820
Hispanic or Latino (of any race) in Anderson County, Tennessee
479,187
Hispanic or Latino (of any race) in Tennessee
P9 | 2020 Decennial Census

Native Hawaiian and Other Pacific Islander
53
Native Hawaiian and Other Pacific Islander alone in Anderson County, Tennessee
4,115
Native Hawaiian and Other Pacific Islander alone in Tennessee
P8 | 2020 Decennial Census

Not Hispanic or Latino
66,044
White alone, not Hispanic or Latino in Anderson County, Tennessee
4,900,246
White alone, not Hispanic or Latino in Tennessee
P9 | 2020 Decennial Census

Some Other Race
1,209
Some Other Race alone in Anderson County, Tennessee
246,282
Some Other Race alone in Tennessee

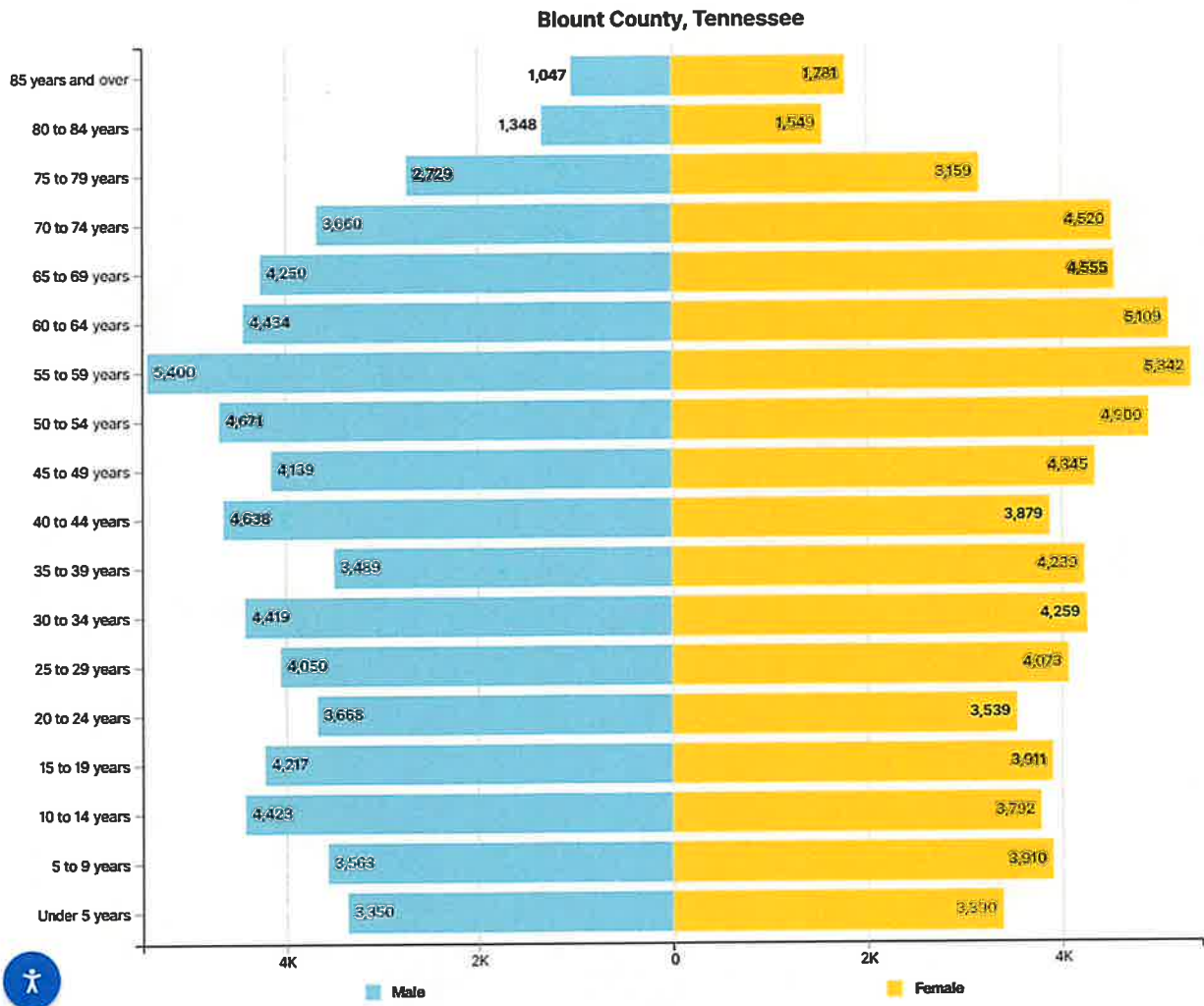
Two or More Races
4,827
Two or More Races in Anderson County, Tennessee
412,898
Two or More Races in Tennessee
P8 | 2020 Decennial Census

White
66,863
White alone in Anderson County, Tennessee
4,990,938
White alone in Tennessee
P8 | 2020 Decennial Census

