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11 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **IN AND FOR THE COUNTY OF ALAMEDA**
13

14 **EDWARD BALLIS AS THE TRUSTEE OF**
15 **THE JULIA LYNN BALLIS TRUST,**
16 **JESSICA BETH BALLIS TRUST AND**
STEPHANIE ANN BALLIS TRUST;

17 **AVRUM GRATCH, MD, A**
18 **PROFESSIONAL CORPORATION**
PROFIT SHARING PLAN;

19 **CLAYTON & BARBARA CITRANO,**
20 **TRUSTEES OF THE CLAYTON &**
BARBARA CITRANO LIVING TRUST
21 **DATED JANUARY 26, 2007;**

22 **SHIRLEY COVINGTON, TRUSTEE OF**
23 **THE COVINGTON FAMILY TRUST UDT**
JULY 26, 2012;

24 **DE SILVA FAMILY PARTNERSHIP;**

25 **DAVID EPSTEIN;**

26 **JOAN EPSTEIN, TRUSTEE OF THE**
27 **JOAN EPSTEIN REVOCABLE TRUST;**

28 **RONALD & BARBARA FINLAYSON;**

ENDORSED
FILED
ALAMEDA COUNTY

APR 25 2016

CLERK OF THE SUPERIOR COURT

Anita Dhir

RLH6813064

CASE NO.

COMPLAINT FOR:

1. BREACH OF FIDUCIARY DUTY
BASED ON AIDING AND
ABETTING; and
2. INTENTIONAL INTERFERENCE
WITH PROSPECTIVE ECONOMIC
ADVANTAGE
3. NEGLIGENT INTERFERENCE
WITH PROSPECTIVE ECONOMIC
ADVANTAGE

DEMAND FOR JURY TRIAL

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ELIZABETH MILLETT GALE;
MATTHEW KARL GALE;
WILLIAM GAGE;
JOHN & AMY GAGE;
HOWARD GORDON & ELIZABETH GORDON, TRUSTEES OF THE HOWARD R. GORDON AND ELIZABETH C. GORDON FAMILY TRUST DATED MAY 6, 1999;
EDWARD LYMAN;
EDYTHE MOORE;
THOMAS V. MOORE;
JEFFREY S. OXENDINE;
GARY & KIMBERLY ORZELL;
RONALD & JOCELYN WEISS, TRUSTEES OF THE WEISS TRUST;
ROBERT J. YOHAI;
SAL ZAGARI,

Plaintiffs,

vs.

MAGNETIC IMAGING AFFILIATES, LLC;
and DOES 1-20, inclusive

Defendants.

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1 **I. INTRODUCTION**

2 1. In 1985, a group of physicians and medical groups formed a limited partnership,
3 Magnetic Imaging Affiliates, LLP (“the Partnership”), to operate a needed magnetic resonance
4 imaging (MRI) outpatient center in Oakland, California. Despite the great risk taken on by the
5 Limited Partners at the beginning of the Partnership, the business flourished over time and was to
6 continue to operate profitably into the future.

7 2. By the terms of the Partnership’s agreement, the Partnership expired in April of
8 2015. During the partnership dissolution process, the Partnership’s General Partners usurped a
9 Partnership business opportunity for themselves and formed a new partnership to take over the
10 exact same business as the Partnership.

11 3. This case involves the newly formed partnership, Defendant Magnetic Imaging
12 Affiliates, LLC, who knowingly aided and abetted breaches of fiduciary duty by general partners
13 in a limited partnership and interfered with prospective economic relationships to obtain for
14 themselves the benefit of owning a magnetic imaging center.

15 4. A partnership is a fiduciary relationship, and partners may not take advantage for
16 themselves at the expense of the partnership. The California Supreme Court has explained this
17 fiduciary duty as follows:

18 Partners are trustees for each other, and in all proceedings connected with the
19 conduct of the partnership every partner is bound to act in the highest good faith
20 to his copartner and may not obtain any advantage over him in the partnership
21 affairs by the slightest misrepresentation, concealment, threat or adverse pressure
of any kind.

22 (*Leff v. Gunter* (1983) 33 Cal.3d 508, 514.) Those who knowingly and substantially assist in that
23 breach are also liable. (*Saunders v. Super. Ct.* (1994) 27 Cal.App.4th 832, 846.)

24 5. In dissolving the Partnership, the General Partners of Magnetic Imaging
25 Affiliates, LLP, breached their fiduciary duties to Plaintiffs to the benefit of Defendant Magnetic
26 Imaging Affiliates, LLC. Defendant Magnetic Imaging Affiliates, LLC acquired confidential
27 information of the Partnership, to which it was not entitled, in order to make a bid and to obtain
28 the Partnership business for itself. The bid was the exact amount of the valuation which the

1 General Partners had obtained. The valuation was not to be used for the sale or purchase of the
2 Partnership and was an amount substantially lower than the amount to which Plaintiffs are
3 entitled. Defendant Magnetic Imaging, LLC thus knowingly and substantially assisted the
4 General Partners in their breach of fiduciary duty and interfered with the Plaintiffs' relationship
5 with the General Partners in order to benefit itself.