Blount County

Sex and Age

Median age – 43.0



Race and Ethnicity

American Indian and Alaska Native

521

American Indian and Alaska Native alone in Blount County, Tennessee

28,044

American Indian and Alaska Native alone in Tennessee

P8 | 2020 Decennial Census

Asian

1,297

Asian alone in Blount County, Tennessee

135,615

Asian alone in Tennessee

P8 | 2020 Decennial Census

Black or African American

3,628

Black or African American alone in Blount County, Tennessee

1,092,948

Black or African American alone in Tennessee

P8 | 2020 Decennial Census

Hispanic or Latino

5,709

Hispanic or Latino (of any race) in Blount County, Tennessee

479,187

Hispanic or Latino (of any race) in Tennessee

White

119,367

White alone in Blount County, Tennessee

4,990,938

White alone in Tennessee

P8 | 2020 Decennial Census

Native Hawaiian and Other Pacific Islander

29

Native Hawaiian and Other Pacific Islander alone in Blount County, Tennessee

4,115

Native Hawaiian and Other Pacific Islander alone in Tennessee

P8 | 2020 Decennial Census

Not Hispanic or Latino

117,952

White alone, not Hispanic or Latino in Blount County, Tennessee

4,900,246

White alone, not Hispanic or Latino in Tennessee

P9 | 2020 Decennial Census

Some Other Race

2,376

Some Other Race alone in Blount County, Tennessee

246,282

Some Other Race alone in Tennessee

P8 | 2020 Decennial Census

Two or More Races

8,062

Two or More Races in Blount County, Tennessee

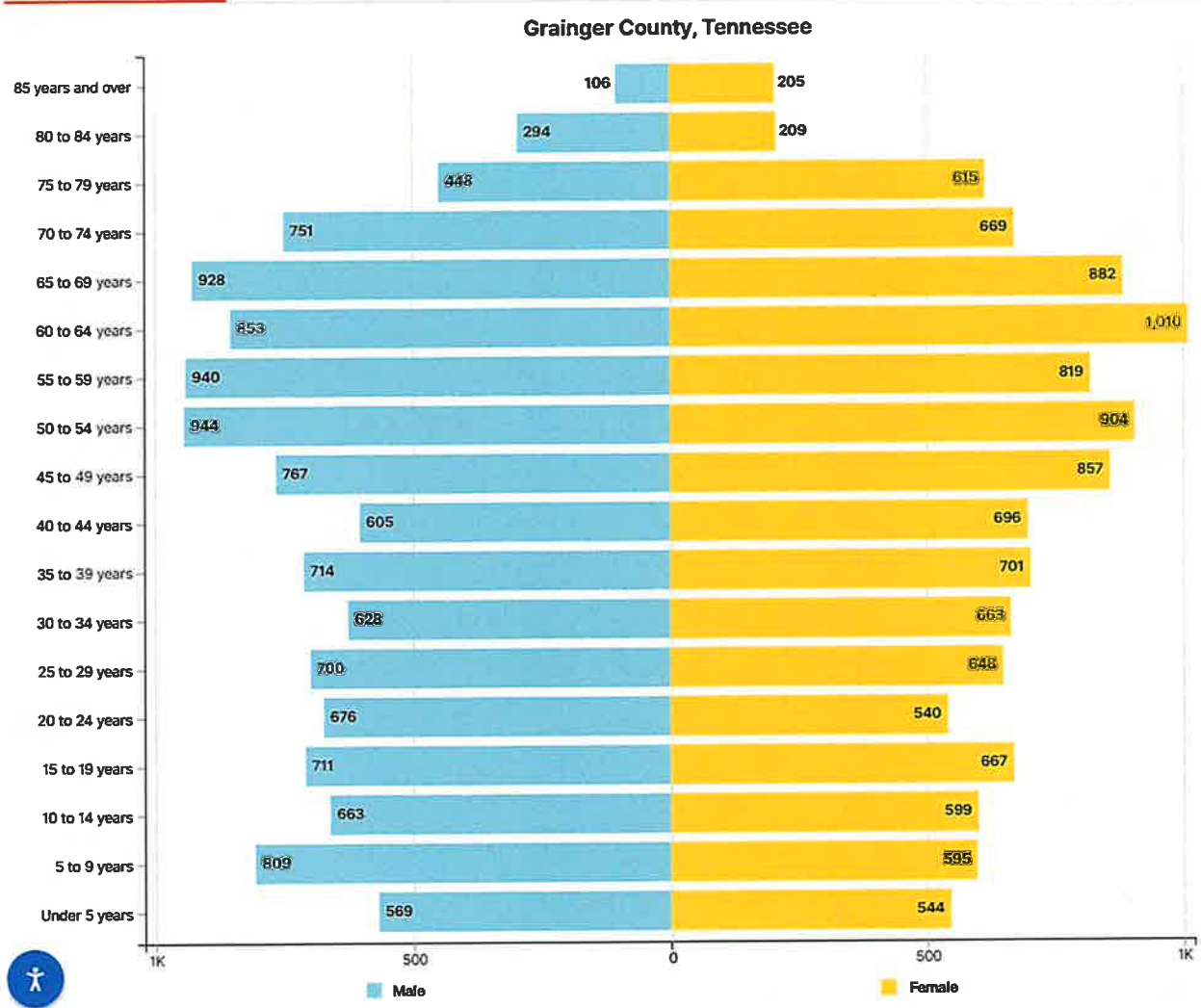
412,898

Two or More Races in Tennessee

Grainger County

Sex and Age

Median – 45.7



Race and Ethnicity

American Indian and Alaska Native

66

American Indian and Alaska Native alone in Grainger County, Tennessee

28,044

American Indian and Alaska Native alone in Tennessee

P8 | 2020 Decennial Census

Asian

53

Asian alone in Grainger County, Tennessee

135,615

Asian alone in Tennessee

P8 | 2020 Decennial Census

Black or African American

124

Black or African American alone in Grainger County, Tennessee

1,092,948

Black or African American alone in Tennessee

P8 | 2020 Decennial Census

Hispanic or Latino

773

Hispanic or Latino (of any race) in Grainger County, Tennessee

479,187

Hispanic or Latino (of any race) in Tennessee

Native Hawaiian and Other Pacific Islander

2

Native Hawaiian and Other Pacific Islander alone in Grainger County, Tennessee

4,115

Native Hawaiian and Other Pacific Islander alone in Tennessee

P8 | 2020 Decennial Census

Not Hispanic or Latino

21,748

White alone, not Hispanic or Latino in Grainger County, Tennessee

4,900,246

White alone, not Hispanic or Latino in Tennessee

P9 | 2020 Decennial Census

Some Other Race

402

Some Other Race alone in Grainger County, Tennessee

246,282

Some Other Race alone in Tennessee

P8 | 2020 Decennial Census

Two or More Races

946

Two or More Races in Grainger County, Tennessee

412,898

Two or More Races in Tennessee

P8 | 2020 Decennial Census

White

21,934

White alone in Grainger County, Tennessee

4,990,938

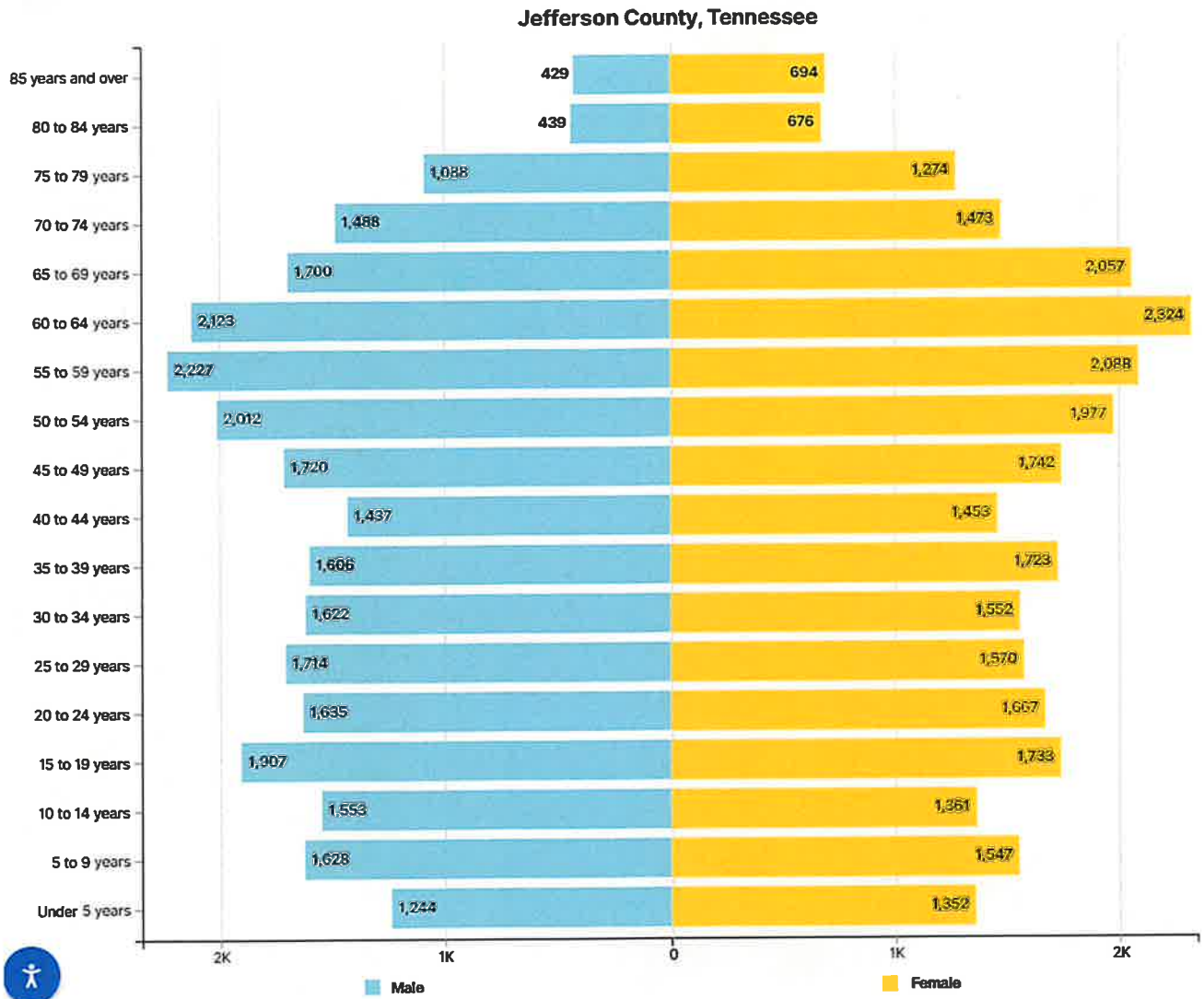
White alone in Tennessee

P8 | 2020 Decennial Census

Jefferson County

Sex and Age

Median – 44.1



Race and Ethnicity

American Indian and Alaska Native

180

American Indian and Alaska Native alone in Jefferson County, Tennessee

28,044

American Indian and Alaska Native alone in Tennessee

P8 | 2020 Decennial Census

Asian

273

Asian alone in Jefferson County, Tennessee

135,615

Asian alone in Tennessee

P8 | 2020 Decennial Census

Black or African American

802

Black or African American alone in Jefferson County, Tennessee

1,092,948

Black or African American alone in Tennessee

P8 | 2020 Decennial Census

Hispanic or Latino

2,392

Hispanic or Latino (of any race) in Jefferson County, Tennessee

479,187

Hispanic or Latino (of any race) in Tennessee

P9 | 2020 Decennial Census

Two or More Races

2,614

Two or More Races in Jefferson County, Tennessee

412,898

Two or More Races in Tennessee

P8 | 2020 Decennial Census

White

49,561

White alone in Jefferson County, Tennessee

4,990,938

White alone in Tennessee

P8 | 2020 Decennial Census

Native Hawaiian and Other Pacific Islander

20

Native Hawaiian and Other Pacific Islander alone in Jefferson County, Tennessee

4,115

Native Hawaiian and Other Pacific Islander alone in Tennessee

P8 | 2020 Decennial Census

Not Hispanic or Latino

48,975

White alone, not Hispanic or Latino in Jefferson County, Tennessee

4,900,246

White alone, not Hispanic or Latino in Tennessee

P9 | 2020 Decennial Census

Some Other Race

1,233

Some Other Race alone in Jefferson County, Tennessee

246,282

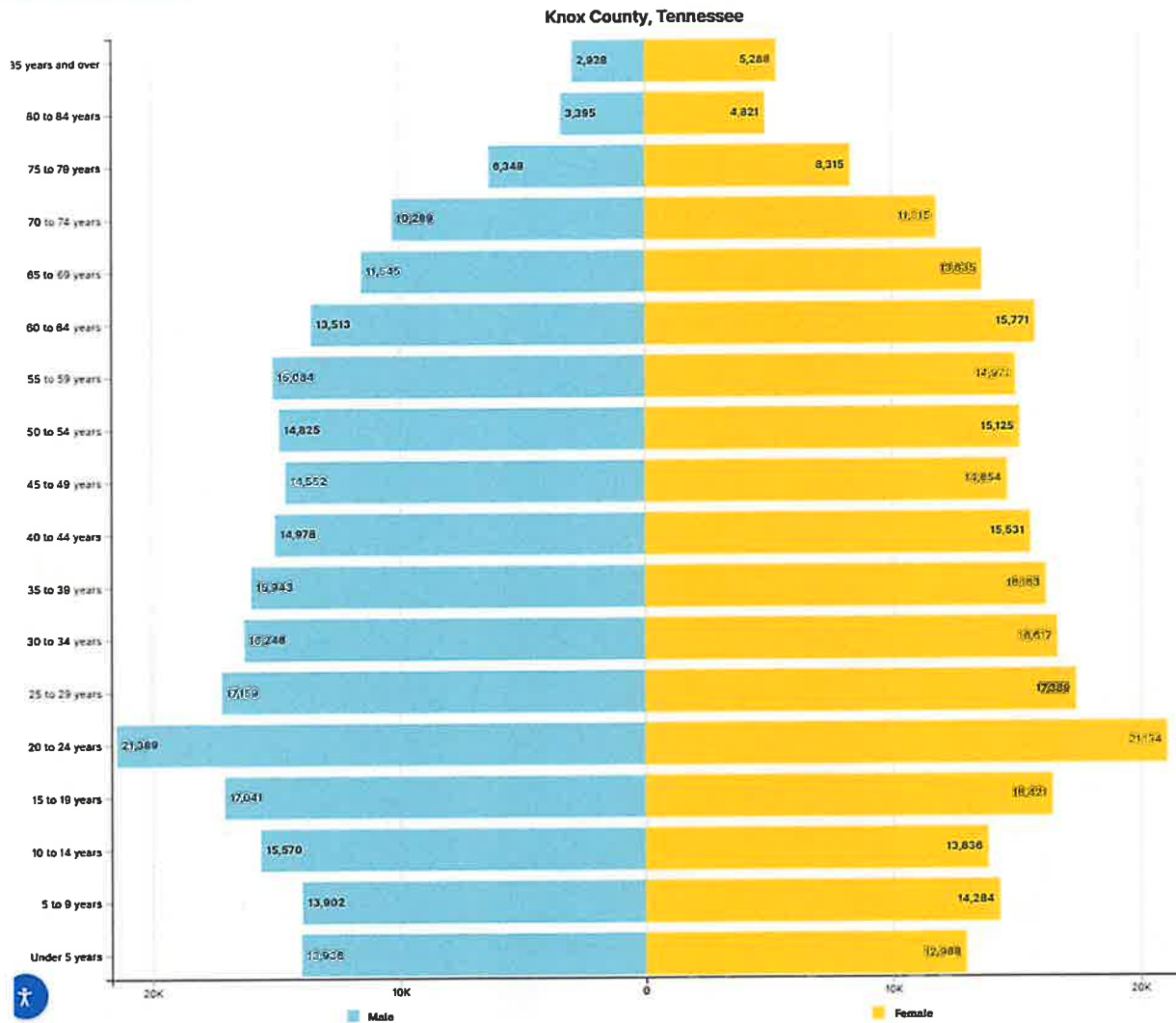
Some Other Race alone in Tennessee

P8 | 2020 Decennial Census

Knox County

Sex and Age

Median – 37.6



Race and Ethnicity

American Indian and Alaska Native

2,057

American Indian and Alaska Native alone in Knox County, Tennessee

28,044

American Indian and Alaska Native alone in Tennessee

P8 | 2020 Decennial Census

Asian

11,962

Asian alone in Knox County, Tennessee

135,615

Asian alone in Tennessee

P8 | 2020 Decennial Census

Black or African American

40,360

Black or African American alone in Knox County, Tennessee

1,092,948

Black or African American alone in Tennessee

P8 | 2020 Decennial Census

Hispanic or Latino

28,568

Hispanic or Latino (of any race) in Knox County, Tennessee

479,187

Hispanic or Latino (of any race) in Tennessee

Two or More Races

31,144

Two or More Races in Knox County, Tennessee

412,898

Two or More Races in Tennessee

P8 | 2020 Decennial Census

White

379,510

White alone in Knox County, Tennessee

4,990,938

White alone in Tennessee

Native Hawaiian and Other Pacific Islander

319

Native Hawaiian and Other Pacific Islander alone in Knox County, Tennessee

4,115

Native Hawaiian and Other Pacific Islander alone in Tennessee

P8 | 2020 Decennial Census

Not Hispanic or Latino

373,790

White alone, not Hispanic or Latino in Knox County, Tennessee

4,900,246

White alone, not Hispanic or Latino in Tennessee

P9 | 2020 Decennial Census

Some Other Race

13,619

Some Other Race alone in Knox County, Tennessee

246,282

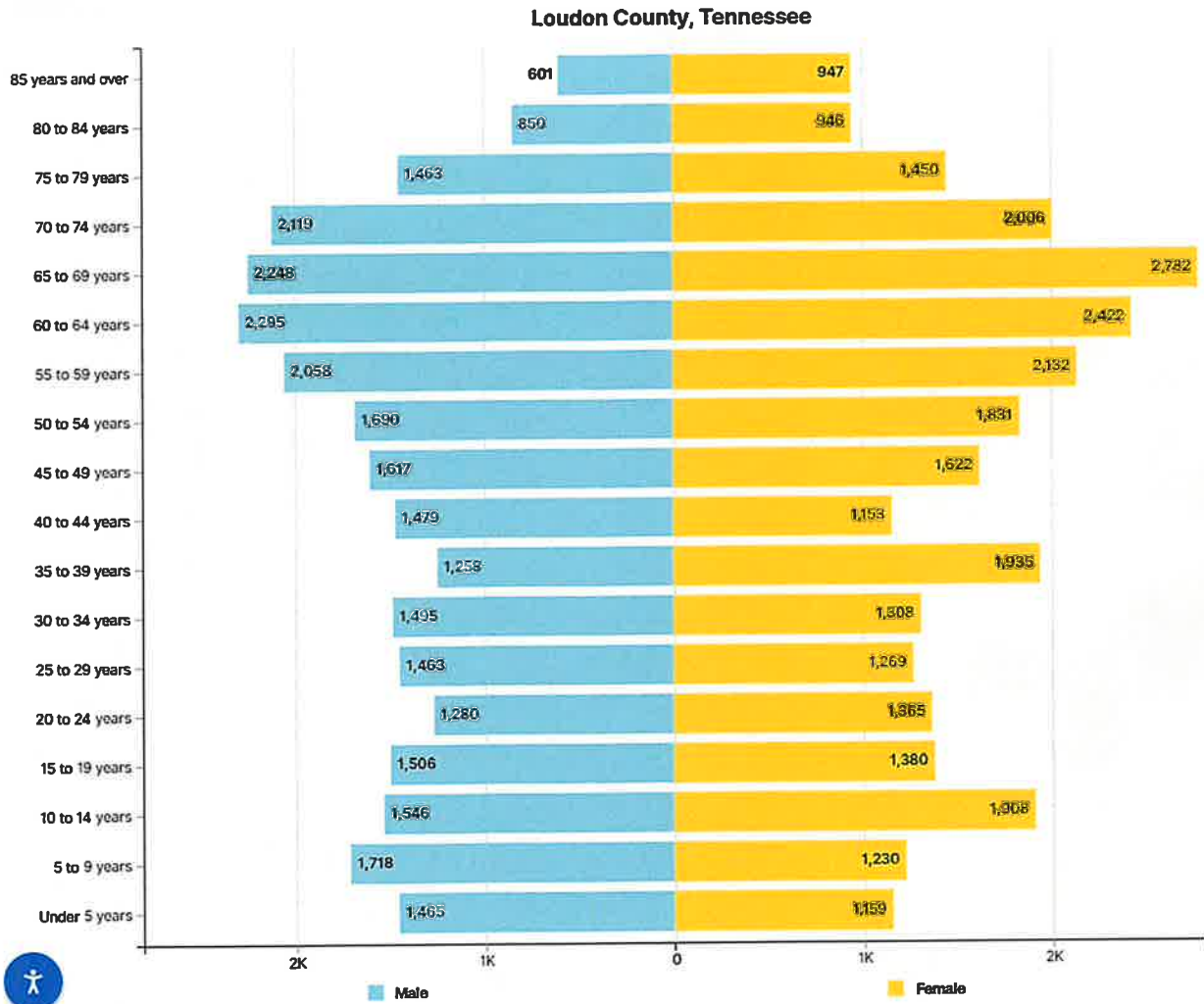
Some Other Race alone in Tennessee

P8 | 2020 Decennial Census

Loudon County

Sex and Age

Median – 48.7



Race and Ethnicity

American Indian and Alaska Native

199

American Indian and Alaska Native alone in Loudon County, Tennessee

28,044

American Indian and Alaska Native alone in Tennessee

[P8](#) | 2020 Decennial Census

Hispanic or Latino

5,356

Hispanic or Latino (of any race) in Loudon County, Tennessee

479,187

Hispanic or Latino (of any race) in Tennessee

[P9](#) | 2020 Decennial Census

Asian

459

Asian alone in Loudon County, Tennessee

135,615

Asian alone in Tennessee

[P8](#) | 2020 Decennial Census

Native Hawaiian and Other Pacific Islander

11

Native Hawaiian and Other Pacific Islander alone in Loudon County, Tennessee

4,115

Native Hawaiian and Other Pacific Islander alone in Tennessee

[P8](#) | 2020 Decennial Census

Black or African American

584

Black or African American alone in Loudon County, Tennessee

1,092,948

Black or African American alone in Tennessee

[P8](#) | 2020 Decennial Census

Not Hispanic or Latino

46,419

White alone, not Hispanic or Latino in Loudon County, Tennessee

4,900,246

White alone, not Hispanic or Latino in Tennessee

[P9](#) | 2020 Decennial Census

Some Other Race

2,942

Some Other Race alone in Loudon County, Tennessee

246,282

Some Other Race alone in Tennessee

[P8](#) | 2020 Decennial Census

Two or More Races

3,338

Two or More Races in Loudon County, Tennessee

412,898

Two or More Races in Tennessee

[P8](#) | 2020 Decennial Census

White

47,353

White alone in Loudon County, Tennessee

4,990,938

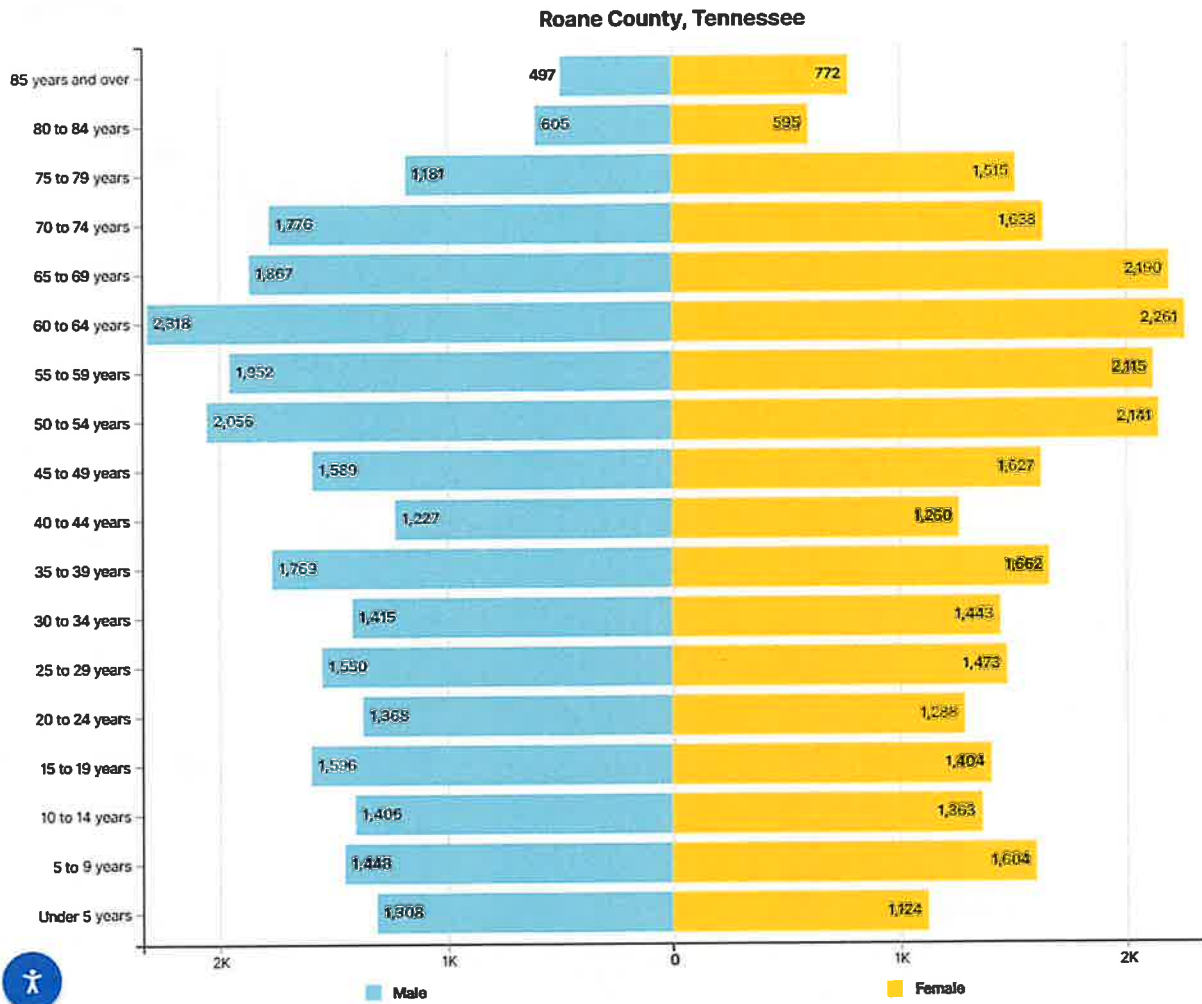
White alone in Tennessee

[P8](#) | 2020 Decennial Census

Roane County

Sex and Age

Median – 47.4



Race and Ethnicity

American Indian and Alaska Native

204

American Indian and Alaska Native alone in Roane County, Tennessee

28,044

American Indian and Alaska Native alone in Tennessee

P8 | 2020 Decennial Census

Asian

342

Asian alone in Roane County, Tennessee

135,615

Asian alone in Tennessee

P8 | 2020 Decennial Census

Black or African American

1,303

Black or African American alone in Roane County, Tennessee

1,092,948

Black or African American alone in Tennessee

P8 | 2020 Decennial Census

Hispanic or Latino

1,011

Hispanic or Latino (of any race) in Roane County, Tennessee

479,187

Hispanic or Latino (of any race) in Tennessee

Native Hawaiian and Other Pacific Islander

21

Native Hawaiian and Other Pacific Islander alone in Roane County, Tennessee

4,115

Native Hawaiian and Other Pacific Islander alone in Tennessee

P8 | 2020 Decennial Census

Not Hispanic or Latino

48,094

White alone, not Hispanic or Latino in Roane County, Tennessee

4,900,246

White alone, not Hispanic or Latino in Tennessee

P9 | 2020 Decennial Census

Some Other Race

402

Some Other Race alone in Roane County, Tennessee

246,282

Some Other Race alone in Tennessee

P8 | 2020 Decennial Census

Two or More Races

2,669

Two or More Races in Roane County, Tennessee

412,898

Two or More Races in Tennessee

P8 | 2020 Decennial Census

White

48,463

White alone in Roane County, Tennessee

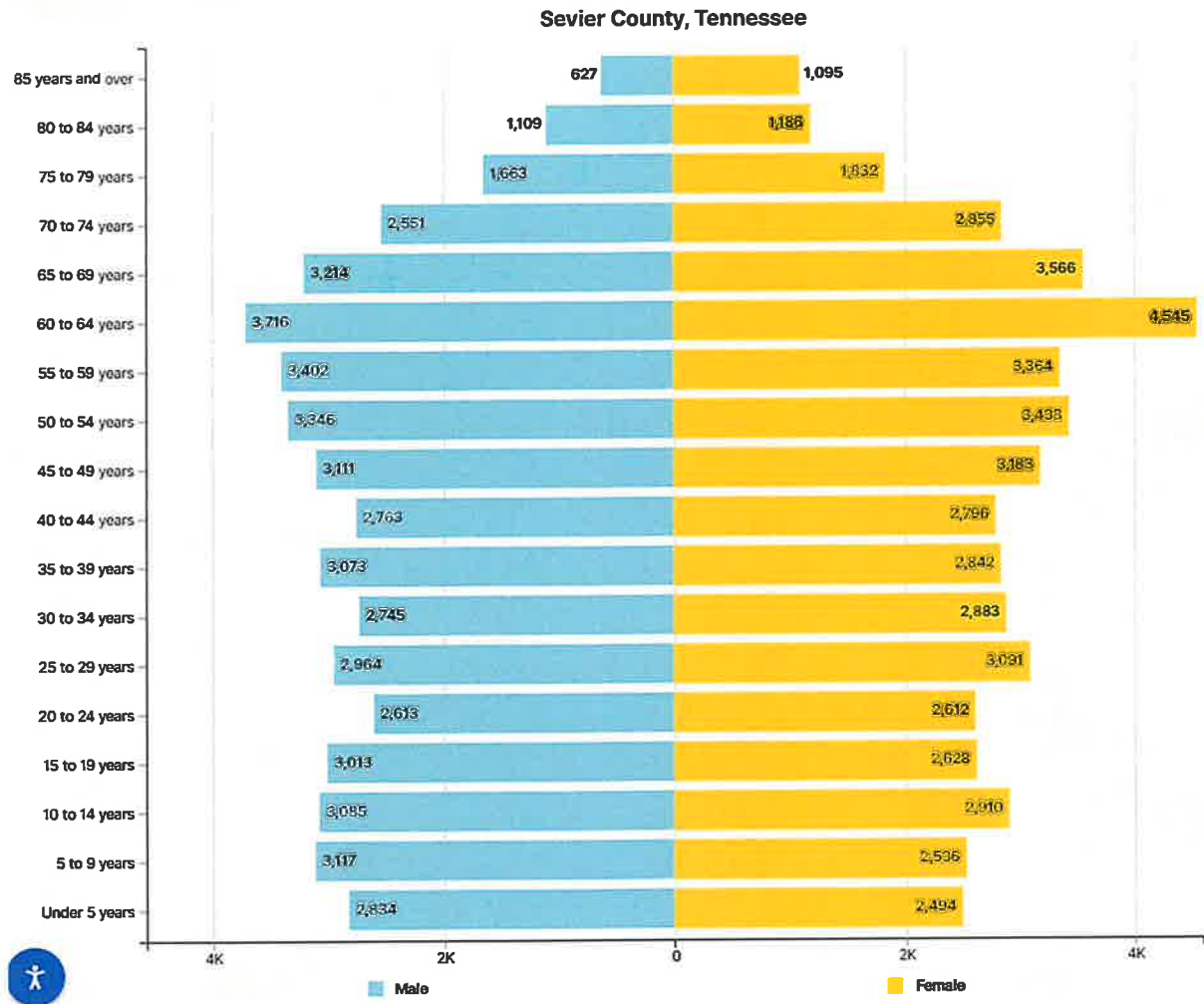
4,990,938

White alone in Tennessee

P8 | 2020 Decennial Census

Sevier County

Median – 43.5



Race and Ethnicity

American Indian and Alaska Native

454

American Indian and Alaska Native alone in Sevier County, Tennessee

28,044

American Indian and Alaska Native alone in Tennessee

[P8](#) | 2020 Decennial Census

Asian

1,122

Asian alone in Sevier County, Tennessee

135,615

Asian alone in Tennessee

[P8](#) | 2020 Decennial Census

Black or African American

812

Black or African American alone in Sevier County, Tennessee

1,092,948

Black or African American alone in Tennessee

[P8](#) | 2020 Decennial Census

Hispanic or Latino

8,614

Hispanic or Latino (of any race) in Sevier County, Tennessee

479,187

Hispanic or Latino (of any race) in Tennessee

[P9](#) | 2020 Decennial Census

Two or More Races

6,024

Two or More Races in Sevier County, Tennessee

412,898

Two or More Races in Tennessee

[P8](#) | 2020 Decennial Census

White

85,656

White alone in Sevier County, Tennessee

4,990,938

White alone in Tennessee

[P8](#) | 2020 Decennial Census

Native Hawaiian and Other Pacific Islander

24

Native Hawaiian and Other Pacific Islander alone in Sevier County, Tennessee

4,115

Native Hawaiian and Other Pacific Islander alone in Tennessee

[P8](#) | 2020 Decennial Census

Not Hispanic or Latino

83,801

White alone, not Hispanic or Latino in Sevier County, Tennessee

4,900,246

White alone, not Hispanic or Latino in Tennessee

[P9](#) | 2020 Decennial Census

Some Other Race

4,288

Some Other Race alone in Sevier County, Tennessee

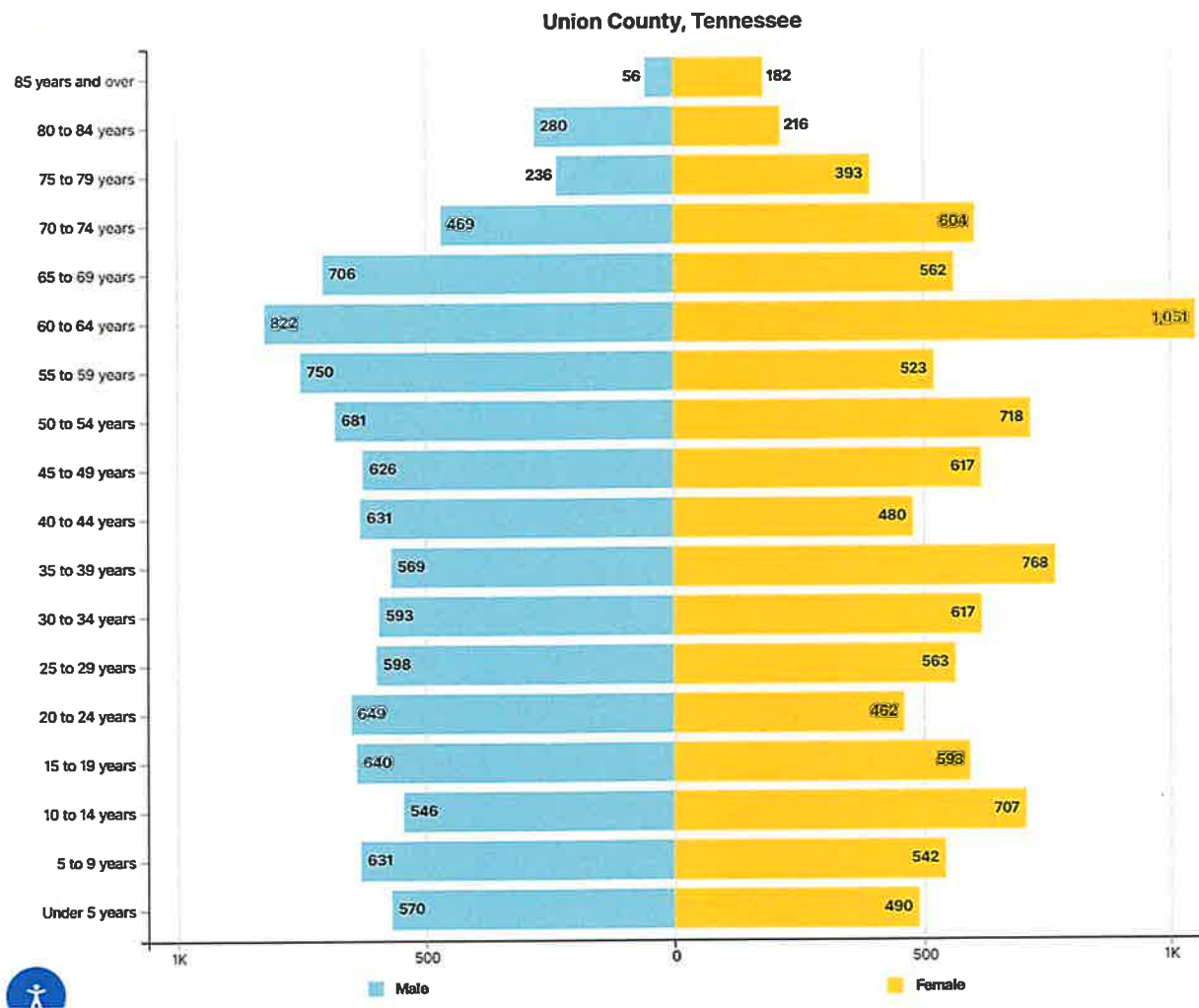
246,282

Some Other Race alone in Tennessee

[P8](#) | 2020 Decennial Census

Union County

Median – 42.4



Race and Ethnicity

American Indian and Alaska Native

33

American Indian and Alaska Native alone in Union County, Tennessee

28,044

American Indian and Alaska Native alone in Tennessee

P8 | 2020 Decennial Census

Asian

38

Asian alone in Union County, Tennessee

135,615

Asian alone in Tennessee

P8 | 2020 Decennial Census

Black or African American

53

Black or African American alone in Union County, Tennessee

1,092,948

Black or African American alone in Tennessee

P8 | 2020 Decennial Census

Hispanic or Latino

404

Hispanic or Latino (of any race) in Union County, Tennessee

479,187

Hispanic or Latino (of any race) in Tennessee

Two or More Races

710

Two or More Races in Union County, Tennessee

412,898

Two or More Races in Tennessee

P8 | 2020 Decennial Census

White

18,770

White alone in Union County, Tennessee

4,990,938

White alone in Tennessee

P8 | 2020 Decennial Census

Native Hawaiian and Other Pacific Islander

7

Native Hawaiian and Other Pacific Islander alone in Union County, Tennessee

4,115

Native Hawaiian and Other Pacific Islander alone in Tennessee

P8 | 2020 Decennial Census

Not Hispanic or Latino

18,642

White alone, not Hispanic or Latino in Union County, Tennessee

4,900,246

White alone, not Hispanic or Latino in Tennessee

P9 | 2020 Decennial Census

Some Other Race

191

Some Other Race alone in Union County, Tennessee

246,282

Some Other Race alone in Tennessee

PR | 2020 Decennial Census

TENNCARE ENROLLMENT FOR JULY 2025

TennCare Enrollment Report for July 2025

MCO	Region	Total
BLUECARE	East Tennes	211,284
BLUECARE	Middle Tennes	175,625
BLUECARE	West Tennes	150,171
UNITEDHEALTHCARE COMMUNITY PLAN	East Tennes	135,174
UNITEDHEALTHCARE COMMUNITY PLAN	Middle Tennes	167,538
UNITEDHEALTHCARE COMMUNITY PLAN	West Tennes	114,318
TENNCARE SELECT LOW	All	7,294
TENNCARE SELECT HIGH	All	24,319
PACE		259
KBB under DIDD Program		4,675
WELLPOINT	East Tennes	135,501
WELLPOINT	Middle Tennes	166,289
WELLPOINT	West Tennes	114,729
Grand Total		1,407,186

County	Female					Male					Grand Total
	0 - 18	19 - 20	21 - 64	65 - >	Total	0 - 18	19 - 20	21 - 64	65 - >	Total	
ANDERSON	4,398	250	3,799	621	9,068	4,613	203	1,540	337	6,693	15,761
BEDFORD	4,075	217	2,589	276	7,157	4,093	149	917	139	5,298	12,455
BENTON	1,073	65	1,023	172	2,333	1,174	55	442	114	1,785	4,118
BLEDSE	801	52	739	106	1,698	895	35	319	92	1,341	3,039
BLOUNT	6,019	345	4,966	686	12,016	6,296	236	1,805	367	8,664	20,680
BRADEY	6,641	378	5,327	664	13,010	6,920	290	1,975	399	9,584	22,594
CAMPBELL	2,740	186	2,855	622	6,403	2,986	148	1,362	409	4,905	11,308
CANNON	835	44	730	125	1,734	861	28	292	62	1,243	2,977
CARROLL	1,786	124	1,742	296	3,948	1,979	100	775	166	3,020	6,968
CARTER	2,920	218	2,923	595	6,556	3,090	155	1,382	338	4,965	11,621
CHEATHAM	1,874	108	1,478	178	3,638	1,900	83	531	89	2,603	6,241
CHESTER	1,002	64	861	130	2,057	1,070	44	320	77	1,511	3,568
CLAIBORNE	2,073	130	2,128	500	4,831	2,171	119	1,035	327	3,652	8,483
CLAY	489	42	430	111	1,072	540	23	205	66	834	1,906
COCKE	2,833	191	2,842	522	6,388	2,952	105	1,297	357	4,651	11,039
COFFE	3,991	223	3,443	446	8,103	4,136	150	1,243	258	5,787	13,890
CROCKETT	990	43	813	164	2,010	1,016	42	294	86	1,438	3,448
CUMBERLAND	3,391	180	2,923	485	6,979	3,645	134	1,245	288	5,312	12,291
DAVIDSON	41,209	1,934	27,234	3,824	74,201	42,715	1,532	10,224	2,521	56,992	131,193
DECATUR	716	46	696	148	1,606	786	28	301	65	1,180	2,786

DEKALB	1,448	71	1,199	211	2,929	1,474	67	503	110	2,154	5,083
DICKSON	3,134	158	2,717	384	6,393	3,320	121	961	228	4,630	11,023
DYER	2,712	148	2,612	400	5,872	2,902	121	871	203	4,097	9,969
FAYETTE	1,721	68	1,493	298	3,580	1,853	77	541	180	2,651	6,231
FENTRESS	1,463	89	1,324	300	3,176	1,485	57	698	219	2,459	5,835
FRANKLIN	2,154	129	1,931	301	4,515	2,253	109	781	156	3,299	7,814
GIBSON	3,344	192	2,970	493	6,999	3,421	132	1,131	295	4,979	11,978
GILES	1,710	104	1,513	234	3,561	1,761	67	577	167	2,572	6,133
GRAINGER	1,514	91	1,438	265	3,308	1,627	70	655	166	2,518	5,826
GREENE	4,038	257	3,923	641	8,859	4,294	187	1,751	396	6,628	15,487
GRUNDY	929	49	1,017	214	2,209	1,084	54	503	153	1,794	4,003
HAMBLETON	5,139	298	3,484	481	9,402	5,182	190	1,302	270	6,944	16,346
HAMILTON	19,345	981	14,801	2,502	37,629	20,254	799	5,292	1,499	27,844	65,473
HANCOCK	539	25	544	132	1,240	571	32	239	82	924	2,164
HARDENMAN	1,786	108	1,692	335	3,923	1,720	65	744	194	2,723	6,646
HARDIN	1,760	107	1,730	357	3,954	1,763	95	744	204	2,806	6,760
HAWKINS	3,408	224	3,307	522	7,461	3,648	161	1,479	335	5,623	13,084
HAYWOOD	1,294	77	1,183	266	2,820	1,353	61	384	145	1,943	4,763
HENDERSON	1,864	111	1,777	286	4,038	1,974	66	680	137	2,867	6,905
HENRY	2,008	118	1,918	293	4,338	2,128	77	763	183	3,151	7,489
HIGHMAN	1,497	85	1,313	155	3,050	1,585	65	550	125	2,325	5,375
HOUSTON	504	33	509	105	1,151	546	24	231	68	869	2,020
HUMPHREYS	1,174	58	1,019	170	2,421	1,209	43	391	85	1,728	4,149
JACKSON	762	51	694	131	1,638	737	29	295	90	1,151	2,789
JEFFERSON	3,674	206	2,945	502	7,327	3,779	153	1,156	268	5,356	12,683
JOHNSON	1,023	65	982	227	2,307	1,079	49	526	163	1,817	4,124
KNOX	22,199	1,249	17,721	2,754	43,923	23,084	952	6,668	1,644	32,346	76,271
LAKE	436	25	490	126	1,077	450	19	222	70	761	1,838
LAUDERDALE	1,884	140	1,824	284	4,132	1,931	84	689	153	2,857	6,989
LAWRENCE	2,847	185	2,507	383	5,902	3,028	126	987	207	4,348	10,250
LEWIS	888	50	764	122	1,824	885	44	261	66	1,256	3,080
LINCOLN	2,134	145	1,756	257	4,292	2,258	80	665	160	3,163	7,455
LOUDON	2,781	164	2,108	296	5,349	3,013	105	790	175	4,083	9,432
MACON	1,970	98	1,462	189	3,719	2,083	71	577	115	2,846	6,565
MADISON	6,933	387	6,054	869	14,243	7,262	278	2,133	566	10,239	24,482
MARION	1,738	115	1,663	258	3,774	1,838	75	640	158	2,711	6,485
MARSHALL	2,009	113	1,574	222	3,918	2,071	67	554	107	2,799	6,717
MAURY	6,072	315	4,207	540	11,134	6,338	224	1,472	295	8,329	19,463
MCMINN	3,642	220	3,256	455	7,573	3,859	110	1,266	258	5,493	13,066
MCMURRY	1,696	109	1,662	326	3,792	1,761	63	706	171	2,701	6,493
MEIGS	913	53	861	103	1,930	944	45	384	79	1,452	3,382

MONROE	3,062	167	2,835	471	6,535	3,245	123	1,192	284	4,844	11,379
MONTGOMERY	13,705	753	10,936	922	26,316	14,421	480	3,148	444	18,493	44,809
MOORE	245	12	185	40	482	270	10	67	25	372	854
MORGAN	1,175	72	1,073	172	2,492	1,242	52	436	106	1,836	4,328
OBION	1,981	101	1,861	347	4,290	2,043	77	694	185	2,999	7,289
OVERTON	1,308	67	1,132	223	2,730	1,462	49	525	112	2,148	4,878
PERRY	525	34	470	87	1,116	559	21	219	65	864	1,980
PICKETT	278	21	261	62	622	286	13	123	46	478	1,100
POLK	1,021	55	997	157	2,230	1,018	40	438	122	1,618	3,848
PUTNAM	5,385	317	3,947	696	10,345	5,611	229	1,785	349	7,974	18,319
RHEA	2,274	160	2,016	355	4,805	2,417	110	824	189	3,540	8,345
ROANE	2,901	183	2,826	465	6,375	3,166	145	1,209	272	4,792	11,167
ROBERTSON	4,163	239	2,857	382	7,641	4,426	172	895	178	5,671	13,312
RUTHERFORD	20,212	967	13,123	1,284	35,586	20,941	690	4,237	635	26,503	62,089
SCOTT	1,856	127	1,748	299	4,030	1,885	83	805	194	2,967	6,997
SEQUATCHIE	1,005	53	925	174	2,157	1,025	42	364	90	1,521	3,678
SEVIER	5,835	291	4,164	496	10,786	6,217	219	1,532	273	8,241	19,027
SHELBY	72,179	3,843	55,999	7,630	139,651	74,977	3,016	17,683	5,349	101,025	240,676
SMITH	1,160	70	1,021	154	2,405	1,224	49	349	99	1,721	4,126
STEWART	821	57	692	111	1,681	807	39	314	67	1,227	2,908
SULLIVAN	8,215	533	8,028	1,319	18,095	8,653	384	3,399	745	13,181	31,276
SUMNER	9,083	484	6,894	854	17,315	9,566	350	2,211	432	12,559	29,874
TIPTON	3,489	214	3,097	398	7,198	3,441	148	974	219	4,782	11,980
TROUSDALE	619	31	482	84	1,216	599	23	181	56	859	2,075
UNICOI	922	53	906	224	2,105	953	52	387	134	1,526	3,631
UNION	1,379	106	1,293	211	2,989	1,488	59	545	140	2,232	5,221
VAN BUREN	350	19	293	73	735	379	9	160	43	591	1,326
WARREN	3,050	167	2,590	482	6,289	3,141	131	1,109	264	4,645	10,934
WASHINGTON	6,424	436	5,740	1,014	13,614	6,745	252	2,427	586	10,020	23,634
WAYNE	741	50	754	138	1,683	900	44	327	94	1,365	3,048
WEAVER	1,956	127	1,676	289	4,048	2,080	76	675	171	3,002	7,050
WHITE	1,810	107	1,643	276	3,836	2,051	80	773	186	3,090	6,926
WILLIAMSON	4,234	216	2,781	407	7,638	4,630	213	1,167	195	6,205	13,843
WILSON	6,752	308	5,002	528	12,590	7,131	233	1,687	300	9,351	21,941
Other	1,490	73	1,232	114	2,909	1,484	83	495	61	2,123	5,032
GRAND TOTAL	409,550	22,604	329,974	48,997	870,125	428,098	16,769	122,572	29,622	597,061	1,407,186

Reports include some membership additions that are the result of retroactivity, however, additional retroactivity may still occur. The Other county category reflects recipients who are Tennessee residents for which their domicile is temporarily located outside of the state.

**OPERATING AGREEMENT
OF
HEELEX, LLC**

**A TENNESSEE LIMITED LIABILITY COMPANY
OPERATING AS AN S CORPORATION**
Managed by Its Members

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INTRODUCTION

The person signing the Articles of Organization has acted as organizer to form HEELEX, LLC (the "Company"), a limited liability company (operating as an S Corporation) under the laws of the State of Tennessee on behalf of the Members named below and any Additional Members. The Company's business shall be conducted under such name until such time as the Members shall hereafter designate otherwise and file amendments to the Articles in accordance with applicable law. The parties hereto agree to the provisions hereof in order to define their rights, liabilities, restrictions and limitations with respect to the company.

ARTICLE I DEFINITIONS

The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

- (a) "*Act*" shall mean the Limited Liability Company Act of the State of Tennessee and all amendments thereto.
- (b) "*Additional Member*" shall mean any Person or Entity who or that is admitted to the Company as an Additional Member pursuant to this Operating Agreement.
- (c) "*Affiliate*" shall mean a lineal descendant, ascendant, or spouse of a Member and any Entity in which the Member of a lineal descendant, ascendant or spouse of a Member has a direct or indirect beneficial ownership interest.
- (d) "*Articles*" shall mean the Articles of Organization, or such other documents as are filed with the Secretary of State under the Act, as amended from time to time.
- (d) "*Book Value*" shall mean the net book value as calculated on a cash basis for Federal income tax purposes, of the net assets (which shall be the amount of cash, and for other assets, the original cost, less depreciation, less liabilities) of the Company as of the end of the calendar month during which a Member withdraws from the Company, multiplied by the Percentage of Units owned by that Member. The definition of Book Value shall not include any value representing goodwill, except goodwill purchased by the Company
- (f) "*Capital Account*" shall mean the individual account maintained for each Member as provided hereafter.
- (g) "*Capital Contribution*" shall mean any contribution to the capital of the Company in cash, property, services, or the obligation to contribute cash, Property or services by a Member whenever made.
- (h) "*Code*" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- (i) "*Company*" shall mean this Limited Liability Company (operating as an S-Corporation).
- (j) "*Deficit Capital Account*" shall mean with respect to any Member, the deficit

balance, if any, in such Member's Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

- (1) credit to such Capital Account any amount which Member is obligated to restore under Section 1.704-1(b) (2) (ii) (c) of the Treasury Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-1(b)(4)(iv)(f) and (h)(5) of the Treasury Regulations, after taking into account thereunder any changes during such year in the Company's Minimum Gain and in the Member Nonrecourse Debt Minimum Gain attributable to any Member nonrecourse debt; and
 - (2) debit to such Capital Account the items described in Sections 1.704-1(b) (2) (ii) (d) (4), (S) and (6) of the Treasury Regulations.
- (k) "*Dissolution*" shall occur on any event provided herein.
 - (l) "*Distributable Cash*" shall mean all cash, revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; (iii) such cash reserves as the Members deem reasonably necessary to the proper operation of the Company's business
 - (m) "*Effective Date*" shall be the date the Company is first effective under the Act, as may be further provided in the Articles.
 - (n) "*Entity*" shall mean any general partnership, limited partnership, limited liability partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association.
 - (o) "*Initial Members*" shall mean those Members named hereafter.
 - (p) "*Initial Units*" shall mean those Units owned by the Initial Members.
 - (q) "*Majority in Interest*" shall mean those Members (other than a Member who has suffered a dissolution event or is seeking approval for a Transfer) owning a majority of the profits interest and a majority of the capital interest in the Company at the time the approval of which is required under this Operating Agreement (Leave in for Rev. Proc 95-10 even if use Member Two -Thirds Vote).
 - (r) "*Member*" shall mean the Initial Members. Persons or Entities becoming Members hereunder, including Additional Members and Substitute Members but shall not include transferees or assignees unless they become Members.
 - (s) "*Member Majority Vote*" shall mean an affirmative vote by Members holding at least a majority of all outstanding Units that are present, in person or by proxy, at a duly called meeting where a Quorum is present.
 - (t) "*Member Two-Thirds Vote*" shall mean an affirmative vote by Members holding at least two-thirds of all outstanding Units that are present, in person or by proxy, at a duly called meeting where a Quorum is present.
 - (u) "*Member Nonrecourse Debt Minimum Gain*" shall have the meaning set forth in Treasury Regulations Section 1.704-2(i)(3).
 - (v) "*Minimum Gain*" shall have the meaning set forth in Treasury Regulations Section 1.704-2(d).

- (w) "*Net Profits*" shall mean, for each Year, the income and gains of the company determined in accordance with accounting principles consistently applied from year to year under the method of accounting and as reported, separately or in the aggregate, as appropriate, on the Company's information tax return filed for Federal income tax purposes, plus any income described in Section 705(a)(1)(B) of the code and any income exempt from tax.
- (x) "*Net Losses*" shall mean, for each Year, the losses and deductions of the Company determined in accordance with accounting principles consistently applied from year to year under the method of accounting and as reported, separately or in the aggregate, as appropriate, on the Company's information tax return filed for Federal income tax purpose plus any expenditures described in Section 705(a)(2)(B) of the Code.
- (y) "*Officer(s)*" shall mean those officers of the Company, if any, designated hereafter.
- (z) "*Operating Agreement*" shall mean this Operating Agreement, as originally executed and as amended.
- (aa) "*Person*" shall mean any Individual or entity, and the heirs, executors, administrators, legal representatives, successor and assigns of such "*Person*," where applicable.
- (bb) "*Quorum*" shall mean the presence in person, or by proxy, or by telephone conference, of the Members holding at least fifty and one-tenth percent (50.1%) or more of the outstanding Units.
- (cc) "*Substitute Member*" shall mean any Person or Entity who or which is admitted to the Company as a Substitute Member as provided hereafter.
- (dd) "*Transfer(s)*" shall mean (i) when used as a verb, to give, gift, sell, exchange, assign, redeem, transfer, pledge, hypothecate, encumber bequeath, devise or otherwise dispose of and (ii) when used as a noun, the nouns corresponding to such verbs, in either case voluntarily or involuntarily, by operation of law or otherwise.
- (ee) "*Transferee*" shall mean a person or entity to which the economic rights and benefits of a Member's Interest has been transferred but where such person or entity has not been made a Substitute Member.
- (ff) "*Units*" shall mean the ownership interests held by Members in the Company.
- (gg) "*Year*" shall mean the Company's fiscal year for income tax purposes as determined pursuant to Section 706 of the Code.

ARTICLE II OFFICES

- 2.1 *Principal Office.* The principal office for the transaction of the business of the business of the Company is hereby located at 1123 Westland Gardens Blvd., Knoxville, TN 37922.
- 2.2 *Registered Office.* The registered office and resident agent shall be as identified in the Company's Articles. The Company may change the location of its registered office and/or the identity of its resident agent. Upon making such a change, a certificate certifying the change shall be executed, acknowledged and filed with the Secretary of State.
- 2.3 *Other Offices.* Branch or subordinate offices may at any time be established by the Company at any place or places where the Company is qualified to do business.

ARTICLE III PERMITTED BUSINESSES OF COMPANY

The business of the Company shall be as stated in the Articles unless otherwise determined by the Members by unanimous consent, in which case the Articles must be amended. In addition, the Company is permitted:

- (a) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act.
- (b) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

ARTICLE IV MANAGEMENT AND OFFICERS

- 4.1 *Management.* The business and affairs of the Company shall be managed by Members. The Members shall direct, manage and control the business of the Company to the best of their ability and shall have full and complete authority, power and discretion to make any and all decisions and to do any and all things which the Members shall deem to be reasonably required in light of the Company's business and objectives. The Managing Members of the Company shall be Robbie Hakeem and Todd Scarbrough. For Banking purposes, Robbie Hakeem and Todd Scarbrough shall be authorized signers of the all checking/savings accounts. Any borrowing and loan disbursement shall be limited to Robbie Hakeem and Todd Scarbrough. Both members shall be entitled to borrow a maximum of \$2,500.00 individually. If the amount is above \$2,500.00, both Members' signatures shall be required.
- 4.2 *Certain Powers of Members.* Without limiting the generality of the previous sections of this Operating Agreement, Members shall have power and authority, on behalf of the Company:
- (a) To purchase, hold, improve, lease or make any other acquisition, own use and otherwise deal with real and/or tangible and intangible personal properties from any Person or Entity as the Members may determine, in

- the name of Company or a nominee;
- (b) To sell, convey, mortgage, pledge, lease, exchange, otherwise dispose of real and/or tangible and intangible personal properties from any Person or Entity as Members may determine;
 - (c) To borrow money for the Company from banks, other lending Institutions, the Members, Affiliates of the Members, and other persons or entities on such terms as they deem appropriate, and in connection therewith, issue evidence of indebtedness to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums; and to assume or refinance existing indebtedness;
 - (d) To purchase liability and other insurance to protect the Company, and its Members' property and business;
 - (e) To invest any Company funds (by way of example and not by limitation) in time deposits, short-term governmental obligations, commercial paper or other investments;
 - (f) To open bank accounts in the name of the Company, and to determine the signatories thereon;
 - (g) To execute, negotiate and deliver, on behalf of the Company, or delegate to the Officers to execute, all instruments and documents, including, without limitation, contracts, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, deeds, bills of sale or other documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, leases, partnership agreements, and any other instruments or documents necessary or appropriate, to the business of the Company;
 - (h) To employ accountants, legal counsel, managing agents, managing Members, or others to perform services for the Company and to compensate them from Company funds;
 - (i) To enter into other agreements on behalf of the Company, with any other person or Entity for any purpose, in such forms as the Members may approve;
 - (j) To execute and file any bankruptcy petition, on behalf of the Company, pursuant to applicable Federal laws; and
 - (k) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business, including but not limited to establishment of funds or reserves, prepay, recast, increase, modify, extend or otherwise amend existing debt, commitments, contracts or other obligations in whole or in part.

Unless authorized to do so by this Operating Agreement or by the Members, no Member, agent, or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniary for any purpose.

4.3 *Action by Members.* Only the decisions and actions of a Member on behalf of the Company within the scope of the Member's authority shall bind the Company. Except as otherwise specifically provided herein or by the Act, all actions and decisions of the Members shall

require a majority vote of a Members. The Members may make any decision or take any action at a meeting, by conference telephone call, by written consent, by oral agreement or any other method they elect; provided that, at the request of any Member with respect to a decision or action, such decision or action must be made or taken by written consent signed by the number of Member's required to approve such decision or action. A Member Two-Thirds Vote of Units that are present, in person or by proxy, at a duly called meeting where a Quorum is present, shall be required for the following:

- (a) To sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as such disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound; and
- (b) Merger or consolidation of the Company with another Entity or Entities.

- 4.4 *Amendment.* Any amendment of this Operating Agreement requires the written action of a majority vote of all Members, except sections which require a two-thirds majority vote, these sections can only be amended by a two-thirds majority vote and this Section 4.4 can only be modified by a majority vote
- 4.5 *Member Has No Exclusive Duty to Company.* No Member shall be required to manage the Company as his or her sole and exclusive function. Each Member shall devote reasonable time and effort to management duties. It is the understanding that all members are active member managers, and not intended to be limited or passive members.
- 4.6 *Other Business Ventures of Member.* Any Member or Affiliate of a Member may engage independently or with others in other business ventures of every nature and description. As a general matter neither the Company nor any Member shall have any right by virtue of this Operating Agreement or the relationship created hereby in or to any other ventures or activities in which any Member or Affiliate of a Member is involved or to the income or proceeds derived therefrom.
- 4.7 *Transactions with Affiliates.* Each Member shall disclose any and all direct or indirect affiliation or interest in any entity with which the Company does business or proposes to do business. The Company may enter into agreements with one or more Members or Affiliates of a Member to provide leasing, management, legal, accounting, architectural, development or other services to the Company, provided that any such services shall be at rates at least as favorable to the Company as those available from unaffiliated parties. The validity of any transaction, agreement or payment involving the Company and any Member or Affiliate of a Member otherwise permitted hereunder shall not be affected by reason of the relationship between such Person and the Company or any of its Members.
- 4.8 *Indemnity of Members and Officers.* The Company shall indemnify and hold harmless each Member and/or Officer from and against any and all claims or liabilities of any nature whatsoever arising out of or resulting from any such actor omission in connection with the Company, including, without limitation, reasonable costs and expenses of litigation and

appeal (including reasonable fees and expenses of attorneys engaged by a Member and/or Officer in defense of such act or omission), but these Persons shall not be entitled to be indemnified or held harmless due to, or arising from their gross negligence or willful misconduct.

- 4.9 *Resignation.* Any Officer of the Company may resign at any time by giving written notice to the other Members of the Company. The resignation of any Officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice (but not before the notice is mailed, delivered, or sent by facsimile transmission (fax. Etc.)); and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 4.10 *Removal of Officers.* At a meeting called expressly for that purpose, all or any lesser number of Officers may be removed at any time, with or without cause, by a Member Majority Vote.
- 4.11 *Salaries.* Members shall not initially receive compensation for their services as such, but the Members may authorize the reimbursement of expenses including expenses incurred to attend meetings of the Members; provided, that nothing herein contained shall be construed to preclude the Company from establishing compensation for Members as such and provided further that nothing herein contained shall preclude any Member from receiving compensation for services to the Company in any other capacity.
- 4.12 *Election of Officers.* The Members may designate as Officers any or all of the following: a Chairman, Vice Chairman, Chief Executive Officer, Chief Operating Officer (who may also have the title of President), Chief Financial Officer, Secretary and Treasurer at the first meeting of the Members, to serve such terms as the Members determine. Each such Officer shall hold office until he or she shall resign, shall be removed or is otherwise disqualified to serve, or his or her successor shall be elected and qualified. The Company may also have, at the discretion of the Members, one or more vice presidents, founders, assistant secretaries, assistant treasurers, or other Officers. Any number of offices may be held by, the same person. The duties of such Officers shall be as follows:
- (a) *The Chairman.* The Chairman shall be a non-executive chairman. He or she shall preside at meetings of the Members and shall perform such other duties as may be assigned to him or her by this Operating Agreement or the Members. In the absence of the Chairman, the Vice Chairman shall have and may exercise all of the powers of the Chairman.
 - (b) *The Vice Chairman.* The Vice-Chairman shall perform the duties of the Chairman when the Chairman is unavailable.
 - (c) *Chief Executive Officer.* Subject to the direction and under the supervision of the Members, the Chief Executive Officer shall generally direct the policy and management of the Company and shall have general charge of the business, affairs and property of the Company and control over its Officers, agents and employees; and shall do and perform such other duties and may exercise such other

powers as from time to time may be assigned to him or her by this Operating Agreement or by the Members.

- (d) *Chief Operating Officer.* The Chief Operating Officer shall perform such duties as are customary for such office subject to the direction of the Members and the Chief Executive Officer.
- (e) *Chief Financial Officer.* The Chief Financial Officer shall perform such duties as are customary for such office subject to the direction of the Members and the Chief Executive Officer.
- (f) *Secretary.* The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Members may order, of all meetings of Members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Members' meetings, and the proceedings thereof. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Members or this operating Agreement. The Secretary may seek assistance for these duties as to the annual minutes from the Company's attorneys.
- (g) *Treasurer.* The Treasurer shall keep and maintain or cause to be kept and maintained, accounts of the properties and business transactions of the Company, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, and capital, to the extent agree by the Members. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Company with such depositories as may be designated by the Members. He or she shall disburse the funds of the Company as may be ordered by the Members, shall render to the Members upon request an account of all of the transactions as Treasurer and of the financial condition of the Company, and shall have such other powers and perform such other duties as may be prescribed by the Members or this Operating Agreement. He or she shall be bonded, if required by the Members.
- (h) *The Assistant Secretary and Assistant Treasurer.* The Assistant Secretary and Assistant Treasurer (or in the event there be more than one Assistant Secretary or Assistant Treasurer, in the order of their seniority, designation or election) shall, in the absence of or disability of the Secretary or Treasurer respectively, perform the duties and exercise the powers of the Secretary or Treasurer and shall perform such other duties as may be prescribed by the Members of this Operating Agreement.
- (i) *Founders.* The Members may recognize and appoint two Individuals as Founders of the Company. The Founders shall have no rights, duties or authorities as a result of their position as Founder but shall be invited to all meetings of the Officers and/or Members to provide such advice and counsel to the Company as the Members deem appropriate.
- (j) *Medical Director.* The medical director is responsible for

implementing policies and procedures to ensure quality patient care and for the delegation and supervision of other physicians and staff regarding all the medical care delivered under the auspices of the company. The medical director may also from time to time choose to explore adding medical treatments not currently offered by the company and will have authority, within the confines of budget constraints and at the discretion of other Members, pursuing additional avenues of medical therapy for the betterment of patient populations currently or potentially served by the company. The medical director has wide discretion in terms of what medical therapies are offered by the company, what patient populations the company provides medical treatment, and the protocols thereof appertaining (including but not limited to, medical records, patient forms, documentation requirements, billing and coding compliance, etc.).

4.13 *Business Expenses of Members.* From time to time, a Member will be required to incur certain expenses related to the trade or business of the Company for which the Company may reimburse that Member, upon approval of ALL Members. These expenses include, but are not limited to:

- (1) use of the Member's personal automobile for Company business; (2) meals and entertainment of persons who are clients or prospective clients of the Company; (3) professional dues, licenses, publications, etc., for the Member related to the Company's business; (4) use of a Member's personal computer (including software purchased for business purposes) or other office equipment on behalf of the Company; (5) conventions; (6) charitable contributions; and (7) club dues.

Each Member is accountable to the Company for substantiating any expenses, regardless if they are the ones specified or implied above or otherwise related to the nature and business of the Company, incurred by such Member and reimbursed by the Company. Such expenses must be either actually substantiated to the Company or must be deemed substantiated pursuant to the Internal Revenue Service per diem arrangements. The Member shall include in the expense request for reimbursement the time, place, date, business purpose and other individuals involved, as well as a brief description of the specific business being transacted or discussed. In the event that any reimbursement from the Company, whether paid before or after the expense is incurred, cannot be substantiated and documented by the Member, the unsubstantiated amounts (except IRS approved per diem arrangements) must be returned by the Member to the Company.

4.14 *Days of Operation and Schedule of Members.* The Company shall operate each week on Tuesday through Saturday. The Members agree to the following work schedule in order to fulfill Medicare requirements and the well-being of the Company:

- (1) Robbie Hakeem
 - (a) shall check charts each week and perform monthly and annual checks;
 - (b) shall check radiation calculations for each patient;
 - (c) shall review patient plans.

- (2) Dr. Todd Scarbrough shall be present at the center on all Saturdays and review patients' progress and patient plans.

This schedule is subject to change as the Company grows and other needs arise.

ARTICLE V RIGHTS AND MEETINGS OF MEMBERS

- 5.1 *Initial Members.* The Initial Members (their addresses,) the percentage of ownership each owns ("Initial Units") are as follows:

<u>Name of Member</u>	<u>Percentage of Ownership</u>
Robbie Hakeem	50%
Todd Scarbrough	50%

Voting Rights. The Initial members voting rights are as follows:

<u>Name of Member</u>	<u>Voting Percentage</u>
Robbie Hakeem	50%
Todd Scarbrough	50%

5.2 *Additional Capital.* The Members acknowledge that the Company may require from time to time funds, in addition to funds available from the operation of the Company's business with which to operate the Company, including the payment of taxes, insurance, debt service and other expenses of the Company. The Members may from time to time contribute in cash or in kind to the capital of the Company such additional funds as are required for the purposes set forth above, or for any other purpose relating to the company business, in amounts in proportion to their respective Units, if they agree, but no Member shall be required to do so.

5.3 *Additional Members.* From time to time the Company may issue additional Units to any Persons and Entities (including to existing Members) for such Capital Contributions and on such terms and conditions as the Members may determine, and such additional Units may have different rights regarding voting, profit and loss allocations and distribution, whether subordinate or preferred, as the Members may determine. Persons or Entities that purchase additional Units pursuant to this Section shall be Additional Members and no consent is needed to issue Units to them or for them to become Additional Members because such consent is hereby given.

5.4 *Preemptive Rights.* Provided, however, issuance of such additional Units shall be subject to the following preemptive rights: A Member shall have the right (but not the obligation) to purchase a share of any additional Units so issued to maintain his or her pro rata ownership of all

Units of the Company, at the same price, time and terms as for all other Members.

- 5.5 *Limitation of Liability.* Each Member's liability shall be limited as set forth in the Act. No Member will be personally liable for any debts or losses of the Company beyond his or her respective Capital Contributions, except as otherwise required by the Act or by written signed agreement.
- 5.6 *Annual Meeting.* The annual meeting of the Members shall be held on the last Friday of December in each year, at 10:00 a.m., or at such other time as shall be determined by the Members, for the purpose of electing the Officers for the upcoming year and the transaction of such business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday such meeting shall be held on the next succeeding business day.
- 5.7 *Special Meetings.* Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Officer or by any Member or Members holding at least Sixty percent (60%) of the outstanding Units. Business transacted at a special meeting of Members shall be confined to the purpose or purposes stated in the notice of the meeting.
- 5.8 *Place of Meetings.* The Members may designate any place as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be held at the Company's principal place of business.
- 5.9 *Duly Called Meetings.* If all of the Members shall meet at any time and place, and consent to the holding of a meeting at such time and place, such meeting shall be a duly-called meeting without call or notice, and at such meeting lawful action may be taken. Otherwise, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the person calling the meeting, to each Member. If mailed, such notice shall be deemed to be delivered after being deposited in the United States mail, in a sealed envelope addressed to the Member at his or her address as it appears on the books of the Company, or as given by the Member to the Company for purposes of notice, with postage thereon prepaid. If transmitted by way of facsimile, such notice shall be deemed to be delivered on the date of such facsimile transmission to the facsimile number, if any, for the respective Member which has been supplied by such Member to each other Member and identified as such Member's facsimile number.
- 5.10 *Quorum.* In the absence of a Quorum at any such meeting, a majority ownership Member may adjourn the meeting from time to time for a period not to exceed ninety (90) days without further notice. However, if the adjournment is for more than ninety (90) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member. At such adjourned meeting at which a Quorum shall be present any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly-called meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such

meeting of Members whose absence would cause less than a Quorum.

5.11 *Proxies.* At all meetings of Members, a Member may vote according to the percentage of ownership held by such Member in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Company before or at the time of the meeting. No proxy shall be valid after three (3) years from the date of its execution, unless otherwise provided in the proxy.

5.12 *Action by Members Without a Meeting.* Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each Member and delivered to the Secretary for inclusion in the minutes or for filing with the Company records. Action taken under this Section is effective when all Members have signed the consent, unless the consent specifies a different effective date.

5.13 *Waiver of Notice.* When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

5.14 *List of Members.* Upon written request of any Member, the secretary shall provide a list showing the names, addresses and Units of all Members in the Company.

5.15 *Maintenance of Company Books.* The Treasurer shall maintain and preserve, during the term of the Company, and for six (6) years thereafter, all accounts, books, and other relevant Company documents.

5.16 *Inspection of Company Books.* The Company shall provide Members and their agents and attorneys access to any of its books and records at the principal place of business. The Company shall provide former Members and their agents and attorneys access for proper purposes to books and records pertaining to the period during which they were Members. The right of access provides the opportunity to inspect and copy books and records during ordinary business hours. The Company may impose a reasonable charge, limited to the costs of labor and material, for copies of records furnished.

5.17 *Information to Be Furnished.* The Company shall furnish to a Member, and to the legal
(a) Without demand, information concerning the Company's business or affairs reasonably required for the proper exercise of the Member's rights and performance of the Member's duties under this operating Agreement and the Act; and

(b) On demand, other information concerning the Company's business or affairs, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.

(c) A Member has the right upon signed request given to the Company to obtain at the Company's expense a copy of the current and any prior operating Agreements.

5.18 Designation and Rights of Certain Members. Robbie Hakeem and Dr. Todd Scarbrough

(a) Dr. Todd Scarbrough will be designated as the Medical Director of the Company as defined in paragraph 4.12(j) of this Operating Agreement.

(b) Robbie Hakeem and Dr. Todd Scarbrough shall have the exclusive decision-making authority on the hiring and firing of staff personnel. Both Members must agree to the hiring and termination of all staff personnel and their salary/compensation. The other Members shall have no vote on these issues.

(c) Robbie Hakeem and Dr. Todd Scarbrough shall have the exclusive right to make any and all decisions to hire and/or terminate additional physicians and other professionals/locums at their discretion for patient care on a per diem basis when necessary. Both Members must agree to the hiring and termination of the additional physicians and their salary/compensation. The other Members shall have no vote on these issues.

(d) Robbie Hakeem and Dr. Todd Scarbrough shall have the exclusive right to make any and all decision(s) regarding the expansion of the Company (Heelex, LLC) and any other acquisition(s) of new centers as described herein.

(e) Robbie Hakeem and Dr. Todd Scarbrough shall have the exclusive right to make any and all decision(s) regarding the sale of the Company (Heelex, LLC) and any other acquisition(s) of new centers as described herein.

(f) Robbie Hakeem and Dr. Todd Scarbrough shall have the exclusive right to make any and all decision(s) regarding the location(s) of any and all premises of the Company (Heelex, LLC) and any other acquisition(s) of new centers as described herein.

(g) Robbie Hakeem and Dr. Todd Scarbrough shall have the exclusive right to make any and all decision(s) regarding the capital expenditures, including, but not limited to, company vehicles, real estate, apartment rentals, etc. of the Company (Heelex, LLC) and any other acquisition(s) of new centers as described herein.

(h) Robbie Hakeem and Dr. Todd Scarbrough shall each receive forty percent (40%) of all net profits from the company until the time the company is sold and/or ceases operating. In the event either of these members (or both) cease to be a member of the company, this provision shall apply to both members from day to day operations for the duration until the company ceases to operate.

ARTICLE VI

ALLOCATIONS, DISTRIBUTIONS, AND REPORTS

6.1 *Allocations of Profits and Losses.* The Net Profits and Net Losses of the Company for each fiscal year will be allocated to the Members pro rata by their ownership percentage.

6.2 *Mid-Year Allocations.* When a Member, Additional Member, or Substitute Member is admitted, or the number of a Member's Units changes, the allocations of Net Profits or Net Losses for that Year shall be allocated by the interim closing of the books method at the end of the prior month, for that portion of the Company's tax year in which the Member, Additional Member, or Substitute Member was admitted or the Units changed, in accordance with the provisions of Code Section 706(d) and the Treasury Regulations promulgated thereunder.

6.3 *Special Rules Regarding Contributed and Distributed Property.* Notwithstanding the prior provisions, to the extent required by and in accordance with Code Section 704(b) and Treasury Regulations Section 1.704-1 (b) (2) (iv) (g) and (i) or Code Section 704(c) and Treasury Regulations Section 1.704-1(c) Capital Accounts shall be adjusted and Income and Loss shall be allocated among the Members to take account of any variation between the adjusted tax basis of a property and its initial Book Value. Capital Accounts shall be adjusted to reflect revaluation of a property in all cases required by Treasury Regulations Section 1.704-1 (b) and in all optional circumstances to the extent allowed by Treasury Regulations Section 1.704-1(b) (2) (iv) (f) unless the Company determines such would not be beneficial and fair under the circumstances. Solely for the purposes of adjusting the Member's capital Accounts, and not for tax purposes, if any property is distributed in kind to any Member, the difference between its fair market value and its Book Value at the time of the distribution shall be treated as a gain or loss recognized by the Company and allocated as Net Profit or Loss under this Article.

6.4 *Distributions.*

(a) Except as provided in (b) below, distributions from the Company to Members shall be made at the times and in the amounts determined by the Members. It is anticipated that Distributable Cash shall be distributed at least quarterly. All distributions shall be made to all the Members in proportion to their Units. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section.

(b) Upon liquidation of the Company (or any Member's interest) liquidating distributions will be made in accordance with the positive Capital Account balances of the Members, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within sixty (60) days of the end of the taxable year (or, if later, within ninety (90) days after the date of the liquidation).

6.6 *Limitation Upon Distributors.* No distribution shall be made unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their contributions. No Member shall be entitled to interest on his or her Capital Contribution or to return of his or her Capital Contribution,

whether in cash or in property, except as otherwise specifically provided for herein.