6 **II. JURISDICTION AND VENUE**

7 6. The Court has jurisdiction over all causes of action asserted herein, and the
8 amount in controversy exceeds the jurisdictional minimum of this Court.

9 7. Defendants, and each of them, are subject to the jurisdiction of this Court by
10 virtue of their business dealings and transactions in Alameda County and by having caused
11 injuries through their acts and omissions within this County to render the exercise of jurisdiction
12 by this Court permissible under traditional notions of fair play and substantial justice.

13 8. Venue is proper in this Court because Defendants have their principal place of
14 business in Alameda County, and a substantial portion of the events, acts, omissions and
15 transactions complained of herein occurred in this County.

16 9. Although the partnership agreement has an arbitration clause, this Court has
17 jurisdiction over this dispute because Magnetic Imaging Affiliates, LLC claims it is not bound by
18 the arbitration clause.

19 **III. THE PARTIES**

20 **A. PLAINTIFFS**

21 10. Plaintiffs Edward Ballis as the Trustee of the Julia Lynn Ballis Trust, Jessica Beth
22 Ballis Trust and Stephanie Ann Ballis Trust, Avrum Gratch, MD, a Professional Corporation
23 Profit Sharing Plan, Clayton & Barbara Citrano, Trustees of the Clayton & Barbara Citrano
24 Living Trust Dated January 26, 2007, Shirley Covington, Trustee of the Covington Family Trust
25 UDT July 26, 2012, De Silva Family Partnership, David Epstein, Joan Epstein, Trustee of the
26 Joan Epstein Revocable Trust, Ronald & Barbara Finlayson, Elizabeth Millett Gale, Matthew
27 Karl Gale, William Gage, John & Amy Gage, Howard Gordon & Elizabeth Gordon, Trustees of
28 the Howard R. Gordon & Elizabeth C. Gordon Family Trust Dated May 6, 1999, Edward

1 Lyman, Edythe Moore, Thomas V. Moore, Jeffrey S. Oxendine, Gary & Kimberly Orzell,
2 Ronald & Jocelyn Weiss, Trustees of the Weiss Trust, Robert J. Yohai, and Sal Zagari are
3 Limited Partners in the Partnership, as evidenced by the 2014 K1s.

4 **B. DEFENDANTS**

5 11. **Magnetic Imaging Affiliates, LLC**, a California limited liability company whose
6 principal place of business is in Alameda County, purchased and operates the business of
7 Magnetic Imaging Affiliates, LLP. According to the admission of Magnetic Imaging Affiliates,
8 LLP, Magnetic Imaging Affiliates, LLC is owned by the General Partners of Magnetic Imaging
9 Affiliates, LLP and their affiliates.

10 **C. DOE DEFENDANTS**

11 12. The true names and capacities of the Defendants named herein as Does 1 through
12 20, inclusive, whether individual, corporate, associate or otherwise, are unknown to Plaintiffs
13 who therefore sue such Defendants by fictitious names under California Code of Civil Procedure
14 Section 474. Plaintiffs are informed and believe that Doe Defendants are California residents, or
15 individuals over whom this Court nevertheless has jurisdiction. Plaintiffs will amend their claim
16 to show such true names and capacities when they are ascertained. Based on information and
17 belief, Plaintiffs allege that Defendants sued as Does 1 through 20, and each of them, are liable
18 in whole or in part for the wrongful acts alleged herein.

19 **D. AGENCY, AIDING AND ABBETTING, AND CONSPIRACY**

20 13. At all relevant times, each Defendant was and is the agent of each of the
21 remaining Defendants, and in doing the acts alleged herein, was acting within the course and
22 scope of such agency. Each Defendant ratified and/or authorized the wrongful acts of each of
23 the Defendants.

24 14. In committing the wrongful acts alleged herein, Defendants have pursued, or
25 joined in the pursuit of, a common course of conduct, and have acted in concert with and
26 conspired with one another in furtherance of the improper acts and transactions that are the
27 subject of this claim.

28 15. Each Defendant aided and abetted and rendered substantial assistance in the

1 wrongs complained of herein. In taking such actions to substantially assist the commission of
2 the wrongdoing complained of herein, each Defendant acted with knowledge of the primary
3 wrongdoing, substantially assisted in the accomplishment of that wrongdoing, and was aware of
4 his, her, or its overall contribution to and furtherance of the wrongdoing.

5 **IV. FACTUAL ALLEGATIONS**

6 **A. The Start of the Partnership**

7 16. Magnetic resonance imaging (MRI) is a test that uses a magnetic field and pulses
8 of radio wave energy to make pictures of organs and structures inside the body. In many cases,
9 MRI gives different information about structures in the body than can be seen with an X-ray,
10 ultrasound, or computed tomography (CT) scan. MRI also may show problems that cannot be
11 seen with other imaging methods.