- 6.7 *Accounting Method.* The books and records of account of the Company shall be maintained in accordance with the method of accounting utilized for the Company's Federal income tax return unless the Members determine otherwise.
- 6.8 *Returns.* The Treasurer shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's Year. *Tax Elections; Tax Matters Member.* All elections permitted to be made by the Company under Federal or state laws shall be made by the Members.
- 6.9 *Tax Status.* Each party hereto acknowledges that it is the Members' intention that the Company will be classified as a S Corporation for Federal income tax purposes and subject to all provisions of Chapter 1 of the Internal Revenue Code; *PROVIDED HOWEVER*, the filing of Federal and state income tax returns shall not be construed to extend the purposes or expand the obligations or liabilities of the Company nor shall it be construed to create a partnership (other than for tax purposes) or other agency or other relationship between the Members. If the membership shall equal one (1), then the Company will be classified as a Sole-Proprietorship for Federal income tax purposes and subject to all provisions of that chapter.
- 6.10 *Priority and Return of Capital.* No Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided that this Section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company. No Member shall be entitled to the return of his or her Capital Contribution or interest thereon except by way of distribution of cash or other assets of the Company pursuant to the terms of this Operating Agreement. It is understood and agreed that at least two members will be contributing cash, listed above. These initial cash contributions will not dilute the ownership percentages of the members, but shall be repaid out of distributions, first, until all Members are back to equal capital accounts and then all members shall receive equal distributions.
- 6.11 *Group State Tax Returns.* The Company shall withhold tax and file "group" or "composite" state income tax returns on behalf of nonresident Members where the Company conducts business, to the extent applicable state law requires such withholding and/or returns. To the extent the Company withholds such tax and/or files a group or composite state income tax return, the Company shall notify each Member of his or her share of tax paid with such return, which share shall be determined pursuant to any reasonable method chosen by the Members in accordance with applicable law. The Company is authorized to withhold from distributions hereunder to the Members and to pay over to the appropriate taxing authorities any amounts required to be so withheld, which shall nevertheless be treated as distributions hereunder to such Members.

ARTICLE VII TRANSFER OF MEMBERSHIP INTEREST

7.1 *Resignation or Withdrawal of Member.* No Member has the right to resign or otherwise withdraw from the Company without (a) providing no less than ninety (90) days' notice to the Company and all of its Members and (b) the unanimous consent of the other Members. A resignation or withdrawal without ninety (90) days' notice and/or without the unanimous consent of the Members shall be considered wrongful. In the event a Member resigns or withdraws without the unanimous consent of the Members, the withdrawing Member shall be entitled to receive the lesser of: (a) value as determined by the method prescribed in Section 8.8.1 of this Operating Agreement, or (b) the fair market value of such Member's Membership Interest determined on a liquidation basis.

7.2 *Sale or Encumbrance Prohibited.* Except as otherwise permitted in this Agreement, no Member may voluntarily or involuntarily transfer, sell, convey, encumber, pledge, assign, or otherwise dispose of (collectively, "Transfer") an interest in the Company without the prior written consent of a majority of the other non-transferring Members determined on a per capita basis.

7.3 *Right of First Refusal.* Notwithstanding Section 8.1, a Member may transfer all or any part of the Member's interest in the Company (the "Interest") as follows:

7.3.1 The Member desiring to transfer his or her Interest first must provide written notice (the "Notice") to the other Members, specifying the price and terms on which the Member is prepared to sell the Interest (the "Offer").

7.3.2 For a period of 30 days after receipt of the Notice, the Members may acquire all, but not less than all, of the Interest at the price and under the terms specified in Section 7.3.4.

7.3.3 Closing of the sale of the Interest will occur as stated in the Offer; provided, however, that the closing will not be less than 45 days after expiration of the 30-day notice period.

7.3.4 The value of the buy-out of Interest of the departing Member shall be assessed at last year's revenue multiplied by 1.5.

7.4 *Substituted Parties.* Any transfer in which the Transferee becomes a fully substituted Member is not permitted unless and until:

(1) The transferor and assignee execute and deliver to the Company the documents and instruments of conveyance necessary or appropriate in the opinion of counsel to the Company to effect the transfer and to confirm the agreement of the permitted assignee to be bound by the provisions of this Agreement; and

(2) The transferor furnishes to the Company an opinion of counsel, satisfactory to the Company, that the transfer will not cause the Company to terminate for federal income tax purposes or that any termination is not adverse to the Company or the other Members.

7.5 Death, Incompetency, or Bankruptcy of Member. On the death, adjudicated incompetence, or bankruptcy of a Member, unless the Company exercises its rights under Section 8.6—8.8, the successor in interest to the Member (whether an estate, bankruptcy trustee, or otherwise) will receive only the economic right to receive distributions whenever made by the Company and the Member's allocable share of taxable income, gain, loss, deduction, and credit (the "Economic Rights") unless and until a majority of the other Members determined on a per capita basis admit the transferee as a fully substituted Member in accordance with the provisions of Section 8.3.

7.5.1 Any transfer of Economic Rights pursuant to Section 8.4 will not include any right to participate in management of the Company, including any right to vote, consent to, and will not include any right to information on the Company or its operations or financial condition. Following any transfer of only the Economic Rights of a Member's Interest in the Company, the transferring Member's power and right to vote or consent to any matter submitted to the Members will be eliminated, and the Ownership Interests of the remaining Members, for purposes only of such votes, consents, and participation in management, will be proportionately increased until such time, if any, as the transferee of the Economic Rights becomes a fully substituted Member.

7.6 Death Buy Out. Notwithstanding the foregoing provision of Section 8, the Members covenant and agree that on the death of any Member, the Company, at its option, by providing written notice to the estate of the deceased Member within 180 days of the death of the Member, may purchase, acquire, and redeem the Interest of the deceased Member in the Company pursuant to the provision of Section 7.3.4, as set forth herein. Upon classification of a member as "Long Term Disabled", as provided for in Section 9.6 of this Operating Agreement, the Company at its option, at any time, without an expiration of this right, may purchase, acquire, and redeem the Interest of the deceased Member in the Company pursuant to the provision of either Section 7.3.4, as set forth herein

7.7 Stock Redemption Buy Out Upon Death. In the event that the Company has a policy of life insurance in place to cover the life of a deceased Member at the time of the deceased Member's death, the provisions of this Section 7.3.4 shall govern the way in which the deceased Member's Interest shall be purchased by the Company.

7.7.1 *Company Life Insurance.* The Company may have a policy of life insurance on the lives of each of the Members. The Company shall pay the premiums associated with maintaining any such policy of life insurance, and the Company shall likewise bear the premium differences associated with age disparities among the Members. The details of the policy of life insurance, if any such policy of life insurance exists, shall be attached to this Agreement as Schedule 4.

7.7.2 *Closing.* Closing of the sale of the deceased Member's Interest in the Company will be held at the office of the Company on a date designated by the Company, not to be later than 90 days after receipt of the life insurance proceeds. Upon the remittance of the value equal to the provisions of Section 7.3.4 of the life insurance proceeds to the Personal Representative of the deceased Member's estate, the Personal Representative must assign

to the Company all of the deceased Member's Interest in the Company free and clear of all liens, claims, and encumbrances, and, at the request of the Company, the estate or personal representative must execute all other instruments as may reasonably be necessary to vest in the Company all of the deceased Member's right, title, and interest in the Company and its assets. If either the Company or the deceased Member's estate or Personal Representative fails or refuses to execute any instrument required by this Agreement, the other party is hereby granted the irrevocable power of attorney which, it is agreed, is coupled with an interest, to execute and deliver on behalf of the failing or refusing party all instruments required to be executed and delivered by the failing or refusing party. If no personal representative has been appointed within 30 days after the receipt of the life insurance proceeds, the surviving Members have the right to apply for and have a personal representative appointed.

7.7.4 Completion of Stock Redemption. On completion of the purchase of the deceased Member's Interest in the Company, the Ownership Interests of the remaining Members will increase proportionately to their then-existing Ownership Interests.

7.8 Alternative Buy Out Upon Death. In the event that the Company does not have a policy of life insurance in place to cover the life of a deceased Member at the time of the deceased Member's death, the provisions of this Section 7.3.4 shall govern the way in which the deceased Member's Interest shall be purchased by the Company.

7.8.2 Closing.

7.8.2(a) Closing of the sale of the deceased Member's Interest in the Company will be held at the office of the Company on a date designated by the Company, not be later than 90 days after agreement with the personal representative of the deceased Member's estate on the fair market value of the deceased Member's Interest in the Company; provided, however, that if the purchase price are determined by appraisals as set forth in Section 7.3.4, the closing will be 30 days after the final appraisal and purchase price are determined. If no personal representative has been appointed within 60 days after the deceased Member's death, the surviving Members have the right to apply for and have a personal representative appointed.

7.8.2(b) At closing, the Company will pay the purchase price for the deceased Member's Interest in the Company. If the purchase price is less than \$1,000.00, the purchase price will be paid in cash; if the purchase price is \$1,000.00 or more, the purchase price will be paid as follows:

(1) \$1,000.00 in cash, bank cashier's check, or certified funds;

(2) The balance of the purchase price by the Company executing and delivering its promissory note for the balance, with interest at the prime interest rate stated by primary banking institution utilized by the Company, its successors and assigns, at the time of the deceased Member's death. Interest will be payable monthly, with the principal sum being due and payable in three equal annual installments. The

promissory note will be unsecured and will contain provisions that the principal sum may be paid in whole or in part at any time, without penalty.

7.8.2(c) At the closing, the deceased Member's estate or personal representative must assign to the Company all of the deceased Member's Interest in the Company free and clear of all liens, claims, and encumbrances, and, at the request of the Company, the estate or personal representative must execute all other instruments as may reasonably be necessary to vest in the Company all of the deceased Member's right, title, and interest in the Company and its assets. If either the Company or the deceased Member's estate or personal representative fails or refuses to execute any instrument required by this Agreement, the other party is hereby granted the irrevocable power of attorney which, it is agreed, is coupled with an interest, to execute and deliver on behalf of the failing or refusing party all instruments required to be executed and delivered by the failing or refusing party.

7.8.3 *Completion of Alternative Buy Out Upon Death.* On completion of the purchase of the deceased Member's Interest in the Company, the Ownership Interests of the remaining Members will increase proportionately to their then-existing Ownership Interests.

ARTICLE VIII DISSOLUTION AND TERMINATION

8.1 *Dissolution.*

- (a) The Company shall be dissolved upon the occurrence of any of the following events:
- (i) when the period fixed for the duration of the Company, if any, shall expire;
 - (ii) the unanimous written agreement of all Members or the number or percentage specified herein for decisions by Members generally;
 - (iii) an event that makes it unlawful for all or substantially all of the business of the Company to be continued, but any cure of illegality within 90 days after notice to the Company of the event is effective retroactively to the date of the event for purposes of this section;
 - (iv) on application by a Member, and upon entry of a judicial decree that:
 - (A) The economic purpose of the Company is likely to be unreasonably frustrated,
 - (B) Another Member has engaged in conduct relating to the Company's business that makes it not reasonably practicable to carry on the Company's business with that Member,
 - (C) It is not otherwise reasonably practicable to carry on the Company's business in conformity with the Articles and this Operating Agreement,
 - (D) A disassociated Member has the right to have the Company dissolved and its business wound up for failure to cause the Member's distributional interest to be purchased, or
 - (E) The Managers or Members in control of the Company have

- acted, are acting, or will act in a manner that is illegal, oppressive, fraudulent or unfairly prejudicial to the petitioning Member; or
- (v) on application by a Transferee of a Member's interest, a judicial determination that it is equitable to wind up the Company's business:
 - (A) After the expiration of the specified term, if the Company was for a specified term at the time the applicant became a transferee by Member disassociation, transfer, or entry of a charging order that gave rise to the transfer; or
 - (B) At any time, if the Company was at will at the time the applicant became a transferee by Member disassociation, transfer; or entry of a charging order that gave rise to the transfer
- (b) As soon as possible following the occurrence of any of the events specified in this Section effecting the Dissolution of the Company, the Company shall execute a statement of intent to dissolve in such form as shall be prescribed by the appropriate Secretary of State, file same with the Secretary of State's office, and within twenty (20) days after the filing mail notice of such to each creditor of the Company. Upon the filing by the appropriate Secretary of State of a statement of intent to dissolve, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until a Certificate of Dissolution has been issued by the Secretary of State or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

8.2 *Winding Up, Liquidation and Distribution.*

- (a) Upon the filing of the statement of intent to dissolve, the Members shall proceed to wind up and liquidate the Company as follows:
 - (1) proceed to collect its assets;
 - (2) convey and dispose of such of its assets as are not to be distributed in kind to its Members.
 - (3) if the Members have determined that any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by agreement of the Members, or if they cannot agree, by an independent appraiser selected by the Members;
 - (4) pay, satisfy, or discharge its liabilities and obligations or make adequate provisions for the payment or discharge thereof; and
 - (5) do all other acts required to liquidate the Company's business and affairs.
- (b) After paying or discharging all its obligations or making adequate provisions for payment or discharge thereof, the remaining assets shall be distributed as provided herein.
- (c) If, upon the dissolution and liquidation (as defined in Treasury Regulations Section 1.704-1(b)(2)(ii)(g)) of the Company, after giving effect to all contributions,

distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which the liquidation occurs, any Member has a negative Capital Account, then that Member shall be obligated to contribute to the Company an amount equal to the negative Capital Account for distribution to Members with positive Capital Account balances, by the end of the taxable year during which liquidation occurs (or; if later, within ninety (90) days after the date of such liquidation); but in no event shall a Member be required to contribute capital to satisfy any liability of the Company, except as required by law or herein.

8.3 *Articles of Dissolution.* When all debts, liabilities and obligations of the Company have been paid or discharged, or adequate provisions have been made therefore and all of the remaining assets of the Company have been distributed to the Members, articles of Dissolution shall be executed in duplicate and verified by the person signing the articles, which articles shall set forth the information required by the Act, and shall be filed with the Secretary of State. Upon such filing the existence of the Company shall cease, except as provided in the Act.

8.4 *Return of Contribution Nonrecourse to Other Members.* Except as provided by law, upon Dissolution, each Member shall look solely to the assets of the Company for the return of his or her Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash or other property contribution of one or more Members, such Member or Members shall have no recourse against any other Member.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.1 *Notices.* Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if sent by facsimile transmission to the party's number, mailed as provided hereafter, or delivered personally to the party to whom the same is directed, so long as sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given three (3) business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

9.2 *Governing Law.* This Operating Agreement, and the substantive application and interpretation hereof, shall be governed exclusively by the law of the state of the Act, being Tennessee.

9.3 *Entire Agreement.* This Operating Agreement is the entire agreement between the parties hereto with respect to the subject matter hereof and shall not be amended, altered or modified in any manner whatsoever except as provided herein by a written instrument. This Operating Agreement supersedes all prior agreements between the parties with respect to the subject matter hereof and all such prior agreements shall be void and of no further force

or effect as of the date thereof.

9.4 *Execution of Additional Instruments.* Each Member hereby agrees to execute such other and further statements of interest, and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

9.5 *Construction.* Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include, the plural, and the masculine gender shall include the feminine and neuter genders and vice versa; and the word "person" or "party" shall include a corporation, firm, partnership, proprietorship or other form of association.

9.6 *Headings.* The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

9.7 *Waivers.* The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

9.8 *Rights and Remedies Cumulative.* The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

9.9 *Severability.* If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

9.10 *Heirs, Successors and Assigns.* Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

9.11 *Creditors.* None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

9.12 *Rule Against Perpetuities.* The parties hereto intend that the Rule against Perpetuities (and any similar rule of law) not be applicable to any provisions of this Operating Agreement. However, notwithstanding anything to the contrary in this Operating Agreement, if any provision in this Operating Agreement would be invalid or unenforceable because of the Rule against Perpetuities or any similar rule of law but for this Section, the parties hereto hereby agree that any future interest which is created pursuant to said

provision shall cease if it is not vested within twenty-one (21) years after the death of the survivor of the group composed of all who are Members of the Company and their issue who are living on the date of this Operating Agreement and their issue, if any, who are living on the effective date of this Operating Agreement.

9.13 *No Partition.* Each Member irrevocably waives during the term of the Company the right, if any, such Member may have, if any, to maintain any action for partition with respect to the real property of the Company.

9.14 *Counterparts.* This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

9.15 *Remedies.*

- i. *Attorneys' Fees Assessed in Favor of Prevailing Party.* If the Company or any party obtains a judgment against any other company by reason of breach of this Operating Agreement, reasonable attorney fees and costs, as determined by the court, shall be included in such judgment, to compensate the prevailing party for its reasonable legal fees and costs. Any Member shall be entitled to maintain, on its own behalf or on behalf of the Company, any action or proceeding against any other Member successor, or the Company (including any action for damages, specific performance or declaratory relief) for or by reason of breach by such party of this Operating Agreement, or any other agreement entered into in connection with the same, notwithstanding the fact that any or all of the parties to such proceeding may then be Members in the Company, and without dissolving the Company as a limited liability company.
- ii. *Specific Performance.* Each party to this Operating Agreement agrees that the Members would be irreparably damaged if any of the provisions of this Operating Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, except as otherwise provided in the Act, it is agreed that, in addition to any other remedy to which the nonbreaching Members shall be entitled to injunctive relief to prevent breaches of the provisions of this Operating Agreement and specifically to enforce the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having subject matter jurisdiction thereof.

9.16 *Dispute Resolution.* In the event of a dispute that arises between any of the Members under this Operating Agreement, the Members agree to submit the dispute to Mediation. The parties and their successors shall strive to settle amicably any dispute, controversy or claim arising out of this Operating Agreement (or relating to the Company) or a breach thereof. The parties recognize the value of mediation and encourage its use where appropriate. However, any dispute, controversy or claim related to this Agreement or breach thereof, status as a Member, and the business or management of the Company, shall be submitted to a person that both Members agree upon at the

signing of this Operating Agreement. The Mediator of choice shall be _____.

9.17 OMITTED

9.18 *Power of Attorney.* The parties hereto agree that the Company has an interest in appointing and conveying a Durable Power of Attorney to an attorney of fact or to a member in order to conduct business which may otherwise require all members to be present. At such event, a majority of members shall nominate and convey such Power of Attorney unto such nominated individual for operating and acting on behalf of each individual member pursuant to the purpose and cause of the event or transaction requiring a power of attorney. If such Power of Attorney is signed by the majority of members, then the power of attorney shall be binding on all members. Any such power of attorney shall be limited in scope and duration. At the execution of this document, as evidenced by the signatures below, Eric Maddox and Greg D'Amico, each individually, shall be Attorneys-in-Fact for the Company.

9.19 *Confidentiality.* The parties hereto agree that the Company has an interest in maintaining the confidentiality of its Confidential Information. "Confidential Information" means information disclosed or known to a party as a consequence of or through the party's relationship with the Company and related to the Company's business, internal affairs, client relationships or work product arising out of client relationships. "Confidential Information" is intended to include trade secrets as defined in the Restatement Second of Torts, Section 757. The parties hereto agree that the Company shall be entitled to seek injunctive relief in the courts against any action of a party which threatens the confidentiality of the Confidential Information, as a provisional remedy pending arbitration of any claims arbitrable under this Article.

9.20 *Intellectual Property.* Each Member individually owns the rights to the skills and knowledge they possess and will not be prohibited by the Company to create similar products that may appear to conflict with or be in direct competition to the existing products and services the Company offers, so long as the skills and knowledge and concepts have been covered through section 9.21 and 9.22, herein. Furthermore, it is permissible for each member to seek patents or other intellectual protection without seeking the approval of the Company. The Members agree that Robbie Hakeem and Dr. Todd Scarbrough are the only rightful owners of the intellectual property related to the concept and idea(s) related to the services provided by the Company.

9.21 *Revenue of Concept.* Any concept that is started by the Company that has not generated either 1) market traction or 2) a revenue stream for the Company after 18 months of design and development, shall be abandoned for the purposes of allowing the holder or owner of the intellectual property to seek funding or concept revenue generation from outside 3rd party sources.

9.22 *Right of Refusal.* Any concept or new revenue stream generation that is based upon a video/software integration revenue subscription model shall be first submitted to the Company for development and concept revenue generation. The Company shall have 30 days to accept the concept and move forward with development, design, and implementation. If the concept is not "chosen" by the Company during the 30 day period, the member with the concept shall be free to market, sale, or develop the concept without being in violation or terminating this agreement.

IN WITNESS WHEREOF, the parties have caused this Operating Agreement to be duly executed as evidenced by their signatures below.

ALL MEMBERS:

DocuSigned by:
Robbie Hakeem
FAB0C54256BB43B...

Robbie Hakeem - MEMBER

Date: 1/13/2020

Todd Scarbrough - MEMBER

Date:

IN WITNESS WHEREOF, the parties have caused this Operating Agreement to be duly executed as evidenced by their signatures below.

ALL MEMBERS:

DocuSigned by:
TODD SCARBROUGH
1D01EA42E71F4E7...
Robbie Hakeem - MEMBER
1/13/2020
Date: _____

DocuSigned by:
TODD SCARBROUGH
1D01EA42E71F4E7...
Todd Scarbrough - MEMBER
1/13/2020
Date: _____

Attachment - MRI, PET, and/or Linear Accelerator

- 1a. For Magnetic Resonance Imaging (MRI) in a county with a population less than 175,000, describe the initiation of MRI services or addition of MRI scanners as part of the project, or
- 1b. For Magnetic Resonance Imaging (MRI) in a county with a population greater than 175,000, describe the initiation of MRI services or addition of MRI scanners as part of the project if more than 5 patients per year under the age of 15 will be treated, and/or
2. Describe the acquisition of any Positron Emission Tomography (PET) scanner that is adding a PET scanner in counties with population less than 175,000 and/or
3. Describe the acquisition of any Linear Accelerator if initiating the service by responding to the following:

A. Complete the chart below for acquired equipment.

☒ Linear Accelerator	Mev <u>"6-12"</u>	Types:	☐ SRS ☐ IMRT ☐ IGRT ☒ Other <u>Electron</u>
	Total Cost*: <u>\$1,500,000</u>	☒ By Purchase ☐ By Lease	Expected Useful Life (yrs) <u>10</u>
	☒ New ☐ Refurbished	If not new, how old? (yrs) _____	

☐ MRI	Tesla: _____	Magnet:	☐ Breast ☐ Extremity ☐ Open ☐ Short Bore ☐ Other _____ ☐ By Purchase ☐ By Lease Expected Useful Life (yrs) _____ ☐ If not new, how old? (yrs) _____
	Total Cost*: _____	☐ New ☐ Refurbished	

☐ PET	☐ PET only ☐ PET/CT ☐ PET/MRI	☐ By Purchase ☐ By Lease Expected Useful Life (yrs) _____ ☐ If not new, how old? (yrs) _____
	Total Cost*: _____	☐ New ☐ Refurbished

* As defined by Agency Rule 0720-9-.01(4)(b)

B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.

D. Schedule of Operations:

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am – 3 pm)
<u>Fixed Site (Applicant)</u>	<u>Monday-Friday</u>	<u>8:00 a.m. - 4:30 p.m.</u>
Mobile Locations (Applicant)		
(Name of Other Location)		
(Name of Other Location)		

AUGUST 28, 2025

Heelex, LLC
6450 Kingston Pike, Suite 2
Knoxville, TN 37919
ph: 865.999.5988
ph: 844.433.4390
fax: 844.325.0624

TO WHOM IT MAY CONCERN:

I would like to take a moment to express my support, and yes even excitement, about my experience with low-dose radiation therapy for podiatric pathologies. I have been practicing podiatry in the state of Tennessee since 1996 and have had the opportunity to treat a vast array of pathology of the foot and ankle. This has included inflammatory tendinopathies, plantar fasciitis, bursitis, arthritis, and other inflammatory conditions. In my opinion, utilization of low-dose radiation therapy for musculoskeletal inflammatory conditions of the foot and ankle has been an invaluable tool that I have added to my treatment protocol. It has helped many of my patients get back to normal activities and avoid surgical intervention.

One of the reasons that I believe this has been so helpful in my practice is I have been able to avoid not only surgical intervention but also painful injection therapy and utilization of oral medications that could potentially have adverse side effects. As an example of this: take the patient who happens to be an unstable diabetic with a painful foot ailment. No doubt, they have been given advice from their PCP to get more exercise (such as walking) as a lifestyle change to help control their diabetes. How frustrating it is for a patient to be given advice to get out and walk more to help maintain blood sugars when they are having so much pain in their foot that they cannot make that recommended lifestyle choice. Corticosteroid injections and/or oral steroids/nonsteroidal anti-inflammatories are contraindicated in this patient as this might lead to elevated blood sugar levels. The use of low-dose radiation has been able to help me mitigate prescribing these potential problematic medications, therefore, allowing the patient to have a more active lifestyle and help maintain normal blood glucose levels. After sending literally hundreds of patients for this treatment, I have never seen a patient have any side effects from this treatment.

On a personal level, I was my very first "test" patient. I have had issues with plantar fasciitis over the years and in 2022 had a particularly painful and stubborn bout of plantar fasciitis of my left heel. I treated it as I typically would recommend for my patients with shoe gear changes, custom molded functional foot orthotics, oral anti-inflammatories, and home physical therapy including ice, stretching, and exercises. When this failed for me I proceeded with cortisone injections. After several painful cortisone injections into my left heel I suffered a rupture of the plantar

fascia. This then led to CAM boot immobilization and utilization of a rolling knee scooter. My case was particularly stubborn, and I was considering surgical intervention by my partner in practice. As a last-ditch effort to prevent surgical intervention, I had just heard about low-dose radiation therapy for plantar fasciitis, and I thought I would at least give it a try. After finishing my treatment protocol, within 6 weeks I was markedly better and within 3 months I was completely back to normal activities with no recurring issues. I am happy to say that it has been nearly 4 years and I have not yet had a recurrence.

After my personal experience with Heelex and the utilization of low-dose radiation therapy for plantar fasciitis, I began sending patients from my practice for treatment of inflammatory musculoskeletal conditions. Over time, I became so excited about this treatment that I left my previous practice and joined the Heelex team as an employed physician.

Thank you for allowing me to express my opinion on this very useful, safe, and effective treatment for inflammatory conditions of the musculoskeletal system. If you have any questions regarding my experience, please feel free to contact me at your convenience.

Respectfully,
Kendale L. Ritchey, D.P.M.

AUGUST 28, 2025

Heelex, LLC
6450 Kingston Pike, Suite 2
Knoxville, TN 37919
ph: 865.999.5988
ph: 844.433.4390
fax: 844.325.0624

TO WHOM IT MAY CONCERN:

I am writing this letter in support of low-dose radiation therapy for multiple foot and ankle pathologies that I treat on a daily basis in the clinic. I have been practicing foot and ankle care as a podiatric physician/foot surgeon in the Knoxville Tennessee area for 25 years.

Some of the common conditions that we treat as foot and ankle specialists that are amenable to low-dose radiation therapy include plantar fasciitis, tendinitis and tendinopathies, bursitis, osteoarthritis, and in certain instances skin conditions including skin cancers. Prior to Heelex low-dose radiation therapy arriving in the Knoxville metropolitan area as a treatment option for my patients there were many times where patients that have the above conditions did not respond to standard conservative treatments and they would have to continue to live with their pain. This could be due to patients' inability to have surgery because of work responsibilities, family responsibilities, and other medical problems that preclude the patient from having surgery. Some examples of these include patients that are elderly with multiple comorbidities and medical problems that make the patient a poor candidate for aggressive or surgical intervention to correct a problem. This could be a patient that is on blood thinners for cardiac problems or blood clots, a patient with peripheral vascular disease and concern for healing with surgery, a patient with diabetes who is unable to be taken to surgery due to concern for not healing but also not a good candidate for steroid treatment... just to name a few. Now, due to the availability of low-dose radiation therapy, multiple patients are afforded a new lease on life at times. If your foot and ankle hurt then often times you do not feel like doing anything. Not only can we help patients with these painful conditions but also we can help these patients and improve their overall quality of life and get them active again.

An example of a patient who definitely benefited from this treatment is an 83-year-old female with COPD and vascular insufficiency. While her condition is not involving her foot or ankle she is my mother. She has severe osteoarthritis of her ring finger on her left hand as well as severe bursitis of her right hip. She is not a good candidate for surgical intervention. She had failed conservative measures with physical therapy, steroid injections, even had previous surgery on the finger twice when she was younger, bracing, and over-the-counter pain relievers. She had low-dose radiation therapy treatment on her right hip which afforded her

significant relief in terms of pain and discomfort. She also had low-dose radiation treatments on her left finger which has helped her with daily activities of living as well as with decreased pain and swelling.

I have sent literally hundreds of patients for low-dose radiation therapy treatments over the last 3 to 4 years and have witnessed no notable side effects. The satisfaction rate of my low-dose radiation therapy patients with their care is amazing. This treatment truly has been a blessing for not only our practice but also for our patient population in East Tennessee.

Professionally,

R. Christopher Hancock, D.P.M., Fellow American College of Foot and Ankle Surgeons

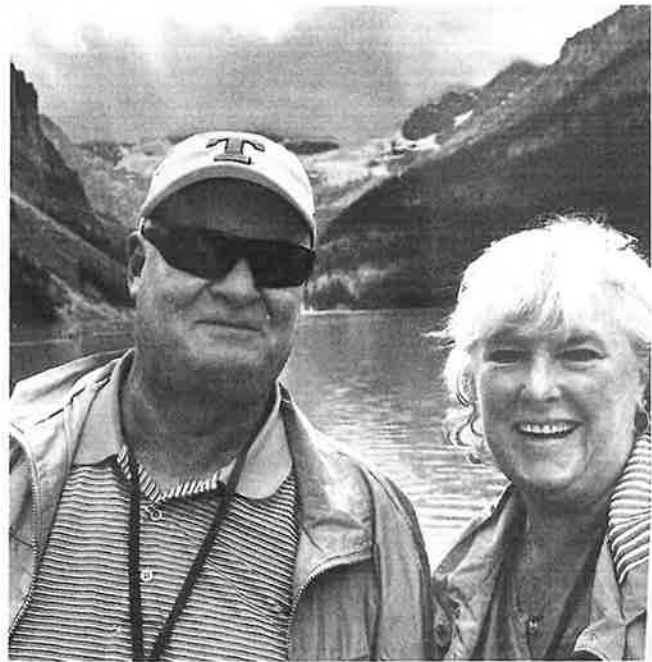
The following are patient testimonials from patients Mark McKinney, Lori Silcox, Bobbie Messing, Carolyn Tabors, Tommy Mitchell, Joleta Mopeak, Linda Stooksbury, Jim Uphoff, Thomas Meeks, Carol Shular, Jerry Noland, David Hart, Patty Sutherland, Shane Starks, Gary Bayless, Judy Blackburn, Kay Bateman, Angela Roberts, and Jennie Hemiller.

I would like to express my gratitude to the Heelex team. They are professional, accommodating and knowledgeable to their clients. I will be forever grateful for their service during my foot pain issues. Thanks again and be blessed!

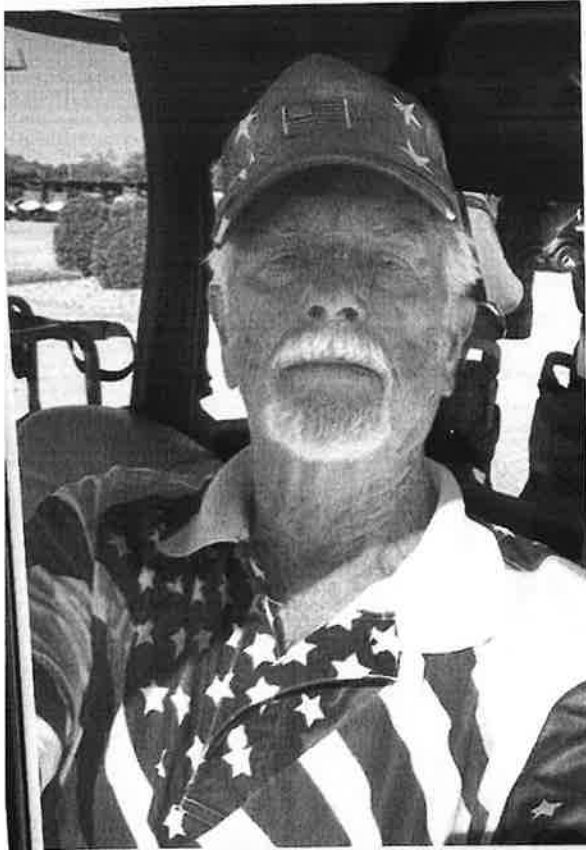


Carolyn T.

Heelex changed my life! I hobbled into your office on a cane, grimacing with knee pain at each step. The doctors and staff were knowledgeable, compassionate and gave me hope. From the first treatment I saw improvement to the point I could manage without the cane by the next appointment. We were scheduled to leave for a trip to the Canadian Rockies and I was desperate for relief! The 12 weeks following my 6 treatments I continued to improve little by little and I am now pain free! I had tried over a 2 year timeframe ice, heat, ace wraps, injections, physical therapy, tape, knee braces, heat, massages and vibration apparatuses, red light therapy, Voltron, pain killers, and nothing worked long term. I even invested in a motorized tricycle to keep mobile. Thank you Heelex you are the miracle I prayed for! No More Pain!!! My family and I so appreciate and highly recommend HEELEX!



Linda S.



Jim U.

I had bursitis in my left hip so bad I couldn't walk more than 30 yards without stopping to rest my leg. The day after I finished six treatments I walked 1 1/2 miles without stopping.

Believe me, if I hadn't had the treatments at Heelex for my plantar fasciitis you would not be seeing this smile on my face. I woke up every morning having to sit on the edge of the bed dreading to get up because I could barely walk for the pain. I could feel a difference



Joleta M.

within a week of having my treatments, then one morning I got up and got to the bathroom before I realized I had no pain in my feet at all. It was wonderful !!! Thanks so much to the great doctors and staff at Heelex. You've made my life so much better !!!!!



My doctor had given me medicine for arthritis in my shoulders which stopped working after a month. I reached out to Heelex and 6 treatments later I no longer experienced shoulder pain ..
thank you Heelex!

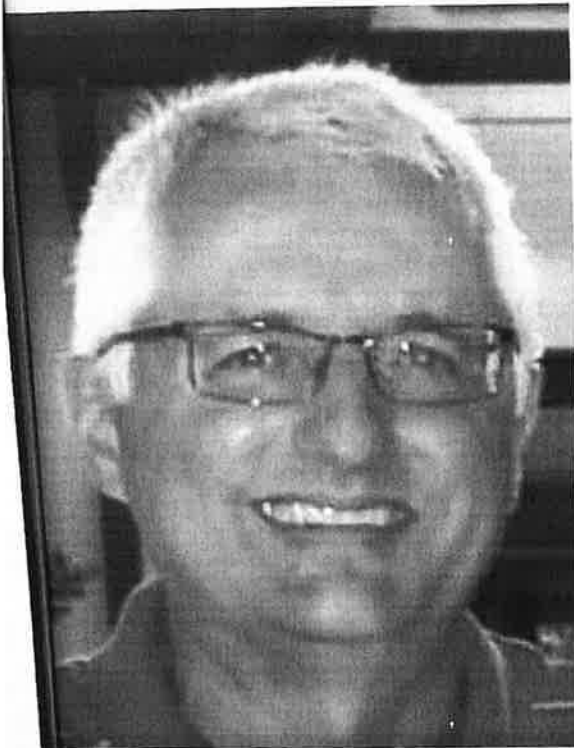
Thomas M.

They are friendly here, that means a lot to me!
They have helped me with shoulder pain before
and I am back with the other shoulder. My pain has
decreased some and expect for that to improve
even more! I would recommend you try this place
before ever going to have surgery!!! You are in and
out 5 minutes every time, Absolutely no waiting!
Nothing like an orthopedic doctor's office! You will
not regret you tried this for joint pain relief!!!



Carol S.

I initially went to Heelex for severe plantar fasciitis in my right foot. I had tried rest, therapy, exercises, etc., but nothing made it better. This lasted for six plus months. A friend suggested Heelex and after a few treatments my foot felt much better and after 5-6 weeks the pain was completely gone and has not come back (over a year and a half later).



David H.

Since then I have had treatments on my left Achilles heel which was causing me pain and also treatments on both knees (osteoarthritis). In each case my pain has gone away! I have recommended Heelex to several friends because of the success I have had! Also, the staff members are all great and fun to be around which made the experience even better!

I came to Heelex in
extreme pain due to
plantar fasciitis. Thanks to
the entire staff, my pain is
gone! I am beyond better, I
am cured!

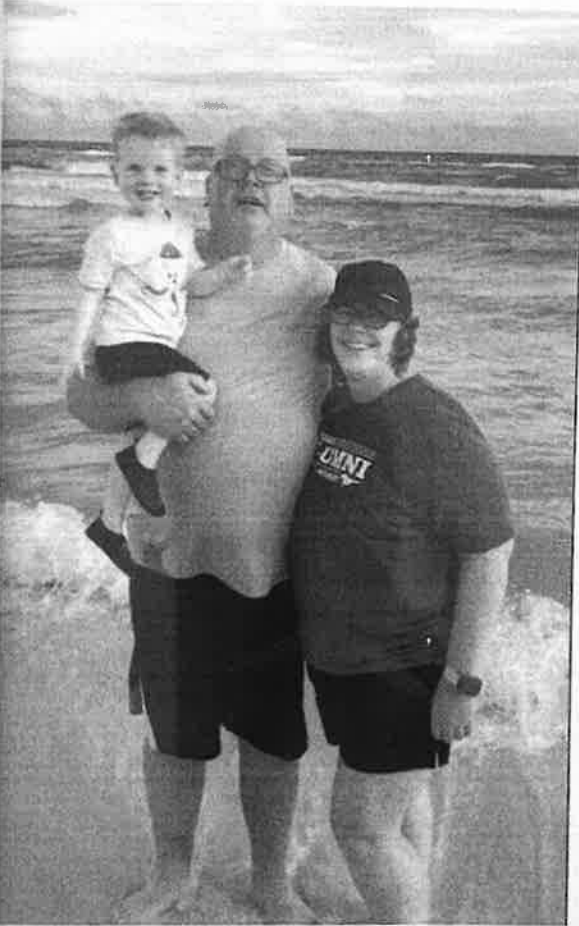


Jerry N.



Kaye M.

I had suffered for 24 YEARS with pustular psoriasis on my foot. I tried everything and nothing worked out only worked for a short time. After going to Heelex for treatment my foot has been clear for 2 years!!! Heelex changed my life. Thank you to Heelex and their amazing staff!



Shane S.

The last 4 years I have come for treatment every 6 months and it has been great. The staff is top notch, the treatment helps my knee and ankle so much.

There is no better leadership and team than Heelex. I truly appreciate all the staff has done for me.

Heelex helped me successfully complete the Tour du Mont Blanc (TMB) this past summer. I went to Heelex with significant knee (osteoarthritis) and heel (plantar fasciitis) pain. Through two treatments between March and July my pain was basically reduced from level 8 down to 2. This result allowed me to train for and then complete the TMB with my wife. The TMB is beautiful with mountain passes, valleys, glaciers, and rivers along the route (105 miles with 33,000 feet of elevation change hiked over 10 days).



Gary J.

Heelex saved me from having hip surgery with their low dose radiation treatments. I am pain free and even my orthopedic surgeon at the University of Tennessee encouraged me to stick with Heelex to keep from having a hip replacement. Even though I am bone-bone I had great success with treatment. Cannot thank Heelex enough!



Patty S.

I tried Heelex at the suggestion of my Podiatrist, Dr Ritchie. Although Morton's Neuroma wasn't one of the listed treatments, he thought it might help. I went to several treatments and was pleasantly surprised at how quick and easy it was. That has been about a year and a half ago and my foot is totally pain free for the first time in years and has stayed pain free. So glad I tried Heelex treatments, because if your feet aren't happy, you aren't happy!



Kay B.

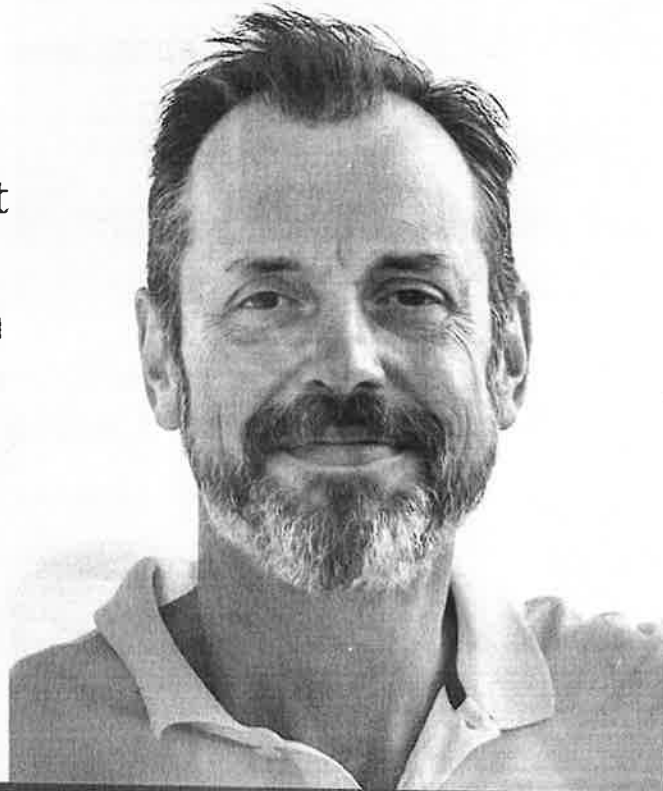


Angela R.

I love Heelex, the nurses, front desk everyone I have had the privilege to meet are very professional and caring. I would absolutely recommend this alternative treatment over any surgery first.

For years I suffered from pain in my right heel from plantar fasciitis. I looked into traditional surgeries but was not willing to go under the knife and deal with the pain and recovery time. I was aware of Heelex and after some research decided to give it a shot. I did a series of treatments over a two week period that were the easiest, pain free, non invasive procedures I have ever experienced.

In the weeks after my foot pain gradually decreased to the point of being a 1 out of 10 and eventually no pain at all. Thanks so much for helping me get my life back!



Mark M.

Back in 2017 I was diagnosed with planter fasciitis in my right heel. I was truly miserable. I went to a podiatrist and got injections in my foot, I had exercises, I wore night braces, I had special expensive shoe inserts, made especially for me. The best sneakers you can buy. Nothing was working. I started to limp and my hip started hurting. I started to think well this is old age and I'm stuck in my chair now.



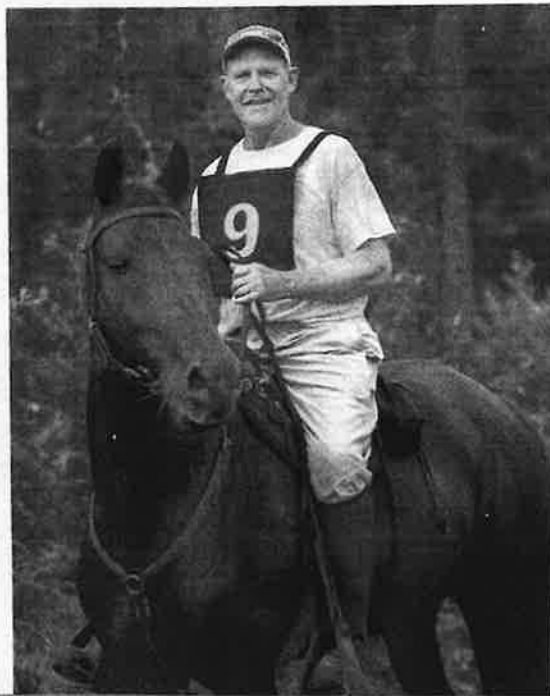
Bobbie M.

I love to walk my dog and suddenly both our life's were ruined because I could not walk anymore. I don't have good insurance so Heelex was on my mind as a solution, but I wasn't sure if I wanted to spend the money. There is no guarantee but I decided I better try something no doctor would operate or give me a better solution.

The first go round with Heelex didn't work and I was disappointed but Heelex offered a second round. I had nothing to lose at that point so we repeated the process.. and OMG I woke up one day and suddenly I was cured. I've never struggled since. I still have to be careful and wear good HOKA shoes with inserts and respect my foot. Avoid barefoot walking etc.

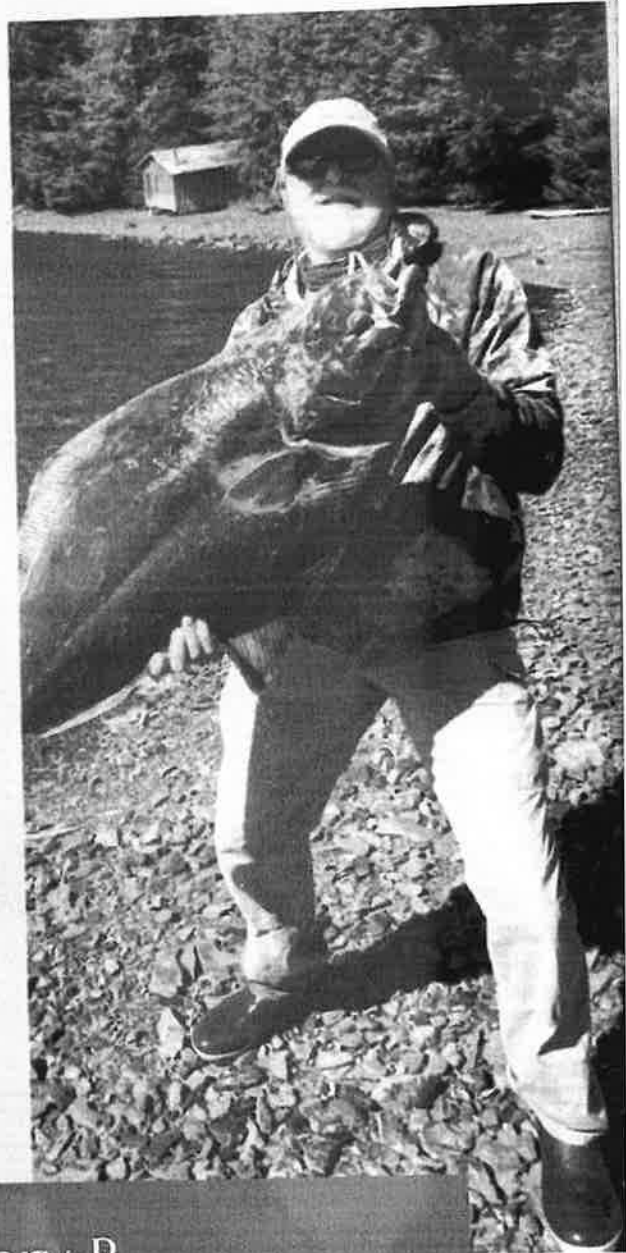
I'm so happy with Heelex and credit them for my quality of life again and my ability to walk and be outside with my dog. I'm so grateful I went and appreciate their willingness to not give up on me.

I had just had a total knee replacement and was having trouble with swelling when I would walk for long periods. Scar tissue build-up cut down on my mobility. My knee pain was interfering with my ability to walk and ride my horse. Thanks to the staff and doctors at Heelex, I have my mobility back and I am back in the saddle (literally). I just completed a 30 mile endurance horse ride and my knee felt great! Thanks Heelex!



Tommy M.

I lost grip strength in my hand and couldn't grasp anything. I got treatments at Heelex and it's like 100%. I love it, I can finally fish again and work with no problems. The staff is wonderful; thank you Heelex for everything!



Gary B.

My primary care doctor referred me to Heelex for treatment of my Dupuytren's Contracture. Shortly after the first week of treatment I felt relief and have had very little pain since. I have now completed both rounds of treatment and my hand is like new. I have no nodules or cords and full range of motion back in my hand. The people at Heelex are more than nice; I am so thankful for this team.



Judy B.

Back on the trail again thanks to Heelex.
My angry plantar fasciitis in the left heel prevented
me from doing the things I like to do. After a few
series of Heelex treatments I have finally returned
to all my active activities.
Thanks to my friends at Heelex...this treatment is
one I would highly recommend.



Theresa L.

Dear Heelex, I want to thank you for giving me my life back. I spent a year trying treatments for my planter's fasciitis before I found you. I couldn't hike with my dogs. I could barely stand to stand and finally someone suggested you and after eight short treatments within two weeks I was hiking again and I had my life back, I've been talking about you all ever since and how you changed my life .



Lori S.

"I had issues with Bursitis in both hips and Osteoarthritis, Heelex was amazing no more bursitis and I am walking without pain finally! Could tell a big difference after the first treatment! The staff are amazing and give the best care. I was told that I may need to come back in a couple or three years for 1 to 2 treatments for the osteoarthritis and that was my plan if needed, then BCBS TN decided to drop coverage for this procedure. Looking for a health insurance that cares about their customer now. I will be back if needed. Thank you Heelex!!" -Pam Childs

"If you need pain relief go to Heelex before you have surgery. Needed knee replacement and after a couple of weeks with Heelex I am almost pain free and I still have a couple more weeks to recovery. If you have surgery and don't try Heelex first you are an idiot! Thanks Heelex and their excellent staff!!!!- Gary Blazier

"I am receiving treatment for both of my hands, and one hand is already feeling better. The other hand's treatment begins next week, and I cannot wait! The customer service, and level of care has been wonderful." -Jeanette Harris

"I had a planter's wart that I had been treating at dermatology office, freezing it, for about 6 months (very painful). Never got rid of it. Heelex killed the wart in 12 treatments and now it is totally gone. It is so nice not to have that thing on my foot. No pain from the treatments, maybe a little discomfort. It's a miracle. Staff is so friendly and helpful. Thanks Heelex. Five star rating is not high enough." -Dennis Snider

"I had developed Plantar fasciitis in August 2024. Went thru months of Physical Therapy with no results. I seen Commercials for Heelex on Tv and then after consulting with them and going through their program I am currently able to walk 5 miles a day. I highly recommend them. Thank You Heelex for giving my daily life back." - Mike Kidd

"Great staff, friendly doctor and very thorough explanation of both my condition and treatment plan." - Judy Duncan

"ALL the folks that work here are AWESOME!! Very professional and yet personable. What impressed me is the timeliness and promptness, you are always seen at your appointment

time. Highly recommend them to take care of any chronic pain you're dealing with. "-Duane Peterson

"After multiple steroid shots in my left knee over 2 plus years, physical therapy, and a surgeon recommendation for a knee replacement, I decided to look at other options. I had seen the Heelex ads on-line and after talking with a friend who had it done (a mixed review and outcomes) I decided to give it a try. After the first painless treatment I noticed a significant reduction in discomfort, by the third treatment I was doing modified squats and was able to get up and down off the floor. After the 6th treatment (treatment are consecutive days) I had even less discomfort. I have not had to take any of my 800 ibuprofen or use any Voltaren on my knees. I am told that I will see continues improvement over the next 6 weeks and 3 months. So far, I am very impressed and the treatments have exceeded my expectations. Also, the staff gets my vote as the friendliest staff in town"

- John Dorling

"I highly recommend this service. The staff is wonderful. From the greeting when you walk in the door to The efficient professional friendly staff providing treatment. Never a long wait. Treatments started with my right knee 2 years ago. Recently treatments on my neck and currently finished treatments for carpal tunnel both wrist. The outcome of the treatments exceeded my expectations."-Linda Osborne

"They are friendly and knowledgeable. Im going for both knees due to a car accident. First round of treatment helped. It's about i can start second. I know someone was completely healed after a second time on her foot. I'm in and out within 10 minutes. Thanks Heelex"

-Rose Bowers

"love this place. Everyone is so nice and professional. Their treatment is painless and effective. Highly recommended.." -Mike Haygood

" I went in with terrible pain in my foot. After. Treatment. I'm able to walk again without pain. Great. People."-Jesse Lawhorn

"

“HEELEX provided me with the information about their treatments. They were courteous and professional, putting the patients concerns first.

Six weeks after my treatment, I can honestly say the sharp pain in my hip and leg are gone!! I can still feel a dull pain when climbing stairs, this should subside over the next few weeks.”-Gary Childress

“Heelex was an answer to a prayer for me. After suffering with plantar fasciitis for more than a year and doing the steroid injections, icing, and stretches, a family member told me about an advertisement he had seen for a place called Heelex. I was desperate for relief from this constant pain in my foot. I went to my consultation and discussed various treatments. I decided on the low-dose xray treatment and was able to begin right away. There was no pain associated with the treatments and they took only a few minutes each time. The results have been unbelievable! You don’t get instant relief, it does take a few weeks for treatments to do their magic. I am 7 weeks post treatment and my foot pain is GONE! I am still not doing any extreme walking or jumping but I am still in my “healing” window (8-12 weeks), but normal, daily walking produces no pain. Oh, and the staff there are beyond amazing! All of this to say, if you have been diagnosed with plantar fasciitis, Heelex Medical Center is the place for you. Five stars all the way!”-Kimberly Kirkland

“Great experience. Everyone very cordial and friendly. Would recommend if anyone having issues at least give it a try.”-Gary Hancock

“I am receiving treatment for psoriasis on the bottom of my feet. My feet were raw and sore which kept me from wearing athletic shoes and therefore preventing me from exercise. I’ve had seven treatments so far and I’m thrilled to report I can now wear athletic shoes and can easily walk on my treadmill for as long as I like!
I look forward to each visit as my technicians are indeed a pleasure.
Thanks Heelex!”-Janey Wilder

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE ("Lease") made as of 2/18/2020, 2020, between JEFFREY P. MCCAMY, his heirs, successors and assigns (the "Landlord"), and HEELEX, LLC, a Tennessee limited liability company (the "Tenant"):

1. DEFINITIONS.

1.1 Fundamental Terms.

1.1.1 "Commencement Date" means the execution date of the Lease.

1.1.2 "Lease Year" means a calendar year beginning on the Commencement Date.

1.1.3 "Leased Premises" means that certain space containing approximately 3,060 square feet of gross leasable space located at 6450 Kingston Pike, Suite A, Knoxville, Knox County, Tennessee, also commonly known as the bottom floor of the Center, which is shown on the Site Plan attached hereto as Exhibit "A".

1.2 Other Definitions.

1.2.1 "Center" means the real property, building and other improvements located at 6450 Kingston Pike, Knoxville, Tennessee, which is shown on the Site Plan attached hereto as Exhibit "A".

1.2.2 "Common Areas" means the outdoor lighting facilities, driveways, parking areas, sidewalks, dumpster enclosures, service areas, landscaped areas (including all landscaped areas adjacent to the Leased Premises) and other areas located on the Center intended for the non-exclusive use of the tenants of the Center, and for avoidance of doubt the rooftop of the Center is not considered a Common Area as such constitutes an exclusive use for Landlord.