12 17. In or about 1984, Alta Bates Hospital, Herrick Hospital and Health Center,
13 Children's Hospital, Oakland, and Alameda Hospital decided that they needed an MRI facility to
14 effectively diagnose and treat their patients. They did not want to bear this risk alone. They
15 looked to obtain investors to share the financial risk.

16 18. The amount of money necessary to obtain premises for a facility, and acquire
17 equipment and trained personnel was high. The financial projections for an investment in an
18 MRI facility were uncertain. Even though having an MRI facility would increase patients'
19 health, it was a rising venture to start an MRI facility.

20 19. By January 1985, Alta Bates Hospital began soliciting investors for investment in
21 a limited partnership to operate an MRI center. It sent out an Offering Memorandum dated
22 January 11, 1985, which explained the risks and potential benefits of the investment.

23 20. As stated on page 2 of the Memorandum, the partnership objective was: "Upon
24 completion of the construction of the improvements and installation of the MRI Equipment, the
25 Partnership intends to operate a magnetic resonance imaging business ("MRI") in the Partnership
26 Facility."

27 21. The General Partners also acknowledged their fiduciary duties: "The General
28 Partners are accountable to the Partnership as fiduciaries and consequently must exercise good

1 faith and integrity in handling Partnership affairs.” (Offering Memorandum at p. 20.)

2 22. The Offering Memorandum was explicit that the Limited Partners might never
3 receive any return from their investment, noting that there is “no assurance that there will be any
4 cash distributions from the Partnership, or the time at which distributions, if any, will be made.”
5 (Offering Memorandum at p. 26.)

6 23. There was a real risk that the Partnership would not be successful because of
7 competition from MRI facilities that would be opening in the future. “It is anticipated that there
8 will be substantial competition among the Partnership and other enterprises that are now
9 expected to operate similar magnetic resonance imaging services.” (Offering Memorandum at p.
10 27.) In capital letters, the Offering Memorandum stated: “THE PARTNERSHIP’S MRI
11 BUSINESS WOULD BE AT LEAST THE FIFTH MAGNETIC RESONANCE IMAGING
12 CENTER SLATED FOR DEVELOPMENT IN THE EAST BAY, TO THE KNOWLEDGE OF
13 THE GENERAL PARTNERS. A PRELIMINARY ANALYSIS OF THE EAST BAY
14 REFERRAL BASE CONDUCTED ON BEHALF OF THE GENERAL PARTNERS
15 SUGGESTS THAT A MAXIMUM OF THREE MRI UNITS CAN BE SUSTAINED IN THE
16 AREA. AS A RESULT, IT IS LIKELY THAT ONE OR MORE OF THE MRI CENTERS
17 NOW PLANNED WILL NOT BE ECONOMICALLY SUCCESSFUL.” (*Id.* at p. 28.)

18 24. Although the Limited Partners did not have the right to manage the Partnership,
19 they had the right to vote “upon the sale or exchange of substantially all of the Partnerships’
20 property, . . .” (Offering Memorandum at p. 90.)

21 25. The Offering Memorandum explained the numerous risks that the Partnership
22 faced. For example, “The Partnership is newly formed and therefore has no operating history.
23 Furthermore, the experience of the General Partners in business ventures of this sort is mixed and
24 varies considerably among them. More specifically, none of the General Partners has
25 constructed or operated an MRI facility in the past.” (Offering Memorandum at p. 24.)

26 26. Although the investment was risky, Plaintiffs or their predecessors decided to
27 invest in order to help their patients. In the first half of 1985, Plaintiffs or their predecessors
28 invested money in the Partnership and became Limited Partners in the Partnership to bring

1 Magnetic Resonance Imaging to the Oakland area. The money was invested with no guarantee
2 of having it returned.

3 27. The parties entered into a written partnership agreement. The General Partners of
4 the Partnership at that time were: Alameda Hospital, Inc., Alta Bates Hospital, Berkeley
5 Radiologists Medical Group, Inc., Children's Hospital of Northern California, Herrick Hospital
6 and Health Center, Norman P. Moscow, M.D., Inc., L. Evan Custer, M.D., Inc., H. James
7 Cornelius, M.D., Inc., Robert J. Binder, M.S., Inc., and Bent O. Kjos, M.D.

8 28. Article 12 of this first Limited Partnership Agreement provided that Alta Bates
9 had the right of first refusal for any sale or exchange of assets if the partners had approved the
10 sale or exchange of all or substantially all the assets of the Partnership to another party.

11 **B. The Partnership Begins Business and Suffers Cash Flow Issues**

12 29. On April 23, 1985, the Partnership registered as a limited liability partnership
13 with the California Secretary of State and soon thereafter began operations.

14 30. In June of 1985, the MRI operation started in business. The first medical director
15 was Dr. Bent Kjos, an MRI specialist who was a clinical Assistant Professor at the University of
16 California, San Francisco. The facility was located at 5730 Telegraph Avenue, Oakland,
17 California, from which it has continuously operated.