1.2.3 "Hazardous Substances" means all "hazardous substances" (as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. paragraph 9601 et seq. and the regulations promulgated pursuant thereto, as amended (the "Act")); any other toxic or hazardous waste, material or substance as defined under any other federal, state or local law, rule, regulation or ordinance; petroleum products and any other pollutant or environmental contaminant.

1.2.4 "Real Estate Taxes" means all real estate taxes which shall be levied, or imposed upon the land, buildings or other improvements of the Center during the Term.

2. GRANT OF LEASEHOLD INTEREST.

2.1 Leased Premises. The Landlord hereby leases to the Tenant, and the Tenant leases from the Landlord, the Leased Premises for the Term of the Lease. Tenant has inspected the Leased Premises and hereby agrees to accept the Leased Premises AS IS and WITH ALL FAULTS. Landlord has no obligation to make or construct improvements to or at the Leased Premises. Tenant shall be responsible for any construction, remodeling or any other improvements to the Leased Premises during the term of this Lease.

2.2 Common Areas. Tenant, its agents, employees, customers and invitees shall have the

non-exclusive right (in common with Landlord and others to whom Landlord has granted or may hereafter grant rights to use the Common Areas) to use the Common Areas subject to reasonable rules and regulations as Landlord in its sole and absolute discretion may from time to time impose, provided that: (a) Landlord's rules and regulations will be for the safety, cleanliness, and better operation of the Center; (b) will be uniformly applicable to tenants that are situated similarly to Tenant; and (c) will not materially deprive Tenant of any of its rights under this Lease or increase any of Tenant's obligations under this Lease without Tenant's prior written consent, which will not be unreasonably withheld or delayed.

2.3 Parking. Notwithstanding anything to the contrary in Section 2.2 above, Tenant, its agents, employees, customers and invitees shall have non-exclusive use to the parking spaces at the Center.

3. TERM. The Term of the Lease shall commence on the Commencement Date and end on seven (7) years from the Commencement Date, unless sooner terminated in accordance with this Lease.

3.1 Provided Tenant is not in default under this Lease beyond any applicable notice and cure period and Tenant is fully operating their portion of the Leased for the Permitted Use, the Tenant shall have one option to extend the term of this Lease for Five (5) Lease Years, to be on the same terms and conditions as the primary term, except as otherwise than as provided herein. The Tenant may exercise such option by providing written notice to the Landlord not later than one hundred eighty (180) days prior to the end of the then current term. For avoidance of doubt, the option term shall begin, if exercised by Tenant, and end as follows:

Option Term I

February 1, 2027 — January 31, 2032

4. RENT.

4.1 Rent. During the Term, the Tenant agrees to pay to the Landlord annual rent ("Annual Rent") in the amount of Eighty Five Thousand Six Hundred Eighty Five and 00/100 Dollars (\$85,680.00). The Annual Rent shall be due and payable in advance in equal successive monthly installments in the amount of Seven Thousand One Hundred Forty and 00/100 Dollars (\$7,140.00) per month. The Annual Rent shall increase by two percent (2%) at the end of each Lease Year.

4.2 Additional Rent. In addition to the Annual Rent set forth above, during the Term, Tenant shall pay to Landlord as additional rent ("Additional Rent"), without any deduction or set-off whatsoever, any money and other sums of money or charges required to be paid by Tenant under this Lease, whether or not the same be designated "Additional Rent". If such amounts or charges are not paid at the time provided in this Lease or upon demand, they shall nevertheless if not paid when due, be collectible as Additional Rent with the next installment of Rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Landlord.

4.2.1 Tenant's Pro-Rata Share. For purpose of this Lease, Tenant's Pro-Rata Share of space occupied in the Center is thirty-three and one-third percent (33.3%). It is understood this calculation may be revised in the event of a change in the constructed total leasable area in the Center.

4.2.2 Payment Obligation for Tenant's Pro-Rata Share. During the Term, Tenant agrees to pay to Landlord Tenant's Pro-Rata Share of the annual Center operating costs of the Common Area,

which includes operating, equipping, lighting, repairing, replacing, maintaining and insuring the Center (the "Annual Operating Expenses"). Landlord estimates the Annual Operating Expenses for the first Lease Year to \$6.00 per square foot per year. Tenant shall pay 1/12 of such Pro-Rata Share of operating costs on or before the fifth (5th) day of each calendar month in each calendar year.

During the Option Term, Tenant shall pay to Landlord as Additional Rent 33.3% of the Annual Operating Expenses. Landlord will estimate the Annual Operating Expenses for the first year of the Option Term. Said Additional Rent shall be paid monthly in an amount equal to 1/12 of the Tenant's pro-rata share (i.e. 33.3%) of the estimated Annual Operating Expenses on the first day of every month in advance. An accounting of the Annual Operating Expenses shall be done on a calendar year basis.

4.2.3 Late Charges. Any amount of Annual Rent, Additional Rent or other sum due from Tenant hereunder if not paid in full on or before the fifth day of the month will be considered past due and delinquent and, accordingly, shall bear a late charge of 5% of such amount. In addition, any delinquent payment owed by Tenant hereunder shall bear interest at the rate of 1% per month or the maximum rate allowed by law, whichever is less

4.3 Payment of Rent. Annual Rent and Additional Rent shall be payable in advance in equal monthly installments payable on or before the fifth (5th) day of each calendar month during the term hereof, commencing one hundred twenty (120) days after the Commencement Date (first payment shall be prorated). All payments of Annual Rent and Additional Rent shall be made to the Landlord at the address specified in Section 25.1 below or as the Landlord otherwise notifies the Tenant in writing. For purposes of this Lease, all references to "rent" shall mean and include Annual Rent and Additional Rent.

5. UTILITIES. Commencing on the Commencement Date, Tenant shall pay for all utility hook-up and tap fees, all impact fees and all charges for utilities rendered or furnished to the Leased Premises during the Term of this Lease, including gas, electricity, and telephone and cable service. Gas and electricity service shall be separately metered at the Lease Premises. Water and sewer service shall be included within the Additional Rent.

6. USE. The Tenant shall use the Leased Premises as a medical treatment facility specializing in the application of physics, including radiation, for the diagnoses and treatment of human diseases and for no other use or purpose (the "Permitted Use"). The Tenant shall not permit or suffer the use of the Leased Premises for any unlawful purpose. Nothing contained herein shall be construed as requiring the Tenant to operate continuously its business from the Leased Premises.

7. ALTERATIONS AND IMPROVEMENTS. Notwithstanding Section 7.1, Tenant shall not alter the Leased Premises without first obtaining the written approval of Landlord, which approval shall not be unreasonably withheld or delayed. All alterations approved by Landlord as well as any installation of any fixtures or equipment to be used in connection with Tenant's business must be completed in a good and workmanlike manner in accordance with all requirement of law, by statute, ordinance, or otherwise. If Tenant makes any alterations or improvements in the Leased Premises, Tenant must pay for same when due. Nothing in the Lease shall be construed to authorize Tenant or any person dealing with or under Tenant, to charge the rents of the Leased Premises, or the property of which the Leased Premises form a part, or the interest of Landlord in the estate of the Leased Premises, or any person under and through whom Landlord has acquired its interest in the estate of the Leased Premises, with a mechanic's lien or encumbrance of any kind, and under no circumstances shall Tenant be construed to be the agent,

employee, or representative of Landlord in the making of any such alterations or improvements to the Leased Premises, but, on the contrary, the right or power to charge any lien, claim, or encumbrance of any kind against Landlord's rents or the Leased Premises or the Leased Premises is denied. In the event of the filing of a notice of any such lien, Tenant will promptly pay same or take steps to have the lien discharged of record, by bond, or otherwise. If same is not removed within ten (10) days from the date of written notice from Landlord, Landlord shall have the right at Landlord's option of paying the same or any portion thereof and the amounts so paid, including, but not limited to, attorneys' fees and expenses connected therewith and interest at the maximum rate permitted by law on any sums paid or advanced shall be deemed to be Additional Rent due from Tenant to Landlord immediately upon rendering to Tenant of a statement therefor. Tenant will indemnify and save harmless Landlord from and against all loss, claims, damages, costs, or expenses suffered by Landlord by reason of any repairs, installations, or improvements made by Tenant, including, but not limited to, reasonable attorneys' fees of Landlord.

7.1 Tenant's Initial Improvements. Tenant intends to construct certain improvements and betterments to the Leased Premises. Landlord shall contribute \$10.00 per square foot of the Leased Premises towards the costs Tenant's Initial Improvements ("Tenant Allowance"). Any and all Tenant's Initial Improvements are subject to the written approval of Landlord, which such approval shall not be unreasonably. After completion of the Tenant's Initial Improvements, Landlord shall pay to Tenant the Tenant Allowance within thirty (30) days of Tenant provide the following: (a) completed Internal Revenue Service Form W-9; (b) a certificate of insurance evidencing compliance with all of the insurance requirements of this Lease, if not previously provided; (c) a copy of Tenant's fully executed written contract with the General Contractor; (d) a list of all other subcontractors, independent contractors and any other individuals or entities ("Subcontractors") having provided such goods and/or services in connection with Tenant's Initial Improvements; (e) notarized, unconditional, final lien waivers and acknowledgements of receipt of payment in full from the General Contractor and any Subcontractors that provided goods and/or services in connection with Tenant's Initial Improvements, (f) a copy of the Certificate of Occupancy for the Leased Premises; (g) an electronic set of as-built plans for Tenant's Work in CAD format on a storage device reasonably acceptable to Landlord; and (h) a Tenant submitting to Landlord a written request for the payment of the Tenant Allowance and certifying that the General Contractor and any Subcontractors who or which provided goods or services in connection with that provided goods and/or services in connection with Tenant's Initial Improvements have been paid in full and have released all liens against the Leased Premises and that Tenant's Improvements has been completed in accordance with Tenant's Plans and in a good and workmanlike manner in accordance with all requirements of law, by statute, ordinance, or otherwise.

7.1.1 Materials for Tenant's Initial Improvements. Tenant shall construct its initial improvements with construction materials that are either industry standard or required in accordance with all requirements of law, by statute, ordinance, or otherwise for the Permitted Use at the Leased Premises. For example, the installation of lead plated/lined sheetrock and drywall to cover the necessary surfaces or walls in a room requiring radiation shielding. Tenant shall provide written documentation evidencing that Tenant's Initial Improvements had been constructed in accordance with all requirements of law, by statute, ordinance, or otherwise

8. TENANT'S PROPERTY. All leasehold improvements, including all inventory, trade fixtures and other property owned by the Tenant, placed in or about the Leased Premises by Tenant, and all exterior signage placed on or about the Leased Premises by Tenant (collectively, "Tenant's Property") in accordance herewith, shall remain the personal property of the Tenant and shall be exempt from the claims of the Landlord or any mortgagee or lienholder of the Landlord without regard to the means by which they are

installed or attached. The Landlord expressly waives its statutory or common law landlord's lien and any and all rights granted under any present or future laws to levy or distraint for rent (whether in arrears or in advance) against Tenant's Property and further agrees to execute any reasonable instruments evidencing such waiver, at any time or times hereafter upon the Tenant's request. The Tenant shall have the right, at any time or from time to time, to remove any or all of Tenant's Property. If such removal damages any part of the Leased Premises, the Tenant shall repair such damages.

9. **SIGNS.** Tenant shall not place on any exterior door, wall or window of the Leased Premises any sign or advertising matter without first obtaining Landlord's written approval and consent which shall not be unreasonable withheld, conditioned or delayed. Notwithstanding, Landlord has provided or shall provide space on the Kingston Pike side of the Leased Premises for the installation by Tenant of a fascia sign. Tenant may mount its sign in such space, provided it is designed, constructed and installed in accordance with Landlord's approval. Landlord and Tenant acknowledge that a monument sign is to be constructed at the Center. A prospective rendering of this monument sign is represented in the attached **Exhibit B.** The costs associated with the construction of the monument shall be shared by Landlord and Tenant, with Landlord being responsible for seventy-five percent (75%) and Tenant being responsible for twenty-five percent (25%) of the cost. Tenant shall be permitted to install a sign insert on the monument sign, which all costs associated with the creation and installation of Tenant's monument sign insert shall be borne solely by Tenant. Tenant agrees to maintain such signs or advertising matter as approved by Landlord in good condition and repair. All signs shall comply with any sign criteria provided by Landlord to Tenant and with applicable ordinances or other governmental restrictions and the determination of such requirements and the prompt compliance therewith shall be the responsibility of the Tenant.

10. **ASSIGNMENT AND SUBLETTING.** Tenant may not assign this Lease or any interest herein, sublet the Leased Premises or any part thereof, or mortgage or pledge Tenant's interest therein, without the prior written consent of Landlord, which consent may not be unreasonable withheld, delayed or conditioned. Notwithstanding the consent of Landlord, Tenant shall not be relieved of its liabilities or obligations hereunder upon any such assignment.

11. **MAINTENANCE.**

11.1 **Tenant's Obligations.** Tenant shall take reasonable care of the Leased Premises. Landlord shall have no responsibility for the maintenance or repair of any equipment or facilities for Tenant's exclusive use including the pipes, plumbing, , interior partitions, wall coverings, restrooms, and special facilities, electric wiring for Tenant's exclusive use, air conditioning and heating equipment, motors, engines, machinery, fixtures, appliances, or appurtenances belonging thereto or installed for use solely in connection with the Leased Premises. During the first Lease Year Landlord shall be responsible for on-going maintenance and repair of HVAC equipment, and any reasonable charges incurred by Landlord for such maintenance and repair shall be paid by Tenant as additional rent. Beginning in the second Lease Year and continuing thereafter, Tenant shall be responsible for on-going maintenance and repair of HVAC equipment, and any reasonable charges incurred by Landlord for such maintenance and repair shall be paid by Tenant.

11.2 **Landlord's Obligations.** The Landlord shall make repairs as may be necessary to keep (i) the structural portions of the Leased Premises, roof and exterior walls of the building in which the Leased Premises is located, and (ii) all utility lines serving the Leased Premises from the point at which they are no longer the responsibility of the applicable public utility to the point at which they serve the Leased Premises exclusively, in reasonably good repair; provided that the Landlord shall not be required

to make any repairs occasioned by: (a) any act, omission or negligence of the Tenant or any of its agents, servants, employees, officers, customers, independent contractors, concessionaires, suppliers of goods, suppliers of services, or licensees, or any other person for whom Tenant is legally responsible, or (b) any alterations or additions made by Tenant, or (c) any use made of the Leased Premises by Tenant which is different than the Permitted Use; or (d) any applicable law or order of any public authority which is necessary solely because of Tenant's specific use and occupancy of the Leased Premises and not the general use and occupancy of the Leased Premises.

11.3 Failure to Perform. If either party fails to perform its maintenance obligations hereunder, the non-defaulting party, after thirty (30) days written notice to the defaulting party (or upon such notice as may be reasonable in the event of an emergency or in the event such repairs are necessary in order to avoid damage to the other's property or interference with the other's business) may perform such unperformed maintenance at the cost of the defaulting party. If the defaulting party is the Tenant, the cost to the Landlord of performing the Tenant's maintenance obligations shall be additional rent due hereunder. If the defaulting party is the Landlord, the Tenant may offset the cost of performing the Landlord's maintenance obligations against the rent due hereunder provided Tenant has given an invoice to Landlord and Landlord has failed to reimburse Tenant within thirty (30) days of Landlord's receipt of said invoice.

12. SURRENDER OF LEASED PREMISES. At the expiration of the term, the Tenant shall surrender the Leased Premises in good condition and repair, ordinary wear and tear and damages by fire or the elements and other casualties excepted.

13. INSURANCE.

13.1. Tenant's Insurance. Tenant shall keep in force at its own expense so long as this Lease remains in effect (i) public liability insurance with respect to the Leased Premises in companies and in form acceptable to Landlord for the benefit of Tenant, Landlord, Landlord's lenders, and Landlord's management agent, if any, with minimum limits of One Million Dollars (\$1,000,000.00) on account of bodily injuries to or death of one person, and One Million Dollars (\$1,000,000.00) on account of bodily injuries to or death of more than one person as the result of any one accident or disaster; and (ii) property damage insurance on Tenant's property in such amounts as Tenant deems appropriate. Tenant will deposit the policy or policies of such insurance or certificates thereof with Landlord. The policy or policies shall contain a clause providing that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days' prior written notice and shall name Landlord, Landlord's lenders and Landlord's management agent, if any, as additional insureds. Tenant agrees that all property owned or placed by it in, on, or about the Leased Premises shall be at the sole risk and hazard of Tenant. Landlord shall not be liable or responsible for any loss by or damage to Tenant, or anyone claiming under or through Tenant or otherwise, whether or not caused by or resulting from a peril required to be insured against hereunder; or by water, steam, gas, leakage, plumbing, electricity or electrical apparatus, pipe, or apparatus of any kind, the elements, or other similar causes; and whether or not originating in the Leased Premises or elsewhere.

13.2 Landlord's Insurance. Landlord agrees to maintain at all times during the term hereof (i) insurance on the Leased Premises and all improvements constructed thereon, insuring against loss or damage by fire and other risks of physical loss with coverage equal to one hundred percent (100%) of the full replacement value thereof ("Hazard Insurance") and (ii) general liability and excess liability insurance with aggregate limits of a least \$2,000,000 or such additional amounts from time to time as may be reasonable.

13.3 Waiver of Subrogation. Landlord and Tenant agree, provided such agreement does not invalidate or prejudice any policy of insurance, that, in the event the Leased Premises or the personal property therein are damaged or destroyed by fire or other casualty that is covered by insurance of the Landlord or the Tenant, assignees, or transferees of Landlord or Tenant, the rights, if any, of any party against the other, or against the employees, agents, or licensees of any party, with respect to such damage or destruction and with respect to any loss resulting therefrom, are hereby waived to the extent of the coverage of said insurance. Landlord and Tenant agree, further, that all policies of fire, extended coverage, and other insurance covering the Leased Premises, or the contents, fixtures, and improvements therein, shall, if obtainable at no extra cost, contain a clause or endorsement providing in substance that the insurance shall not be prejudiced if the insureds have waived right of recovery from any person or persons prior to the date and time of loss or damage, if any.

14. COMPLIANCE WITH GOVERNMENTAL REGULATIONS.

14.1 Tenant's Obligation to Comply. Except as provided in subparagraph 14.3 below, the Tenant shall, at its cost and expense, comply with the lawful requirements of all municipal, state, federal and other applicable governmental authorities arising as a result of the Tenant's use of the Leased Premises. Tenant shall indemnify, defend and save Landlord from penalties, fines, costs, expenses suits, claims, or damages resulting from Tenant's failure to perform its obligations in this Section.

14.2 Landlord's Obligation to Comply. Except as provided in subparagraph 14.3 below, the Landlord shall, at its sole cost and expense, comply with all other lawful requirements of all municipal, state, federal or other applicable governmental authorities arising as a result of or in connection with the Common Areas.

14.3 ADA Compliance. As used in this subparagraph, the Americans with Disabilities Act ("ADA") shall mean the Americans with Disabilities Act of 1990, 42 U.S.C. '12101, et seq., and all implementing regulations. The Landlord and the Tenant intend to comply with the ADA, and the parties hereby agree to allocate responsibility for such compliance as follows:

(i) Except as provided in subsection (ii) below, the Landlord shall have responsibility to comply with the requirements of the ADA in all Common Areas.

(ii) Except as provided in subsection (i) above, the Tenant shall have responsibility to comply with the requirements of the ADA in the Leased Premises to the extent that such requirements require the Tenant to make interior nonstructural changes or improvements to the Leased Premises. Such responsibility shall include, but shall not be limited to, the obligation to remove architectural and communication barriers in the existing premises created by the Tenant's trade fixtures and leasehold improvements made by the Tenant.

(iii) The Tenant shall be responsible for the provisions of any "auxiliary aids and services," as such term is defined and used in the ADA, to its customers, clients and patrons, if and to the extent required in connection with the operation of its business or occupancy of the Leased Premises.

15. DAMAGE OR DESTRUCTION. If the Leased Premises or any portion of the Center shall be damaged by fire or other casualty, the Landlord shall collect the proceeds of such insurance and immediately and with all due diligence commence to repair such damage, at its expense. From the date the

damage occurs to the date the repairs are complete, the rent due hereunder shall be reduced by the same percentage as the percentage of the Leased Premises which, in the Tenant's reasonable judgment, cannot be safely, economically or practically used for the operation of the Tenant's business. Anything herein to the contrary notwithstanding, during the last two years of the Lease Term, if in the Tenant's reasonable judgment, any damage or destruction to the Leased Premises or the Center from any cause whatsoever cannot be repaired within one hundred eighty (180) days following the date such damage occurs, the Tenant may terminate this Lease by written notice to the Landlord given within forty-five (45) days following the occurrence of such damage. In addition, if any damage or destruction to the Leased Premises from any cause whatsoever cannot be repaired, in the Landlord's reasonable judgment, within one hundred eighty (180) days following the date such damage occurs and the Landlord elects not to repair such damage, the Landlord shall have the right to terminate this Lease by written notice to the Tenant given within sixty (60) days after the date such damage occurred provided that no more than two calendar years remain in the term hereof. In the event of a termination of the Lease pursuant to this paragraph, all insurance proceeds payable by reason of damage under policies required to be carried hereunder (excluding any insurance proceeds attributable to damage to the Tenant's inventory, trade fixtures, business or leasehold improvements paid for by the Tenant) shall be paid to the Landlord.

16. **CONDEMNATION.** If all or any part (10% or more) of the Leased Premises or the Center shall be taken under the power of eminent domain, (i) this Lease shall terminate as to the part so taken on the date on which the Tenant is required to yield possession thereof, (ii) the Landlord shall make such repairs and alterations as may be necessary in order to restore the part not taken to a condition satisfactory for the Tenant's use, and (iii) the rent due hereunder shall be equitably reduced by the same percentage as the percentage of the Leased Premises so taken. If the portion so taken of the Leased Premises, the Center or the Common Area or access thereto substantially impairs the Tenant's use of the Leased Premises or the economic viability of the business then being operated by the Tenant in the Leased Premises, the Tenant shall have the option to terminate this Lease any time following the date on which the Landlord or the Tenant is required to yield possession of the area so taken.

17. **INDEMNIFICATION.** Landlord shall not be liable for any injury to persons (including death), or for any loss or damage to property resulting from use of the Leased Premises by Tenant or its invitees or licensees. Subject to the waiver of subrogation contained in Section 13.3 above, Tenant shall indemnify, defend, and hold harmless Landlord from and against any and all suits, actions, damages, liability, and expenses, (including attorney's fees) arising from or out of (a) any occurrence in or on the Leased Premises, or (b) the occupancy or use by Tenant of the Leased Premises. Tenant shall not be liable for any injury to persons (including death), or for any loss or damage to property caused by Landlord or any agents of Landlord. Subject to the waiver of subrogation contained in Section 13.3 above, Landlord shall indemnify, defend, and hold harmless Tenant from and against any and all suits, actions, damages, liability, and expenses, (including attorney's fees) arising from or out of any occurrence in or on the Leased Premises caused by the negligence or misconduct of Landlord, or any agents of Landlord.

18. **QUIET ENJOYMENT.** The Landlord warrants and represents that the Tenant shall have quiet and peaceful enjoyment of the Leased Premises during the term of this Lease. Tenant acknowledges that the second floor of the Center, which is immediately above the Lease Premises, is used and operated as a workout studio/facility, and that such use is not disruptive to Tenant's quiet and peaceful enjoyments of the Lease Premises.

19. **HAZARDOUS SUBSTANCES.**

19.1 Tenant Covenants. During the term of the Lease, the Tenant shall not use or allow the Leased Premises to be used for the Release, storage, use, treatment, disposal or other handling of any Hazardous Substances, without the prior written consent of Landlord, except that Tenant may without Landlord's prior written consent store, use, treat and handle such Hazardous Substances as are ordinarily and commonly used in its operation of medical offices and radiation treatment facilities provided that it does so, and disposes of same, in accordance and compliance with applicable environmental laws, rules and regulations ("Tenant's Hazardous Substances Activity"). The term "Release", shall have the same meaning as is ascribed to it in the Act.

19.1.1 Tenant shall: (a) except with respect to Tenant's Hazardous Substances Activity, give prior notice to Landlord of any other activity or operation to be conducted by Tenant at the Premises which involves any other Release, use, handling, generation, treatment, storage, or disposal of any Hazardous Substances, (b) comply in all material respects with all federal, state, and local laws, codes, ordinances, regulations, permits and licensing conditions governing the Release, discharge, emission, or disposal of any Hazardous Substances and prescribing methods for or other limitations on storing, handling, or otherwise managing Hazardous Substances (c) at its own expense, promptly contain and remediate any Release of Hazardous Substances arising from or related to Tenant's Hazardous Substances Activity in the Premises and remediate and pay for any resultant damage to property, persons, and/or the environment, (d) give prompt notice to Landlord, and all appropriate regulatory, authorities, of any Release of any Hazardous Substances in the Premises arising from or related to, Tenant's Hazardous Substances Activity, which Release is not made pursuant to and in conformance with the terms of any permit or license duly issued by appropriate governmental authorities, any such notice to include a description of "measures taken or proposed to be taken" by Tenant to contain and remediate the Release and any resultant damage to property, persons, or the environment, (e) at Landlord's written request and upon reasonable cause, which shall not be more frequent than once per calendar year, retain an independent engineer or other qualified consultant or, expert acceptable to Landlord, to conduct, at Tenant's expense, an environmental audit of the Premises and immediate surrounding areas, and the scope of work to be performed by such engineer, consultant, or expert shall be reasonably approved in advance by Landlord, and all of the engineer's, consultant's or expert's work product shall be made available to Landlord, (f) at Landlord's written request from time to time, executed affidavits, representations and the like concerning Tenant's best knowledge, and belief regarding the presence of Hazardous Substances in the Premises, (g) reimburse to, upon demand, the actual reasonable cost of any testing for the purpose of ascertaining if there has been any Release of Hazardous Substances in the Premises as a result of Tenant's Hazardous Substances Activity, if such testing is required by any governmental agency or Landlord's Mortgagee, (h) upon expiration or termination of this Lease, surrender the Premises to Landlord free from the presence and contamination of any Hazardous Substances. Tenant shall indemnify, protect, defend (by counsel reasonably acceptable to Landlord), and hold and free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses and expenses (including actual reasonable attorneys' fees) or death of or injury to any person or damage to any property whatsoever arising from or caused in whole or in part, directly or indirectly, by the presence in or about the Premises of any of Tenant's Hazardous Substances Activity or by Tenant's failure to comply with any Hazardous Substances Law regarding Tenant's Hazardous Substances Activity or in connection with any removal, remediation, clean up, restoration and materials required hereunder to return the Premises and any other property of whatever nature to their condition existing prior to Tenant's Hazardous Substances Activity.

19.2 Disclosure Warning and Notice Obligations. Tenant shall comply with all laws, ordinances and regulations in the State of Tennessee regarding the disclosure of the presence or danger of

Tenant's Hazardous Substances. Tenant acknowledges and agrees that all reporting and warning obligations required under the Hazardous Substances Laws with respect to Tenant's Hazardous Substances Activity are the sole responsibility of Tenant, whether or not such Hazardous Substances Laws permit or require Landlord to provide such reporting or warnings, and Tenant shall be solely responsible for complying with such Hazardous Substances Laws regarding the disclosure of, the presence or danger of Tenant's Hazardous Substances Activity. Tenant shall immediately notify, in writing, of any complaints, notices, warnings, reports or asserted violations of which Tenant becomes aware relating to Hazardous Substances on or about the Premises.