18 31. By December of 1985, the Partnership faced cash flow issues because of the
19 equipment rental obligations, slow payment by Medi-Cal, and lower patient volume than
20 forecasted.

21 32. In August of 1986, according to the General Partners, the Partnership suffered
22 losses and continued to suffer cash flow challenges. In July of 1988, the General Partners
23 warned the Limited Partners that distributions might not be sustainable because of increased
24 competition.

25 33. The Partnership continued to operate, but still faced challenges.

26 **C. The Amended and Restated Partnership Agreement**

27 34. In the fall of 1990, the Partnership began soliciting additional units in the
28 Partnership to enable the Partnership to purchase, rather than rent, an MRI machine. The

1 General Partners issued a Private Placement Offering Memorandum dated October 15, 1990.

2 35. At that time, the General Partners of the Partnership were: Alta-Bates-Herrick
3 Hospital, Children's Hospital Medical Center of Northern California, Alameda Hospital, Alta
4 Imaging Medical Group, Inc., and Alta Imaging Investment Group.

5 36. This Private Placement Offering Memorandum stated: "The Partnership provides
6 MRI services at a freestanding facility located at 5730 Telegraph Ave., Oakland, California,
7 which serves the northern Alameda County geographic area, and parts of western Contra Costa
8 County." (Private Placement Offering Memorandum dated October 15, 1990 at p. 5.)

9 37. The General Partners acknowledged their fiduciary duties: "The General Partners
10 have a fiduciary duty to act in the best interests of the Partnership at all times." (Private
11 Placement Offering Memorandum dated October 15, 1990 at p. 51.)

12 38. The Partnership planned for expansion, but the General Partners cautioned that
13 there was no guarantee of successful expansion: "During the last year of operation, the Center
14 has averaged approximately 20 patients a day, five days a week, and an additional 8-10 patients
15 on Saturdays. The General Partners anticipate that new software and equipment upgrades
16 planned to be added by 1991 will increase the capacity of the new facility by three to four
17 patients per day; however, there is no guarantee that this additional capacity will be utilized."
18 (Private Placement Offering Memorandum dated October 15, 1990 at p. 5.)

19 39. Effective October 1, 1990, the partners amended the partnership agreement. This
20 agreement, called the Amended and Restated Agreement of Limited Partnership ("the
21 Agreement") is the operative partnership agreement. A true and correct copy of the agreement is
22 attached hereto as Exhibit 1.

23 40. In the Agreement, the General Partners were: Alta Bates-Herrick Hospital,
24 Children's Hospital Medical Center of Northern California, Alameda Hospital, Alta Imaging
25 Medical Group, Inc., and Alta Imaging Investment Group.

26 41. Throughout time, there have been changes to the General Partners and Limited
27 Partners. When certain Limited Partners requested the "most current partnership agreement
28 document with any revisions," they were provided with Exhibit 1. According to the 2014 K-1s

1 for the Partnership, Alta Bates, Herrick and Bay Imaging are the current General Partners.

2 42. According to Section 2.04 of the Agreement: “The purpose of the Partnership is
3 to operate a facility or facilities to provide magnetic resonance imaging services, and to acquire,
4 own, operate, purchase, lease, hire, contract for, sell, trade or otherwise manage and deal with
5 such premises, including real property and equipment, and personnel which are necessary and
6 incidental to such purpose.”

7 43. The term of the partnership was 30 years from the date of the filing of the
8 Certificate of Limited Partnership with the California Secretary of State. (§§ 3.01, 3.02.)
9 Accordingly, pursuant to this term, the Partnership was to end on April 23, 2015.

10 44. The Agreement provided that “Upon dissolution of the Partnership, without
11 reconstitution, the business of the Partnership shall be wound up by the General Partners, the
12 assets liquidated, and the proceeds applied as specified in Section 5.04.” (§ 3.04.) The
13 distribution is to be “pro rata in accordance with the positive balance in the Capital Account of
14 each Partner whose interest is being liquidated. . .” (*Id.*) The Agreement did not have any
15 provision allowing Alta Bates, or any other general partner, to have the right of first refusal. The
16 Agreement, however, still required a two-thirds vote of the Limited Partners to sell “all or
17 substantially all the Partnership assets.” (*Id.* at § 10.02.a(iv).)

18 45. In the late 1990’s, the Partnership had issues with performance under budget,
19 lower patient volume than projected, decreasing reimbursement rates, and other issues that
20 continued to make the investment risky.

21 **D. The Partnership Operates an MRI Facility Which over Time Becomes**
22 **Profitable**

23 46. With the money invested by Plaintiffs and others, the Partnership obtained a
24 facility, personnel and equipment, and began operating. The first years were difficult financially.
25 Eventually, the Partnership became profitable and began paying dividends to the Limited
26 Partners.

27 47. The General Partners, or their successors, who originally had no experience in
28 operating an MRI facility, gained experience which would not have occurred without Plaintiffs’

1 investment. The MRI facility was able to survive and thrive in the competitive market of MRI
2 facilities because of Plaintiffs' investment.

3 **E. The General Partners Start to Dissolve the Partnership and Value the**
4 **Partnership**

5 48. On or about November 20, 2014, Lisa Woelfel, Chief Financial Officer of the
6 Partnership wrote the Limited Partners enclosing a distribution. The letter further stated that the
7 General Partners have begun planning for the end of the Partnership:

8 As you know, according to Section 3.02a of the Agreement of Limited
9 Partnership of Magnetic Imaging Affiliates (the "Partnership Agreement"), the
10 partnership expires and terminates on April 23, 2015. As required by the
11 Partnership Agreement, the General Partners have begun planning for the end of
the partnership and the winding up of its business. The General Partners have
engaged a valuation firm to determine the value of the assets of the partnership.

12 The partnership will continue to conduct business until April 23, 2015. The
13 General Partners expect to sell the assets of the partnership on that date and to
14 cease regular operations. After the expiration of the partnership on April 23,
15 2015, the partnership will continue to collect its accounts receivable and make
liquidating distributions. In the next few months, the General Partners will send
you further information regarding the valuation of the partnership's assets.

16 49. On or about March 10, 2015, Lisa Woelfel sent another letter to the Limited
17 Partners. The letter states in pertinent part that the Partnership engaged a valuation firm with
18 substantial experience in valuing health businesses, such as the Partnership. The letter further
19 states:

20 The valuation provided to the General Partners shows that the proceeds of the
21 liquidation will be lower if assets are sold at a liquidating sale than they will be if
the assets are sold to a buyer that can buy and use them "in place." **The General**
22 **Partners anticipate that a newly formed entity will make an offer to purchase**
23 **the assets of the Partnership and use them in the current location.** The new entity
24 requires a short time to get organized and obtain any necessary regulatory
approvals. (Emphasis added.)

25 50. Accordingly, the Limited Partners understood that an entity would make an offer
26 for the Partnership Assets. The Limited Partners relied upon the General Partners to obtain as
27 many offers as possible to make sure that the Partnership received as high a purchase price as
28 possible for the business.

1 **F. The General Partners Inform the Limited Partners That an Entity Owned**
2 **By Them Will Make an Offer for the Partnership Assets**

3 51. It was not until June of 2015 that the General Partners informed the Limited
4 Partners that the newly formed entity that would be making an offer for the Partnership assets
5 would be owned, in part, by the General Partners. There was still no notification that the General
6 Partners were going to accept the offer or that there would not be solicitation of other bids.

7 52. On or about June 4, 2015, Lisa Woelfel wrote the Limited Partners in pertinent
8 part:

9 The valuation provided to the General Partners shows that the proceeds of
10 liquidation will be higher if the assets are sold to a buyer that can buy and use
11 them “in place” than they would be in the assets were sold at a liquidation sale.
12 **The General Partners expect that a newly formed entity will make an offer to**
13 **purchase the assets of the Partnership at the higher value and use them in the**
14 **current location.**

15 **This new entity is owned by the General Partners or their affiliates and**
16 **requires additional time to obtain any necessary regulatory approvals to be able to**
17 **operate the new business.**

18 The new entity is expected to submit an offer letter soon and expects to be ready
19 to complete a sale of the Partnership assets on July 31, 2015. (Emphasis added.)

20 53. In late July 2015, the General Partners informed the Limited Partners that the sale
21 to the related entity would be closing shortly.

22 54. On July 20, 2015, Lisa Woelfel sent a letter to the Limited Partners informing
23 them that:

24 **The Partnership expects to sell all of its assets to a new entity (“the Buyer”)**
25 **with the closing to occur on July 31, 2015. This new entity is owned by the**
26 **General Partners or their affiliates.**

27 As you know from our earlier letter, the Partnership expired on April 23, 2015 as
28 required by the Agreement of Limited Partnership of Magnetic Imaging
Affiliates. The Partnership engaged Haverford Healthcare Advisors, a valuation
firm with substantial experience in valuing healthcare businesses such as the
Partnership’s business, to determine the value of the Partnership.

1 **The amount to be paid for the Partnership’s assets will be \$4,804.411.00**
2 **(“Initial Purchase Price”) based on the valuation of noncurrent assets**
3 **performed by Haverford Healthcare as of April 7, 2015 and including amounts**
4 **for net cash, accounts receivable contractual allowances and working capital of**
5 **the Partnership as of June 30, 2015. The new entity will continue to collect the**
6 **accounts receivable of the Partnership until December 31, 2015. (Emphasis**
7 **added.)**

8 55. The General Partners never conveyed the offer of the new General Partners to the
9 Limited Partners until the offer had been accepted.

10 56. The General Partners never offered the opportunity to Plaintiffs or any third
11 parties. In other words, there were no competing bids for the Partnership assets, which could and
12 would have increased the purchase price of the business.