19.3 Environmental Tests and Audits. Except to the extent required by any governmental authority having jurisdiction over the Premises or Tenant's use or occupancy thereof, including without limitation Tenant's Hazardous Substances Activity, Tenant shall not perform or cause to be performed, any Hazardous Substances surveys, studies, reports or inspection, relating to the Premises without obtaining Landlord's advance written consent, which may be withheld in Landlord's sole discretion.

19.4 Tenant's Duty to Notify. The Tenant shall notify the Landlord immediately upon the Tenant's learning during the term of this Lease that: (i) any duty in Section 19.1 has been violated; (ii) there has been a release, discharge or disposal of any Hazardous Substance on any property contiguous to the Leased Premises such that contamination of the Leased Premises is possible; or (iii) the Leased Premises are the subject of any third party claim or action, because of any environmental condition on or originated from the Leased Premises. The Tenant shall promptly provide the Landlord with copies of all correspondence to or from third parties, including, but not limited to, governmental agencies, regarding environmental conditions on or originating from the Leased Premises.

19.5 Tenant Indemnification. The Tenant shall indemnify and agrees to hold the Landlord harmless from and against all costs, liability and damages suffered by the Landlord as a result of a breach of the Tenant's duties under this Section 19.

19.6 Landlord Representations and Warranties. The Landlord hereby represents and warrants that: (i) it has not used, generated, discharged, released or stored any Hazardous Substances on, in or under the Center and to Landlord's knowledge there are no Hazardous Substances in, on or under the Center; (ii) it has not spilled, discharged or leaked petroleum products other than de minimis quantities in connection with the operation of motor vehicles on the Center; and (iii) to Landlord's knowledge there is no asbestos or asbestos-containing material in the Leased Premises.

19.7 Survival. The obligations of the Landlord and the Tenant under this Section 19 shall survive the expiration or earlier termination of this Lease and any extensions hereof.

20. TENANT'S DEFAULT AND REMEDIES. It shall be an event of default under this Lease (i) if the Tenant fails to pay rent within ten (10) days after the receipt of a written default notice from the Landlord (provided however, Landlord shall only be required to provide a written default notice two (2) times in any calendar year, after which time failure to timely pay rent for the remainder of said calendar year shall be an automatic event of default), (ii) if the Tenant breaches any of its obligations hereunder and fails to cure such breach within thirty (30) days after the receipt of a written default notice from the Landlord; provided, however, that if such default is not reasonably capable of being cured within thirty (30) days, such cure period shall be extended for so long as the Tenant is proceeding with reasonable diligence to cure such default, or (iii) if the Tenant makes a general assignment for the benefit of its creditors. Upon the occurrence of an event of default by the Tenant, the Landlord shall have the right (in addition to all other

rights and remedies provided by law) to terminate this Lease and to re-enter and take possession of the Leased Premises as well as the right to cure Tenant's default and collect the reasonable costs of the cure as Additional Rent. Tenant shall be liable for all rent and damages accrued to the date of the termination of the Lease or re-possession of the Leased Premises, as applicable, and for all rent and other obligations falling due during the Term thereafter, subject, however, to the requirement that Landlord shall make diligent efforts to re-let the Leased Premises and to diminish the damages of Landlord. The damages recoverable by Landlord from Tenant shall include reasonable attorney's fees and costs of collection, and any reasonable expense and commission, if any, incurred in such re-letting.

21. NONDISTURBANCE AND ESTOPPEL.

21.1 Nondisturbance Agreement. Subject to the remaining provisions of this Section 21.1, Tenant agrees that this Lease shall at all times be subordinate to any and all mortgages or liens on the Leased Premises now existing or hereafter granted by Landlord and any extensions or renewals thereof. Tenant agrees to promptly execute and deliver any documents or statements reasonably requested from time to time by Landlord or the holder of any mortgage relating to the Leased Premises confirming the subordination of this Lease to such mortgage, the status of any payments hereunder, the term of this Lease and the continued validity of this Lease. Tenant agrees that in the event of foreclosure or the enforcement by the holder of any first mortgage (or other person or entity succeeding to that interest) of remedies provided for by law and by any mortgage on the Leased Premises, Tenant will upon request by such party become the lessee or tenant of such party without change in the terms or other provisions of this Lease; provided, however, that such party shall not; be bound by any payment of rent or additional rent for more than one (1) month in advance, except prepayments in the nature of security, or any amendment, modification or termination of the Lease made without the prior written consent of such party. Tenant's obligation under this Section 21.1 is contingent upon the non-disturbance of Tenant's use and occupancy of the Leased Premises for so long as Tenant complies with its obligations hereunder. Tenant shall have no obligation under this Section 21.1 unless the mortgagee agrees to enter into a non-disturbance agreement with Tenant such that Tenant's use and occupancy of the Leased Premises shall be undisturbed and continue in full force and effect so long as Tenant complies with its obligations under this Lease.

21.2 Estoppel Certificate. The Tenant shall, upon the request of the Landlord but not more often than twice in any calendar year, deliver to the Landlord or any prospective Assignee, mortgagee or purchaser of the Leased Premises a statement in writing setting forth the commencement and termination dates of this Lease and certifying that this Lease is or is not in full force and effect and that it has not been changed, modified or amended, or if it has, stating the specific changes, modifications or amendments and that, as of the date of certification, the Tenant has not paid rental for more than the current month, or stating the amount of rental so paid and that there are no defaults hereunder nor defenses or offset thereto, or if there are any defaults, defenses or offsets, stating the specific defaults, defenses or offsets claimed by the Tenant.

22. HOLDING OVER. Any holding over after the expiration of the term with the written consent of Landlord shall be construed to create a tenancy from month-to-month at the rent herein specified (prorated on a monthly basis) and shall otherwise be on the terms and conditions specified in this Lease as far as applicable. In the event Tenant should hold over after the expiration of the term without the written consent of Landlord rent shall be at one hundred twenty-five percent (125%) of the rate herein specified (prorated on a monthly basis). In the event Tenant should hold over after the expiration of the term without the written consent of Landlord and after written notice from Landlord to quit the Premises, rent herein specified shall be at one hundred fifty percent (150%) of the rate herein specified.

23. **SUCCESSORS.** The covenants, conditions and terms contained in this Lease shall bind and inure to the benefit of the Landlord, the Tenant and their respective successors and assignees. Landlord may transfer his interest in the Lease to any heir, successor or assign absent the consent of Tenant.

24. **WAIVER; REMEDIES CUMULATIVE.** The waiver by the Landlord or the Tenant of any breach of any provision of this Lease or the failure by the Landlord or the Tenant to insist upon the strict observance of any provision shall not be deemed to be a waiver of such provision or any subsequent breach thereof. Any and all rights, remedies and options given in this Lease to the Landlord or the Tenant shall be cumulative and in addition to and without waiver of or derogation of any right or remedy given to it under any law now or hereafter in effect.

25. **NOTICES.** Any notice, demand, request or other instrument which may be, or is required to be given under this Lease, shall be in writing and delivered in person or by nationally recognized courier service such as Federal Express or UPS, or by United States certified mail, postage prepaid, and shall be addressed:

25.1 if to the Landlord, at Jeffrey P. McCamy, 6450 Kingston Pike, Knoxville, Tennessee 37919 or at such other address as Landlord may designate by written notice; or

25.2 if to the Tenant, at HEELEX, LLC., 1123 westland Gardens blvd knoxville or to such other address as the Tenant may designate by written notice.

26. **BROKER.** Landlord and Tenant each represents and warrants to the other that, except for NAI Koella Moore, as broker for Landlord (the "Landlord's Broker") and First Commercial Real Estate, as the broker for Tenant (the "Tenant's Broker"), it has had no dealing with any other broker or agent in connection with the negotiation or execution of this Lease. Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction, except for the Tenant's Broker. Landlord shall be responsible for paying the Brokers noted above a commission for the transaction contemplated by this Lease pursuant to a separate agreement and shall indemnify and hold Tenant harmless from and against any claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Landlord with regard to this leasing transaction, including the Brokers noted above.

27. **MEMORANDUM OF LEASE; COMMENCEMENT DATE AGREEMENT.** Upon request of either party, a memorandum of lease will be executed and recorded in the local records of the county or city in which the Leased Premises are located at the expense of the requesting party.

28. **GOVERNING LAW.** This Lease shall be governed by and construed in accordance with the laws of Tennessee.

29. **CONFIDENTIALITY.** In the event that Tenant should disclose any financial information, including without limitation, corporate balance sheet and income statement information, and/or individual store performance and/or projections, such information shall be kept in strictest confidence and shall not be disclosed to any person or entity with the exception of disclosures required by law or for information in the public domain; provided however, Landlord may disclose such information to its lender or prospective lenders provided each such recipient agrees to keep such information confidential. Further, any and all such

financial information, including all originals, photocopies, facsimiles, or other duplicates thereof, shall be kept in locations sufficiently secure so as to prevent any inappropriate disclosure. At the end of the term of the Lease, or upon any other termination thereof, all such financial information, including all originals, photocopies, facsimiles, or other duplicates thereof, shall be returned to Tenant to the extent same is in possession of Landlord and only after the applicable period during which Landlord should maintain records for tax and accounting purposes. The Landlord acknowledges that the damages that Tenant would sustain in the event of a breach of the foregoing are difficult or impossible to ascertain. Accordingly, in addition to all remedies available at law, the Tenant shall be entitled to injunctive relief.

30. FORCE MAJEURE. Excepting rental payment, in the event the Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, unavailability of any utility service, riots, insurrections, the act, the failure to act, or default of another party, war, then performance of such act shall be excused for the period of the delay, and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay; provided that the party claiming force majeure shall provide written notice to the other within a reasonable period of time following the occurrence of such force majeure event which notice shall state the claimed force majeure event and the estimated length of the delay.

33. NEGATION OF PERSONAL LIABILITY. Notwithstanding anything contained herein to the contrary, Tenant agrees that Landlord shall have no personal liability with respect to any of the provisions of this Lease and Tenant shall look solely to the estate and property of Landlord in the land and buildings comprising the Leased Premises for the satisfaction of Tenant's remedies, including, without limitation, the collection of any judgment or the enforcement of any other judicial process requiring the payment or expenditure of money by Landlord in the event of any default or breach by Landlord, subject, however, to the prior rights of any holder of any mortgage covering all or part of the Leased Premises, and no other assets of Landlord shall be subject to suit, levy, execution or other judicial process for the satisfaction of Tenant's claim and in the event Tenant obtains a judgment against Landlord, the judgment docket shall be so noted. This provision shall inure to the benefit of Landlord's successors and assigns.

33. GUARANTY. The Guaranty of Robbie Hakeem attached hereto as Exhibit C is fully incorporated herein by reference. The Guaranty of Todd Scarborough attached hereto as Exhibit C-1 is fully incorporated herein by reference.

34. MISCELLANEOUS.

34.1 Special Equipment. No x-ray machines or other electrical, electronic, electromagnetic or other similar medical equipment, including equipment utilized for imaging services (the "Special Equipment"), shall be installed or used in the Leased Premises except in strict accordance with the terms hereof. All Special Equipment shall be installed by Tenant at Tenant's sole cost and expense. All Special Equipment shall be electrically filtered and insulated so that there is no interference in the Center with telephonic, video, fiber optic, data processing, radio, television or other similar communication, transmission or reception currently or hereafter used in the Center. Landlord and Tenant acknowledge and agree that regardless of the manner of attachment of the Special Equipment to the Leased Premises, the Special Equipment shall remain the personal property of Tenant.

34.2 Exclusive. Upon the Commencement Date, Landlord shall not lease any space in the Center to a third party for Tenant's Permitted Use (the "Exclusive"). Notwithstanding anything to the

contrary contained herein, Tenant shall have no right or remedy for a violation of the Exclusive if the third-party violating the Exclusive use is doing so in violation of its lease with Landlord, unless Landlord fails to attempt in good faith to enforce its rights under such third-party lease. The Exclusive shall not prohibit any uses permitted at the Center as of the date of the Lease. In the event Landlord failed to make a good faith attempt to its legal rights under the lease with the violating third party lessee, then Tenant's sole remedy for a violation of the Exclusive shall be to terminate the Lease if such violation continues for over ninety (90) days.

34.3 Confidentiality. Except as permitted in Section 27, Landlord and Tenant acknowledge and agree the terms and conditions of the Lease shall remain strictly confidential.

34.4 Landlord Access to Leased Premises. The parties acknowledge that certain mechanical and electrical systems for the Center are located in a storage room area in the basement of the Center, which Landlord will need to gain access to from time to time and that such route of access may be through the Leased Premises. Landlord shall have the right to enter upon and inspect the Leased Premises at all reasonable times under the circumstances. If Tenant shall not be personally present to open and permit an entry into the Premises at any time, when for any emergency an entry therein shall be necessary or permissible, Landlord or Landlord's agents may forcibly enter the same without rendering Landlord or such agents liable there for, except for damage caused by Landlord's gross negligence or willful misconduct, and without in any manner affecting the obligations and covenants of this Agreement. Nothing herein contained, however shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the Leased Premises or the Center or any part thereof, except as otherwise herein specifically provided.

IN WITNESS WHEREOF, the parties have caused this Agreement of Lease to be executed by their duly authorized officers as of the date first written above.

LANDLORD:

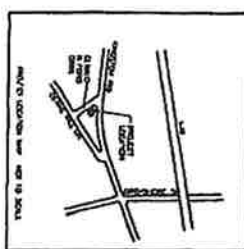
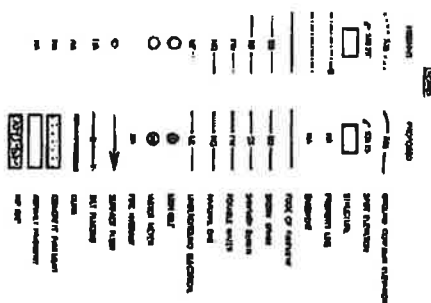
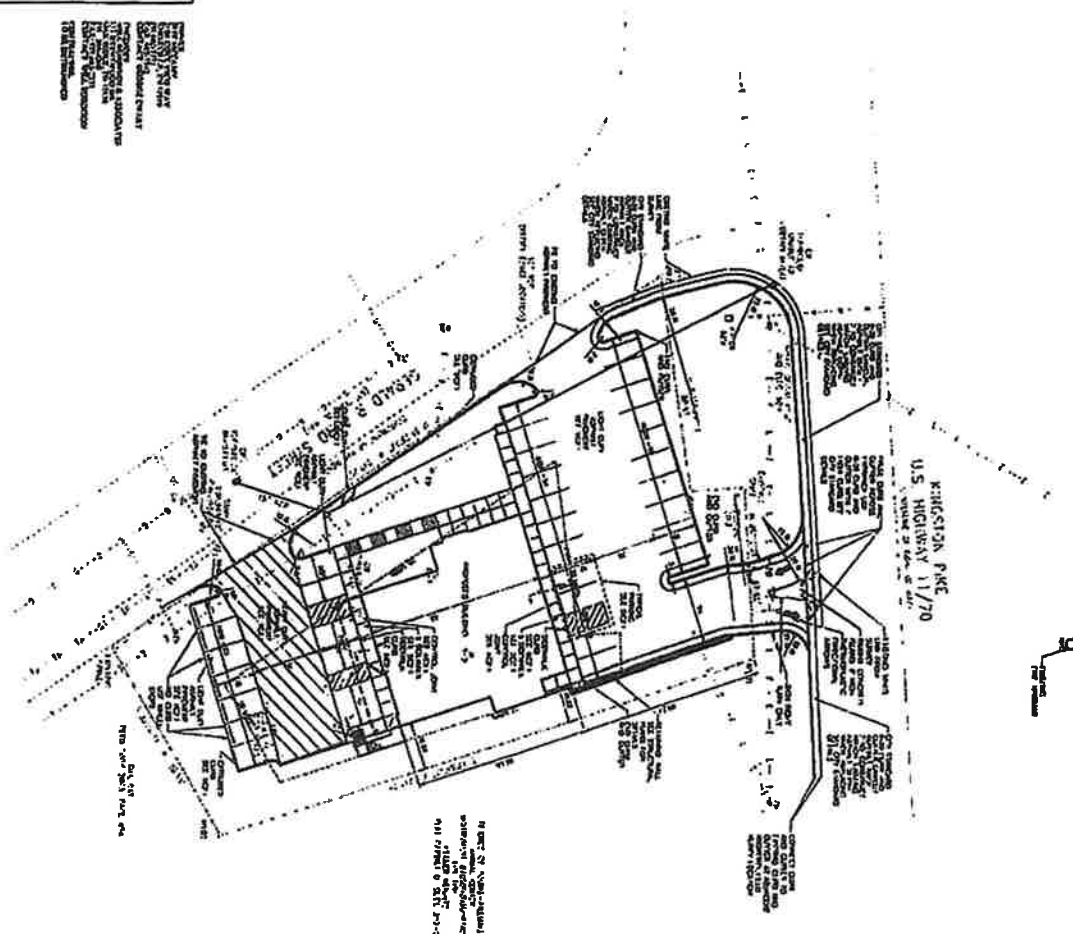
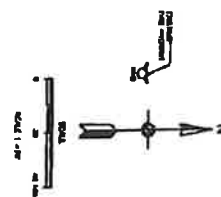
BY: Jeffrey P. McCamy
Jeffrey P. McCamy (11/27/20, 2020)
Jeffrey P. McCamy
 DATE: Feb 20, 2020

TENANT:

HEELEX, LLC
DocuSigned by:
 BY: Robbie Hakeem
FAB0C54256B843B...
 ITS: President
 DATE: 2/18/2020

EXHIBIT "A"

(Site Plan)

[illegible][illegible]

BARRE 3
KINGSTON FIRE
KNOXVILLE, TN

SITE LAYOUT PLAN

(SHEET NO. 12 OF 12)
 PROJECT NO. :
 ROAD NO. :
 NO. OF SHEET :
 C1.2



EXHIBIT "B"

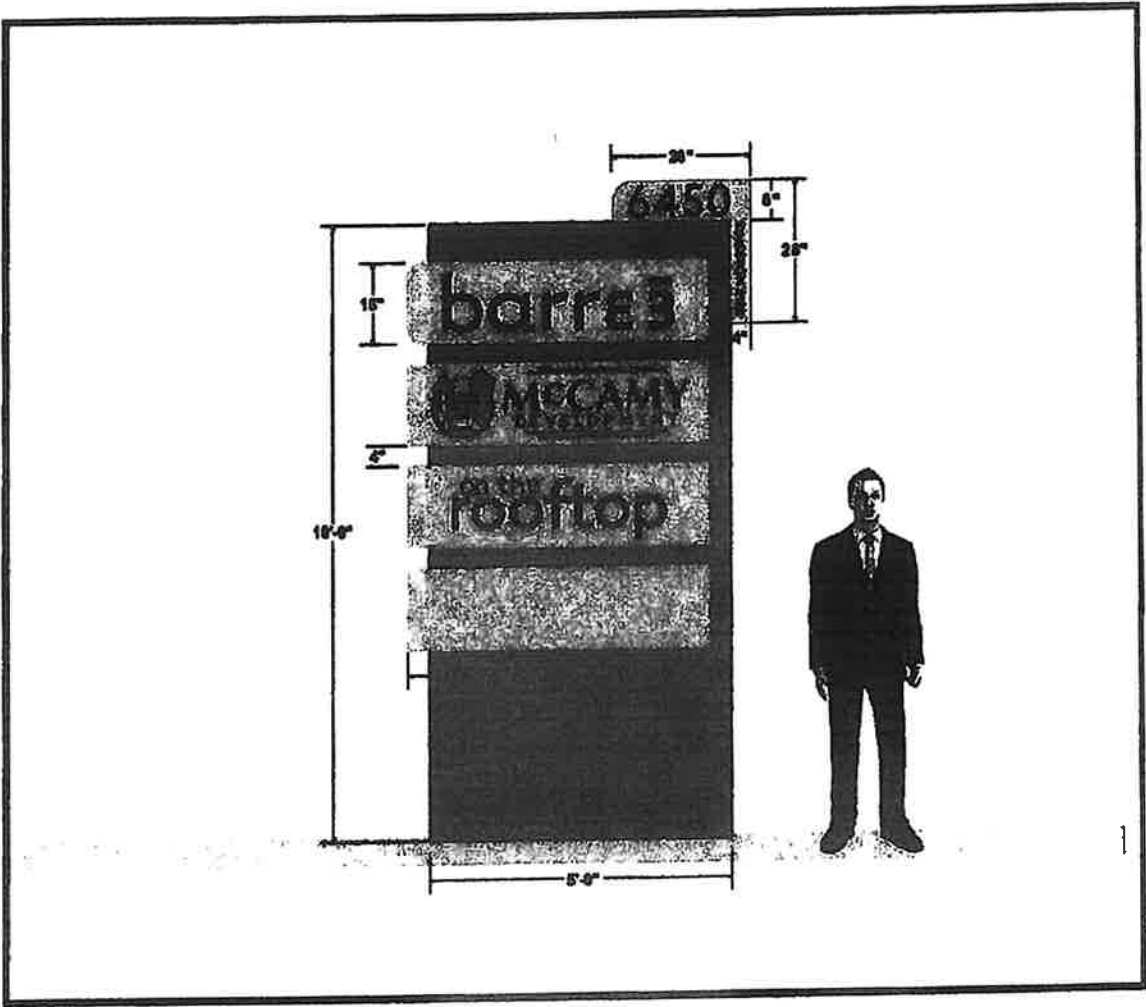


EXHIBIT
B

2020.2.17-Heelex_McCamy_Lease

Final Audit Report

2020-02-20

Created:	2020-02-20
By:	michael moore (mmoore@Koellamoore.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA55UHCRA9ze7UMdWy4n5u6eobECuk6oKW

"2020.2.17-Heelex_McCamy_Lease" History

-  Document digitally presigned by DocuSign\, Inc. (techops@docusign.com)
2020-02-18 - 7:38:23 PM GMT - IP address: 24.96.81.162
-  Document created by michael moore (mmoore@Koellamoore.com)
2020-02-20 - 6:34:25 PM GMT - IP address: 24.96.81.162
-  Document emailed to Jeffrey P. McCamy (jmccamy@me.com) for signature
2020-02-20 - 6:35:16 PM GMT
-  Email viewed by Jeffrey P. McCamy (jmccamy@me.com)
2020-02-20 - 6:39:14 PM GMT - IP address: 173.10.216.34
-  Document e-signed by Jeffrey P. McCamy (jmccamy@me.com)
Signature Date: 2020-02-20 - 6:44:41 PM GMT - Time Source: server- IP address: 173.10.216.34
-  Signed document emailed to Jeffrey P. McCamy (jmccamy@me.com) and michael moore (mmoore@Koellamoore.com)
2020-02-20 - 6:44:41 PM GMT



Capital Lease Agreement

This CAPITAL LEASE AGREEMENT ("Agreement") is made and entered into as of [Date], by and between:

Lessor: IntraOp Medical Corporation ("Lessor"), a corporation organized under the laws of [State], with principal offices at [Address], and

Lessee: Heelex [LLC/PC/Inc.] ("Lessee"), a healthcare provider organized under the laws of Tennessee, with principal offices at [Address].

1. Equipment

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Mobetron® intraoperative electron radiation therapy system ("Equipment"), together with all manufacturer-provided accessories, manuals, and appurtenances. Total acquisition cost: \$1,500,000.

2. Term

The lease term shall be seven (7) years, commencing on the date of delivery and acceptance of the Equipment and ending on the seventh anniversary thereof, unless sooner terminated.

3. Lease Payments

Lessee shall pay to Lessor the total sum of \$1,500,000, payable in eighty-four (84) consecutive monthly installments of \$17,857.14, plus applicable taxes, beginning on the first day of the month following delivery.

4. Capital Lease Treatment

This Agreement is intended as a capital lease/finance lease under GAAP and applicable tax regulations. Lessee shall record the Equipment as an asset and the lease obligation as a liability.

5. Title and Risk of Loss

Title to the Equipment shall remain vested in Lessor until exercise of the purchase option. Risk of loss shall pass to Lessee upon delivery and installation. Lessee shall maintain insurance per Section 11.

6. Maintenance and Use

Lessee shall operate and maintain the Equipment in accordance with all manufacturer specifications, safety standards, and applicable laws.

7. Purchase Option

Provided Lessee has performed all obligations, Lessee shall have the option at lease expiration to purchase the Equipment for One Dollar (\$1.00) or Fair Market Value if required by law.

8. Default

Events of default shall include nonpayment, breach of obligations, insolvency, or unauthorized transfer. Upon default, Lessor may declare all remaining payments immediately due and repossess the Equipment.

9. Governing Law

This Agreement shall be governed by the laws of the State of Tennessee.

10. Entire Agreement

This Agreement constitutes the entire understanding of the parties. Amendments must be in writing and signed by both parties.

11. Responsibilities of the Parties

Lessor shall provide: (i) Delivery of the Mobetron with factory testing and certification; (ii) Technical assistance including shielding calculations; (iii) Installation of the Equipment; (iv) Ongoing service and manufacturer support.

Lessee shall provide: (i) Facility space and infrastructure; (ii) Radiation shielding construction and certification; (iii) Compliance with regulatory approvals; (iv) Insurance coverage under existing policies, naming Lessor as additional insured and loss payee.

IN WITNESS WHEREOF, the parties have executed this Capital Lease Agreement as of the date first above written.

LESSOR: IntraOp Medical Corporation

By: _____

Name:

Title:

LESSEE: Heelex [LLC/PC/Inc.]

By: _____

Name:

Title:

Summary of Lease Terms

Equipment: Mobetron® Intraoperative Electron Radiation Therapy System

Cost: \$1,500,000

Term: 7 years (84 months)

Monthly Payment: \$17,857.14 (plus applicable taxes)

Lease Type: Capital lease/finance lease under GAAP

Purchase Option: \$1.00 buyout at end of term (or FMV if required by law)

Lessor Provides: Mobetron, factory testing & certification, installation, technical assistance (shielding calcs), ongoing service/support

Lessee Provides: Facility space, shielding, regulatory compliance, insurance (Mobetron covered under Lessee's policy)

Governing Law: State of Tennessee

Project Name : Heelex, LLC

Supplemental Round Name : 1

Certificate No. : CN2509-034

Due Date : 10/8/2025

Submitted Date : 9/26/2025

1. 9A. Legal Interest in the Site

Please attach site control documentation for the medical office space being utilized for the project labeled as Attachment 9A.

Response : See attached as Attachment 9A.

2. 1E. Overview

It is noted that no other medical providers in the service area provide low dose radiation services. Please identify the number of linear accelerators in operation in Knox County that provide traditional MRT services.

Response : Eleven linear accelerators are currently in operation providing traditional MRT services. See attached.

1. East Tennessee Radiation Therapy Services, LLC - 1
2. Fort Sanders Regional Medical Center - 2
3. North Knoxville Medical Center - 2
4. Parkwest Medical Center - 2
5. Turkey Creek Medical Center - 1
6. University of Tennessee Medical Center - 3

3. 2E. Rationale for Approval

Please explain the key differences between the Mobetron and the Xstreahtl ortho voltage machines in terms of specifications, voltage, typical use cases, etc. What are the advantages of the Mobetron beyond the need to comply with Medicare changes? What are the benefits to consumers in terms of procedure times, reduced waits, procedure safety, comfort, etc.?

Are TennCare patients also impacted by the January 2026 changes by Medicare?

Do commercial payors accepted by the applicant currently cover the types of LINAC based procedures that are proposed?

Are there any differences in the staffing required to initiate LINAC services vs ortho voltage? Is any additional staffing needed to operate both types of units?

Response : The Mobetron is a higher energy radiation treatment delivery system than the Xstrahl ortho voltage machine. The Mobetron delivers a range of megavoltage (from 6-12 Mv) while the ortho voltage machines deliver between 100-500 kilovolts (kV).