13 57. The Partnership had direct competitors, including other nearby medical and
14 diagnostic imaging centers, with whom the General Partners could have negotiated to sell the
15 business of the Partnership. Comparable companies include: Alliance Healthcare Services, Inc.;
16 Capitol Health Ltd.; Concord Medical Services Holdings Limited; Envision Healthcare
17 Holdings, Inc. Integrated Diagnostics Holdings plc; Primary Healthcare Limited; RadNet, Inc.;
18 and Sonic Healthcare Limited. There are other diagnostic imaging centers who could have been
19 approached regarding taking over the Partnership’s business for a price higher than the
20 “valuation” by Haverford Healthcare Advisors.

21 58. The General Partners never negotiated in an attempt to obtain a higher price as
22 they would be bidding against themselves or their affiliates. Defendant Magnetic Imaging
23 Affiliates, LLC obtained the business at an undervalued price based upon confidential
24 information it knowingly and improperly received from the General Partners.

25 59. Pursuant to Section 10.02.a(iv) of the Agreement, the General Partners may only
26 sell all or substantially all the Partnership’s assets or dissolve upon the affirmative vote of at least
27 two-thirds of the Limited Partners’ percentage interests. The General Partners never sought to
28 obtain approval from the Limited Partners for the sale of the assets of the Partnership to
29 themselves and their affiliates, and no approval was ever given by the Limited Partners.

30 60. Instead of fulfilling their fiduciary duties, the General Partners engaged in self-

1 dealing and purchased the Partnership assets for an undervalued amount. The General Partners
2 breached their fiduciary duties.

3 **G. Defendant Magnetic Imaging Affiliates, LLC Knowingly and Improperly**
4 **Purchases the Partnership Through the General Partners' Acquisition and**
5 **Disclosure of the Underpriced Valuation**

6 61. On or about October 17, 2014, the General Partners retained Haverford
7 Healthcare Advisors to provide a valuation of the Partnership for sale of the Partnership.
8 Haverford provided two valuations, one per letter dated December 1, 2014 and the second by
9 letter dated April 7, 2015. Haverford considered two different valuation methods: fair market
10 value and orderly liquidation. Both letters prohibited the use of Haverford's findings in all
11 matters relating to "financing, fairness, fraudulent conveyance, and insolvency." The letters
12 further stated, "Any reference to Haverford Healthcare Advisors in proxy statements, offering
13 memoranda, or other documents without our written permission is prohibited. All other
14 unauthorized uses of our findings are also prohibited."

15 62. Haverford retained Porto Leone Consulting to render an opinion regarding the fair
16 market value and orderly liquidation value of certain personal property belonging to the
17 Partnership. Porto Leone specifically stated:

18 The results of our valuation will be used by HHA, Bay Medical, MIA and their
19 consultants for strategic due diligence and business planning purposes in a
20 proposed dissolution of a partnership associated with MIA. **We were not**
21 **engaged to make specific purchase or sale recommendations. Our work was**
22 **designed solely to provide information that will allow management to make**
23 **an informed decision.** (Emphasis added.)

24 63. Despite the limitation regarding the use of Porto Leone's valuation that it was not
25 for purchase or sale recommendations, Defendant Magnetic Imaging Affiliates, LLC used the
26 confidential Porto Leone's valuation for its offer price.

27 64. The General Partners took no steps to create ethical walls so that Defendant
28 Magnetic Imaging Affiliates, LLC would not obtain confidential information of the Partnership.
Instead, the General Partners improperly allowed Magnetic Imaging Affiliates, LLC to use the
information. Rather than making an independent and arm's-length offer, Defendant Magnetic

1 Imaging Affiliates, LLC, which consisted of the same General Partners or their affiliates,
2 knowingly and improperly used confidential information to make its bid. This self-dealing and
3 use of confidential information was a wrongful act and aiding and abetting the General Partners
4 in their breach of fiduciary duty and provided a benefit to Magnetic Imaging Affiliates, LLC—
5 the purchase of a successful MRI center at a substantial discount.

6 65. The purchase price was less than the General Partners could have and should have
7 obtained from an arm's-length transaction. Haverford only valued the business using the fair
8 market value and the orderly liquidation value, which valuations were improper to be used as the
9 valuation method when there is a related-party sale. There was no valuation of the good will of
10 the business. There was also no valuation of the business as an ongoing operating business
11 enterprise. Haverford failed to perform a valuation using the income or market approach, which
12 were the more appropriate valuation methods for selling the business as an ongoing concern. It
13 was a breach of a fiduciary duty for the General Partners to fail to have a valuation of the income
14 approach and market approach based upon the fact that they wanted to purchase the business as
15 an operating business. The actual value of the Partnership is much higher than the value
16 assigned by Haverford and the General Partners.

17 66. Additionally, the valuation procedure used by the General Partners is different
18 than the valuation that was used in 1995 when the General Partners used two independent
19 appraisers to determine the fair market value of the Limited Partners' units. This approach is in
20 sharp contrast to the General Partners' current approach of using one appraisal at liquidation
21 value.