For the most part, the typical use cases will be similar between the Mobetron and the Xstrahl ortho voltage machine, but the Mobetron will give Heelex access to more deeply seated (anatomically) indications such as trochanteric bursitis and also enable a more superficial deposition of energies, since the Mobetron and its electrons and the ortho voltage unit emits photons. In terms of procedure times, weights, safety, and comfort, no extensive differences exist between the two delivery systems. Some patients will be better candidates for the Mobetron, and in those cases patient comfort and safety should be better when the doctor uses the best available tool to treat the case.

Heelex has planned to obtain a linear accelerator for some time, well prior to the introduction of the proposed Medicare changes. A Mobetron can not only treat a wider variety of patient conditions than the ortho voltage machine, it also is a more precise radiation delivery system. The patients will see little difference in procedure times, or safety, as Heelex has never had a safety issue in its almost five years of operation. However, to the extent that the Mobetron provides more precise targeting of irradiated areas, patient comfort should be improved.

To the extent that the Medicare changes result in new CPT codes, those new codes will be applicable to TennCare patients as well. The new codes, however, should have no impact on TennCare patients' eligibility for treatment.

Commercial payers do cover the procedures provided by the ortho voltage machine and will cover the treatments provided through the use of the linear accelerator.

Initially, Heelex anticipates no additional staff will be required, although future growth might require an additional radiation therapist.

4. 2N. Service Area

Does the projected utilization by county reflect the historical utilization of the office or is it expected to change due to the addition of the new LINAC?

Response : The projected utilization by county reflects the historical utilization for Heelex' patients, and Heelex anticipates no change due to the addition of the linear accelerator.

5. 3N. Demographics

The demographic data attachments are noted. Please complete the demographic Table 3NB.

Response : We previously supplied attachment 3NB charts identifying county by county populations broken down by age, sex, and race. Attachment 3NB also provides the requested TennCare demographic data. Unfortunately, the U.S. Census Bureau website has been "undergoing a maintenance cycle" since August and therefore we have been unable to access it.

6. 5N. Unimplemented services

Please complete the worksheet linked below in response to Item 5N listing the existing LINAC units in Knox County.

https://www.tn.gov/content/dam/tn/hfc/documents/HFC-5N-Megavoltage_Radiation_Therapy.xlsx

Response : See attached chart for 5N.

7. 6N. Utilization and/or Occupancy Statistics

There does not appear to be any Attachment 6N.

Please provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Please complete the following worksheet in response to Item 6N.

https://www.tn.gov/content/dam/tn/hfc/documents/HFC-6N-Megavoltage_Radiation_Therapy.xlsx

Response : See attached chart for 6N.

8. 2C. Insurance Plans

Is this a comprehensive list of Commercial plans?

Do any of these plans require low dosage procedures to be done on the LINAC?

Will additional commercial payors be accepted once the LINAC is operational?

Response : The list provided is a comprehensive list of commercial plans. Currently, none of the plans Heelex deals with require that the low dosage procedures be done on the linear accelerator, although the medicare changes will likely trigger changes in the CPT codes which will result in a requirement that the linear accelerator be used for those plans' patients. Heelex is open to accepting additional commercial payers.

9. 3C. Effects of Competition and/or Duplication

What other therapies are available to patients in the clinic? Is it exclusively benign radiotherapy?

Please discuss the cost/benefit of these types of therapies compared to other options including safety, efficacy, time savings, cost savings to patients and payor sources, etc.

Response : Heelex treats its patients exclusively with benign radiotherapy. A typical course of therapy for a patient is 6-8 treatments. While the gross charge is approximately \$3,000.00, the payment from commercial payers, Medicare and Tenn Care, as well as from self-pay patients, is \$1,500.00. Many patients find the benign radiotherapy, provided over the course of 6-8 days, superior to surgery or long term medication. The low dose radiation provided by Heelex requires no anesthesia, results in no pain and has no recovery time needed. Additionally, patients do not require post-treatment follow-up visits. For most patients, low-dose radiation treatment is less expensive, relatively convenient-when compared to surgery and painless, when compared to other treatments.

10. 6C. Historical/Projected Data Chart

Why are there no Contractual Adjustments accounted for in Item 6C?

Response : We were unable to adjust the chart to account for gross charges versus revenue. Heelex' gross charges has been \$3,000.00 per course of therapy, consisting of 6-8 low-dose radiation treatments, and its revenue has been approximately \$1,500.00 per patient.

11. 3Q. Accreditation/Certification/Licensure Plans

Please identify the options for accreditation that the applicant states it will pursue in response to Item 5C in the table for 3Q. of the main application document.

These accreditations should also be referenced in other areas of the application including 1N. Criteria and Standards, and Item 2E.

Response : Because the Mobetron is self-shielding, and because the room in which the Mobetron will be installed already has lead shielding, the only construction necessary will be the relocation of the extra unit to another room and the installation of the Mobetron. The cost for the relocation and installation should be approximately \$50,000.

Heelix will seek accreditation through either of the American College of Radiology or the American Society for Radiation Oncology, to the extent that either of those organizations provide accreditation for low dose radiotherapy. Heelix will not be providing traditional radiation oncology services.

12. 8Q. Staffing

Please list the positions associated with the project in individual rows identifying classifications for each.

Response : See original application changes.

13. Project Completion Forecast Chart

Please revise the Project Completion Forecast Chart in the Main Application to reflect the attachment dates.

Response : See updated Project Completion Forecast Chart.

14. 1N. Criteria and Standards

Please complete the tables in the following link as appropriate in response to the Criteria and Standards.

https://www.tn.gov/content/dam/tn/hfc/documents/HFC-1N-Megavoltage_Radiation_Therapy.xlsx

Please identify the existing LINAC units and their historical utilization.

Response : See attachments.

15. 1N. Criteria and Standards

Attachment 1N, MRT Criteria and Standards, Criterion #1B. Determination of Need

Please list the codes that are applicable to the types of low dose radiation proposed.

What are the prevalence rates in the region for the types of non-internal cancers to be treated.

Response : Currently, the CPT code for the low dose radiation treatment provided through the Xstrahl ortho voltage machine is 77401. The Center for Medicare and Medicaid Services (“CMS”) has proposed deleting that code and replacing it with 77437 and 77438. The proposed code for the linear accelerator is 77402. This is in MRT criteria and standards, criteria 1B, determination of need.

What are the prevalence rates in the region...

Neither basal cell nor squamous cell, the only cancers Heelix treats, are tracked in Tennessee’s cancer registry or any national cancer registry. According to the American Cancer Society, approximately 5.4 million basal cell and squamous cell cancers are detected annually in the United States. The service area population for Heelix’s low dose radiation therapy is approximately 1,030,390, which is roughly three-tenths of one percent of the United States population. Applying that figure to the national incidence of basal and squamous cell cancer(s), the service area population should experience just under 3,100 instances of basal cell or squamous cell cancer per year.

16. 1N. Criteria and Standards

Attachment 1N, MRT Criteria and Standards, Criterion #7, Patient Safety and Quality of Care

What, if any renovations will be needed to support the operation of the new equipment?

Please confirm earlier statements that the applicant will pursue ASTRO or ACRO accreditation in response to this criterion.

Response : Because the Mobetron is self-shielding, and because the room in which the Mobetron will be installed already has lead shielding, the only construction necessary will be the relocation of the extra unit to another room and the installation of the Mobetron. The cost for the relocation and installation should be approximately \$50,000.

Heelix will seek accreditation through either of the American College of Radiology or the American Society for Radiation Oncology, to the extent that either of those organizations provide accreditation for low dose radiotherapy. Heelix will not be providing traditional radiation oncology services.

17. 1N. Criteria and Standards

Attachment 1N, MRT Criteria and Standards, Criterion #12 Assurance of Resources

Please note that the attached Balance Sheet for the facility can be removed from the application as this is a relic of a previous statutory framework.

Response : Balance sheet has been removed.

18. 1N. Criteria and Standards

Attachment 1N, MRT Criteria and Standards, Criterion #14 Licensure and Quality Considerations

Please address licensure by TDEC Division of Radiological Health in response to this Criterion.

Response : Immediately upon approval, Heelix will seek licensure for the Mobetron through the Tennessee Department of Environment and Conservation Division of Radiological Health.

19. 5C. License/Certification

Please address licensure by TDEC Division of Radiological Health in response to this Item.

Response : Immediately upon approval, Heelix will seek licensure for the Mobetron through the Tennessee Department of Environment Conservation Division of Radiological Health.

Project Name : Heelex, LLC

Supplemental Round Name : 2

Certificate No. : CN2509-034

Due Date : 10/14/2025

Submitted Date : 10/9/2025

1. 6N. Utilization and/or Occupancy Statistics

Please provide the details regarding the methodology used to project utilization in response to Item 6N of the application. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Please note that the projections included in Attachment 6N do not match the projection in response to Item 1N, Criterion #1, of Criterion #4, Item 2N, or Item 6C of the main application. Please revise these sections of the application to ensure consistency in projections.

Response : The projected utilization includes estimates of the number of treatments Heelex anticipates that it will provide using the linear accelerator as opposed to the Xstrahl ortho voltage machine. The projected number of treatments provided using the linear accelerator in year 1 of operations is 5,600, which is 68% of the procedures Heelex provided in 2024. The number is based on 800 patients treated with the linear accelerator. Each patient receives 6-8 treatments, so the 5,600 treatment projection is simply 800 patients x 7 treatments per patient. Additionally, Heelex anticipates that in the first year following acquisition of the linear accelerator, Heelex will treat the vast majority of its Medicare patients with the linear accelerator.

In year 2, Heelex anticipates providing approximately 8,400 treatments with the linear accelerator, which is slightly higher than the number of treatments it provided in 2024 with the Xstrahl ortho voltage machine. Historically, Heelex's patient volume has grown between 9.3% and 9.4% per year. As more physicians and patients become aware of the availability and efficacy of low dose radiation therapy as a treatment for many of the conditions Heelex treats. Heelex anticipates that the growth rate will accelerate. Nevertheless, estimating conservatively that the growth rate will remain between 9.3% and 9.4%, Heelex anticipates treating 1,200 patients with the linear accelerator by year 2 following its acquisition. Twelve hundred patients translates to 8,400 treatments. By year 2, Heelex projects that it will treat approximately 85% of its patients with the linear accelerator rather than the Xstrahl ortho voltage machine. Heelex anticipates that by the second year of operations, many private insurers will follow Medicare in requiring that low dose radiation treatment be provided through a linear accelerator.

The formerly inconsistent data in the other sections is now consistent with the number of treatments projected in 6N.

2. 1N. Criteria and Standards

Please note that the projections included in Attachment 6N do not match the projection in response to Item 1N, Criterion #1, of Criterion #4, Item 2N, or Item 6C of the main application. Please revise these sections of the application to ensure consistency in projections.

Response : Instead of the range of procedures in the original application, we have provided specific projected figures reflected in 1N of the application.

3. 2N. Service Area

Please note that the projections included in Attachment 6N do not match the projection in response to Item 1N, Criterion #1, of Criterion #4, Item 2N, or Item 6C of the main application. Please revise these sections of the application to ensure consistency in projections.

Response : In the projected utilization column, we have included the projected number of procedures for each county in year 1.

4. 6C. Historical/Projected Data Chart

Please note that the projections included in Attachment 6N do not match the projection in response to Item 1N, Criterion #1, of Criterion #4, Item 2N, or Item 6C of the main application. Please revise these sections of the application to ensure consistency in projections.

Response : The chart has been updated to reflect the number of historical and projected treatments rather than patients, and is consistent with the other projections in the application.

5. 1N. Criteria and Standards

Attachment 1N, MRT Criterion 13, Quality Control and Monitoring

Please identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

Response : Quality Control and Monitoring Plan (Radiation Oncology)

1. Overview

Heelex maintains a comprehensive Quality Management Program (QMP) designed to ensure safe, accurate, and effective delivery of radiation therapy. The program integrates data reporting, outcome measurement, and continuous process improvement in compliance with ASTRO, AAPM (TG-51, TG-142, TG-100), NRC, and ACR accreditation standards. All QA, QC, and outcome data are documented, reviewed, and trended for clinical, technical, and administrative performance metrics.

2. Data Reporting and Documentation

2.1 Clinical Data

Each patient's treatment parameters, delivered dose, and verification images are recorded and archived within the Treatment Management System (e.g., Advanced MD). Data are exported to the Electronic Medical Record (EMR) for integration with the patient's overall health record. The radiation oncologist reviews and signs off on all treatment plans, prescriptions, and completion notes. Weekly chart rounds and physics chart checks ensure ongoing verification of dose delivery accuracy.

2.2 Physics and QA Data

Machine output, mechanical, and imaging QA results are stored in the QA database (e.g., IBA, or departmental Excel database). All QA checks follow AAPM TG-142 frequencies (daily, monthly, annual) and TG-51 for annual reference dosimetry calibration. Each test result is recorded, dated, and signed by the responsible medical physicist. Deviations outside tolerance trigger immediate investigation, documentation, and corrective action logs.

2.3 Incident Learning and Reporting

The department participates in an incident reporting system. All near misses, workflow delays, and QA failures are logged, analyzed, and reviewed in safety meetings to identify root causes and prevent recurrence.

3. Quality Improvement (QI) Program

3.1 Structure

The Quality and Safety Committee meets quarterly and includes the Medical Director, Lead Physicist, Lead Therapist, Dosimetry, and Medical Assistants. The committee reviews trends in incidents, QA findings, patient satisfaction data, and compliance audits.

3.2 Continuous Quality Improvement (CQI)

Each year, the department selects one or more measurable QI projects (e.g., reducing replans, improving on-time treatment starts, minimizing imaging shifts). Progress is measured using quantitative metrics (control charts, compliance rates). Outcomes are reported to senior leadership and incorporated into staff training.

3.3 Peer Review

Weekly chart rounds provide prospective review of target delineation, planning objectives, and image guidance decisions. Annual peer review of medical physicists and dosimetrists is performed per AAPM recommendations and documented in the QMP.

4. Outcome and Process Monitoring

4.1 Process Monitoring

Daily, monthly, and annual QA trends are reviewed to ensure equipment constancy and identify drift over time. Treatment planning and delivery audits verify that dose constraints and protocols (e.g., TG-101, TG-263) are met. Workflow metrics (simulation-to-start time, plan approval lag, treatment interruptions) are tracked monthly.

4.2 Clinical Outcomes

Toxicity, control, and survival outcomes are documented using standardized grading systems (CTCAE v5.0). Periodic review of local control rates, unplanned treatment breaks, and hospitalizations is conducted. When applicable, outcomes are benchmarked against published national datasets (e.g., NCDB, ASTRO APEX benchmarks).

4.3 Patient Feedback

Post-treatment patient satisfaction surveys are distributed and reviewed quarterly to identify communication or comfort concerns. Findings are integrated into staff education and workflow improvements.

5. Corrective Action and Feedback Loop

Non-conformances (equipment failure, documentation errors, process deviations) trigger immediate corrective action reports (CARs). Root cause analyses are performed using FMEA-based approaches (per TG-100). Results are discussed in departmental meetings, and policy revisions are implemented when necessary. All corrective actions are documented, signed, and verified for effectiveness within 30 days.

6. Review and Oversight

The Radiation Safety Committee and Medical Physics Director review the QMP annually to ensure compliance with regulatory and accreditation requirements. Documentation is maintained for inspection by state regulators, NRC, and accrediting bodies (ASTRO APEX, ACR, or TJC). Program updates are distributed to all staff, and competency training is documented annually.

6. 1N. Criteria and Standards

Attachment 1N, MRT Criterion 7, Patient Safety and Quality of Care

7c. - Please explain in greater detail, the differences between the acute medical risk of traditional MRT procedures vs the low dose procedures proposed by the applicant.

7d. - Please describe the referenced protocols in greater detail.

7e. - Please confirm that the applicant meets the staffing and quality assurance requirements of the American Society of Therapeutic Radiation and Oncology (ASTRO), the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO) or a similar accrediting authority such as the National Cancer Institute (NCI).

7g. - Please discuss the reasons why the ability to provide simulations and treatment planning services to support the volumes they project and any impact such services may have on volumes and treatment times is not applicable to this project.

7h. - Please confirm that the center will have a dedicated radiation oncologist to serve as medical director with defined responsibilities overseeing quality assurance for the site.

Response : 7C - **Low dose radiation therapy ("LDRT") (delivers < 10 % of the dose of a typical cancer course, with far smaller field sizes.**

- **Deterministic effects:** negligible in LDRT, frequent in cancer RT.
- **Stochastic risk:** orders of magnitude lower in LDRT (theoretical rather than observed).
- **Clinical safety record:** No documented excess malignancy in large LDRT series spanning >80 years.
- **Cancer RT**, by contrast, is associated with measurable secondary malignancy rates and significant acute and late normal-tissue toxicity.

7d - Full title: "AAPM's TG-51 protocol for clinical reference dosimetry of high-energy photon and electron beams." (Med. Phys. 26(9), 1999; updated TG-51 Addendum 2014).

Purpose: TG-51 establishes a standardized, accurate, and traceable method to determine the absorbed dose to water (cGy/MU) for clinical linear accelerators. It ensures that dose measurements are consistent and nationally traceable.

Key Concepts: The protocol defines absorbed dose to water as the primary quantity, replacing older exposure-based methods. Calibration uses the $N_{D,w}$ factor (absorbed dose to water calibration factor) provided by an Accredited Dosimetry Calibration Laboratory (ADCL). Measurements are performed in a water phantom at reference conditions—typically a 10×10 cm² field size, 100 cm SSD, and a depth of d_{max} or 10 cm depending on the beam type.

The procedure involves measuring the ionization chamber reading, applying necessary corrections (for temperature, pressure, polarity, and recombination), and multiplying by the ND,w and beam-quality correction factor k_Q . Beam quality is characterized by the percent depth dose at 10 cm ($\%dd(10)_x$) for photons or R_{50} for electron beams. The result provides the absorbed dose per monitor unit (cGy/MU) under reference conditions.

Addendum 2014 Highlights: The addendum refined polarity and recombination corrections, updated k_Q values using Monte Carlo data, and introduced procedures for small fields and flattening-filter-free (FFF) beams. In essence, TG-51 defines how to accurately calibrate linac output so that all clinics deliver consistent, traceable doses.

Full title: “Quality assurance of medical accelerators.” (Med. Phys. 36(9), 2009).

Purpose: TG-142 provides a comprehensive quality assurance (QA) program for linear accelerator performance. It updates and extends the earlier TG-40 guidelines to reflect modern technologies such as IMRT, VMAT, IGRT, SRS, and SBRT.

Scope: The protocol applies to all external beam radiation therapy machines including conventional linacs, SRS/SBRT units, and image-guided systems. It outlines QA tasks, testing frequency, tolerances, and responsible personnel to ensure safe and consistent beam delivery.

QA Frequency Categories: TG-142 defines daily, monthly, and annual QA checks. Daily tests include output constancy ($\pm 3\%$), laser and optical distance indicator alignment, door interlocks, and imaging checks. Monthly QA includes output constancy ($\pm 2\%$), flatness and symmetry, mechanical isocenter accuracy, light and radiation field coincidence, and MLC leaf checks. Annual QA is a comprehensive evaluation that includes reference dosimetry per TG-51, MLC calibration, imaging system QA, and mechanical accuracy of couch and gantry rotation.

Tolerance Levels: TG-142 recommends specific tolerances for key parameters: daily output constancy within $\pm 3\%$, monthly within $\pm 2\%$, light versus radiation field agreement within 2 mm, isocenter coincidence within 2 mm, and MLC leaf positioning within 1 mm for IMRT. Deviations beyond tolerance trigger corrective action before treatments continue.

TG-142 promotes a risk-based QA philosophy emphasizing proactive detection of errors and performance drift. It integrates imaging QA with treatment QA, requires documentation and trending of results, and encourages regular review of procedures to maintain safety and consistency.

Relationship Between TG-51 and TG-142

TG-51 and TG-142 are complementary protocols. TG-51 focuses on absolute dose calibration, establishing how to determine the machine’s dose per monitor unit under standard reference conditions. It is typically performed annually or after major service or component replacement. TG-142, on the other hand, ensures ongoing mechanical, dosimetric, and safety consistency through daily, monthly, and annual QA procedures. Together they form the foundation of a comprehensive radiation therapy QA program—TG-51 provides the reference accuracy, and TG-142 maintains that accuracy and safety over time.

7e Answer: Heelex has all the needed personnel below and practices all the needed procedures, policies, and quality assurance: The program employs a board-certified radiation oncologist and board-certified Medical Physicist. We have four radiation therapists, Xray tech, and several medical assistants and supporting staff.

Staffing Requirements / Expectations

ASTRO doesn't mandate a one-size-fits-all fixed staffing ratio (because patient mix, complexity, technology, and volume vary dramatically), but they outline **minimum personnel expectations** and principles to guide staffing. [ASTRO+1](#)

From "*Safety Is No Accident*", some key points:

- Each practice must have a **qualified radiation oncologist** on-call 24/7 (or via reliable coverage) to handle emergencies or urgent treatments. [ASTRO](#)
- A sufficient number of other clinical staff should be available so that **urgent treatments** can be delivered even outside normal operating hours (or there must exist an agreed referral arrangement). [ASTRO](#)
- The number of clinical staff should reflect workload, number of machines, complexity, and staff absences. Overloading staff increases the risk of error. [ASTRO+1](#)
- It is **recommended** (but not strictly mandatory) that **at least two qualified individuals be present for any external beam treatment** (i.e. for "checks / cross-checks / oversight"). [ASTRO](#)

From ASTRO/other accreditation cross-reference (via ACR accreditation standards):

- **Radiation Oncologist:** should be available on the premises when treatments are being delivered. [Accreditation Support](#)
- **Medical Physicist:** must be available when needed to consult the radiation oncologist and direct technical staff during planning or treatment. [Accreditation Support](#)
- **Radiation Therapists:** At least **two registered radiation therapists per treatment unit / linac** is considered a minimum standard (per accreditation rules) to ensure safety, patient monitoring, and redundancy. [Accreditation Support](#)
- **Dosimetrist:** a staffing estimate given is ~ one dosimetrist per ~250 patients treated per year; this is a guideline that may vary by complexity. [ASTRO](#)
- **Administrator:** one per practice (in some settings, existing clinical staff may fill administrative functions) [ASTRO](#)
- **Other staff:** (nurses, social workers, dietitians, mold technologists, etc.) as needed according to services offered. [ASTRO+1](#)

In summary: ASTRO expects a baseline team of radiation oncologists, physicists, dosimetrists, radiation therapists, support and administrative staff; adequate overlap and redundancy; 24/7 oncologist availability; and staffing aligned with volume and complexity.

Quality Assurance / Quality Management Requirements or Expectations

ASTRO's guidance places strong emphasis on robust QA/quality management (QM) systems—covering equipment, processes, people, error learning, peer review, and risk mitigation. Below is a structured breakdown.

Governance & Culture

- Must have a **culture of safety**, in which staff at all levels feel empowered to identify safety risks, report errors / near misses, suggest improvements, and act without fear of reprisal. [ASTRO+2pubs.medicaldosimetry.org+2](#)
- Leadership (e.g. Medical Director, Chair) must champion safety, provide resources, and promote continuous improvement. [ASTRO+1](#)
- All staff should get time and support to perform “non-billable” safety and QA tasks (e.g. QA checks, reviews, calibration, staff meetings). Overburdening clinical tasks without space for QA is a hazard. [ASTRO+1](#)

Peer Review / Chart Rounds

- Prospective and retrospective **peer review** of clinical decisions, treatment plans, imaging, target delineation, and plan acceptability should be routine. [ASTRO+1](#)
- Many practices incorporate the early review in disease site rounds or “chart rounds.” [ASTRO](#)
- For multiphysicist practices, annual peer review of physics work by another physicist not involved in the original work (or an external reviewer) is recommended. [Accreditation Support+1](#)

Process QA & Risk Analysis

- For every new system, technique or workflow, a **quality management program** is required: hazard analysis, QC, QA, staff training, documentation, and ongoing quality improvement. [ASTRO](#)
- ASTRO encourages adoption of modern risk analysis methods (e.g. Failure Modes and Effects Analysis, FMEA) per AAPM TG-100 style approaches. [pubs.medicaldosimetry.org+1](#)
- The QA program must be documented (policies and procedures) and periodically reviewed. [ASTRO+1](#)

Equipment / Technical QA

- A **physics policy & procedure manual** must exist and be reviewed annually. [Accreditation Support+1](#)
- QA of treatment planning systems (TPS), including consistency checks, commissioning documentation, and periodic verification, is mandatory. [Accreditation Support+1](#)
- Patientspecific QA (e.g. for IMRT, SBRT, SRS) must be documented and approved before the first treatment. [Accreditation Support+1](#)
- Weekly physics chart reviews are required by a qualified medical physicist (not delegated to dosimetrists) to catch deviations. [Accreditation Support+1](#)
- End-of-treatment (EOT) chart check by physicist is required, to confirm the delivered dose/plan and compliance with prescription. [Accreditation Support](#)
- Independent verification of machine output (e.g. via TLD, OSL or by an external physicist) is required. [Accreditation Support](#)
- Backup dosimetry systems must exist and be periodically intercompared with the primary system. [Accreditation Support](#)
- For updates in hardware/software, patches or upgrades, the QA impact must be documented. [Accreditation Support+1](#)

Operational Policies & Procedures

- “Time-out” policies for simulation and treatment (i.e. double checks / identity / parameter verification) must be documented. [Accreditation Support+1](#)
- Imaging (portal / IGRT) verification policies must exist; verification images should be taken at least weekly (or per departmental policy), and a radiation oncologist should review them before subsequent fractions. [Accreditation Support+1](#)
- Disaster / contingency planning: written plans for power failures, system downtime, loss of data, radioactive source issues, etc., with strategies to resume or transfer patient care. [Accreditation Support](#)
- Administrative policies: radiation safety, infection control, contrast administration policies (if used in simulation), dual verification of patient identifiers, etc. [Accreditation Support](#)

Documentation, Review, and Improvement

- All QA, QC checks and corrective actions must be **documented**, signed / dated, and auditable. [Accreditation Support+1](#)
- The QA program should include periodic performance metrics, departmental statistics (e.g. machine downtime, incidents), morbidity/mortality or treatment complications, patient satisfaction surveys, error reports, etc. [Accreditation Support](#)

- The QA committee (or equivalent oversight group) should review incidents, machine downtime, QA failures, complications, peer review findings, and recommend improvements. [Accreditation Support](#)
- Annual (or periodic) programmatic reviews of the physics / QA program should be done, to reassess procedures, performance, staffing adequacy, and emerging needs.

7g - The initial response of 'not applicable' was inaccurate. Heelex simulates the patients Via X rays to determine the depth to which it will administer the dose. Heelex has its own in house calculation engine built in Excel to determine the monitor units to the patient. Unlike with cancer, the procedure is very straightforward . While Heelex may use 3D treatments in the future, they are not necessary when treating with low dose radiation.

7h - Please confirm that the center will have a dedicated radiation oncologist to serve as medical director with defined responsibilities overseeing quality assurance for the site.

Answer: It does

Project Name : Heelex, LLC

Supplemental Round Name : 3

Certificate No. : CN2509-034

Due Date : 10/14/2025

Submitted Date : 10/10/2025

1. 1N. Criteria and Standards

Please update the attached worksheet for 1N, Criterion 1a. and 4 to reflect the 5,600 procedures in Year 1 and 8,400 procedures in Year 2. Please submit a replacement Attachment 1N worksheet.

Response : Please see attached revised worksheet for 1N.