22 67. Based on this confidential and diminished appraisal, Defendant Magnetic Imaging
23 Affiliates, LLC knowingly made an undervalued "offer" to the General Partners. By accepting
24 this "offer" by Magnetic Imaging Affiliates, LLC at this artificially low value, the General
25 Partners breached their fiduciary duties, and Defendant Magnetic Imaging LLC knowingly
26 assisted in that breach and benefitted from it.

27 68. Magnetic Imaging Affiliates, LLC has excluded Plaintiffs from the business,
28 which is just a continuation of the prior business.

1 **H. Defendant Magnetic Imaging, LLC Directly and Personally Benefits from the**
2 **Breach of Fiduciary Duty, as the General Partners or Their Affiliates Have**
3 **Continued the Same Business as the Partnership, Using Partnership Assets**
 Under the Name Magnetic Imaging, LLC

4 69. Defendant Magnetic Imaging Affiliates, LLC has continued the business of the
5 Partnership under the name Magnetic Imaging Affiliates, LLC, using the same location, lease,
6 licenses, equipment, and employees to serve the same patients. Defendant Magnetic Imaging
7 Affiliates, LLC has used the good will and experience accumulated over the three decades that
8 the Partnership operated to usurp the partnership opportunity for itself, without providing
9 Plaintiffs an opportunity to share in the new business and by underpaying them for Plaintiffs’
10 share of the Partnership. Defendant Magnetic Imaging Affiliates, LLC is using the experience
11 they gained through the operation of the MRI facility, based upon Plaintiffs’ investment, to
12 continue to operate this profitable enterprise for its personal benefit.

13 70. Unbeknownst to Plaintiffs until after the dissolution, Defendant Magnetic
14 Imaging Affiliates, LLC filed its papers with the California Secretary of State on March 24,
15 2015, a month *before* the Partnership expired by its terms and used the same address for its
16 business, 5730 Telegraph Ave., Oakland, California, as the address for this new business. At this
17 time, the business had not been sold to Magnetic Imaging Affiliates, LLC.

18 **V. CAUSES OF ACTION**
19 **FIRST CAUSE OF ACTION**
20 **BREACH OF FIDUCIARY DUTY BASED UPON AIDING AND ABETTING**
21 **(Against Defendants Magnetic Imaging Affiliates, LLC and Does 1 Through 20)**

22 71. Plaintiffs hereby incorporate by reference each of the paragraphs set forth above
23 as though fully set forth hereinafter.

24 72. By reason of being General Partners of the Partnership, the General Partners owed
25 fiduciary duties of the highest good faith, undivided loyalty, reasonable care, integrity, and fair
26 dealing to Plaintiffs.

27 73. The General Partners did the acts alleged herein to gain an advantage over
28 Plaintiffs and to benefit themselves to the detriment of Plaintiffs by usurping a business

1 opportunity for themselves, thereby breaching their fiduciary duties to Plaintiffs.

2 74. As set forth above, by virtue of their relationship to the General Partners and by
3 obtaining confidential information from them, Defendant Magnetic Imaging Affiliates, LLC had
4 actual knowledge that the General Partners were breaching their fiduciary duties.
5 Notwithstanding their knowledge of the improper and unlawful conduct, Defendant Magnetic
6 Imaging Affiliates, LLC and Does 1-20, inclusive, engaged in conduct, herein described, which
7 rendered substantial assistance to, encouraged and/or aided and abetted the General Partners'
8 breach of fiduciary duty, including obtaining confidential information belonging to the
9 Partnership and aiding and abetting the General Partners in obtaining the business for themselves
10 and for less than fair market value.

11 75. As a result of the conduct of the Defendants, and each of them, Plaintiffs have
12 suffered substantial economic loss and other general and specific damages all in an amount to be
13 determined according to proof at the time of trial.

14 76. The aforementioned acts of said Defendants, and each of them, were done
15 maliciously, oppressively, and fraudulently, and Plaintiffs are entitled to punitive and exemplary
16 damages in an amount to be shown according to proof at trial.

17 77. WHEREFORE, Plaintiffs pray for relief as set forth below.

18 **SECOND CAUSE OF ACTION**
19 **INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE**
20 **(Against Defendants Magnetic Imaging Affiliates, LLC and Does 1 Through 20)**

21 78. Plaintiffs hereby incorporate by reference each of the paragraphs set forth above
22 as though fully set forth hereinafter.

23 79. At all relevant times, Plaintiffs enjoyed an economic relationship with Magnetic
24 Imaging Affiliates, LLP and were Limited Partners in the Partnership which owned a successful
25 MRI business.

26 80. Defendants Magnetic Imaging Affiliates, LLC and Does 1-20, inclusive, knew of
27 the existence of these relationships and intentionally engaged in the wrongful conduct described
28 above, including obtaining confidential information of the Partnership, and other conduct to be

1 proven at trial, to interfere with and disrupt this relationship.

2 81. As a result, this relationship was actually disrupted as Plaintiffs had no
3 opportunity to bid for the business.

4 82. As a proximate result of these Defendants' conduct, Plaintiffs suffered damages
5 and harm in an amount to be proved at trial.

6 83. The aforementioned acts of said Defendants, and each of them, were done
7 maliciously, oppressively, and fraudulently, and Plaintiffs are entitled to punitive and exemplary
8 damages in an amount to be shown according to proof at trial.

9 84. WHEREFORE, Plaintiffs pray for relief as set forth below.

10 **THIRD CAUSE OF ACTION**
11 **NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE**
12 **(Against Defendants Magnetic Imaging Affiliates, LLC and Does 1 Through 20)**

13 85. Plaintiffs hereby incorporate by reference each of the paragraphs set forth above
14 as though fully set forth hereinafter.

15 86. At all relevant times, Plaintiffs enjoyed an economic relationship with Magnetic
16 Imaging Affiliates, LLP and were Limited Partners in the Partnership which owned a successful
17 MRI business.

18 87. Defendants Magnetic Imaging Affiliates, LLC and Does 1–20, inclusive, knew of
19 the existence of these relationships and negligently engaged in the wrongful conduct described
20 above, including obtaining confidential information of the Partnership, and other conduct to be
21 proven at trial, to interfere with and disrupt this relationship.

22 88. As a result, this relationship was actually disrupted as Plaintiffs had no
23 opportunity to bid for the business.

24 89. As a proximate result of these Defendants' conduct, Plaintiffs suffered damages
25 and harm in an amount to be proved at trial.

26 90. WHEREFORE, Plaintiffs pray for relief as set forth below.

27 //

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1 **VI. PRAYER FOR RELIEF**

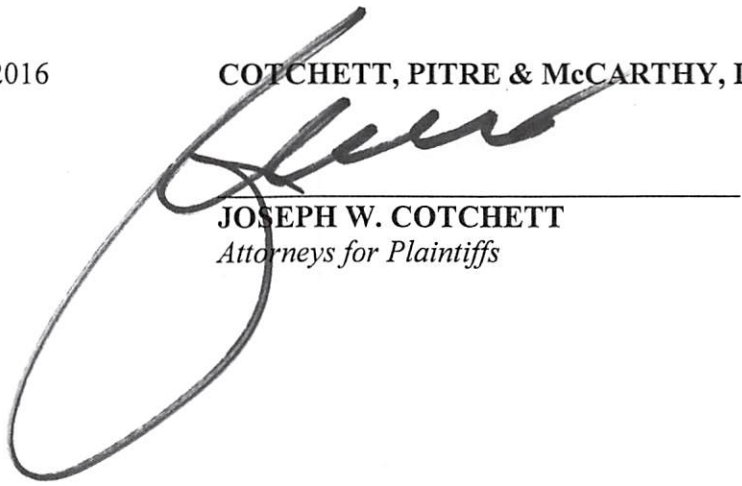
- 2 1. Compensatory and general damages according to proof;
- 3 2. Special damages according to proof;
- 4 3. Punitive and exemplary damages according to proof;
- 5 4. Attorneys' fees to the extent allowed by law;
- 6 5. Costs of the proceedings herein; and
- 7 6. All such other and further relief as the Court deems just and proper.

8 **VII. JURY DEMAND**

9 Plaintiffs demand trial by jury on all issues so triable.

10 Dated: April 25, 2016

COTCHETT, PITRE & McCARTHY, LLP



A large, stylized handwritten signature in black ink, appearing to read 'Joe Cotchett', is written over a horizontal line. The signature is highly cursive and loops around itself.

JOSEPH W. COTCHETT
Attorneys for Plaintiffs

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EXHIBIT 1

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

OF

MAGNETIC IMAGING AFFILIATES
A California Limited Partnership

This First Amendment to Limited Partnership Agreement of Magnetic Imaging Affiliates, a California limited partnership (the "Partnership"), is made effective this 1st day of October, 1990, between the undersigned General Partners and Limited Partners holding at least two-thirds of the Limited Partners' partnership interests in profits.

WHEREAS, the Partnership was formed pursuant to that written Partnership Agreement of Magnetic Imaging Affiliates, which provides that it may be amended with the approval of Limited Partners owning two-thirds of the Limited Partners' partnership interests in profits as of the time of such approval, and

WHEREAS, the undersigned General Partners and Limited Partners holding the necessary interest in profits as of the date hereof now desire to amend the Partnership Agreement,

The Partnership Agreement of Magnetic Imaging Affiliates, a California limited partnership (the "Partnership Agreement") is hereby amended as follows:

Section 1

DEFINITIONS

When used in this Agreement, the following terms shall have the meanings set forth in this section. All defined terms shall include the singular and plural forms of the term.

1.01 Act. The California Revised Limited Partnership Act, as set forth in Title 2, Chapter 3 of the California Corporations Code, as amended.

1.02 Adjusted Capital Account Deficit. With respect to any limited partner, Adjusted Capital Account Deficit shall mean the deficit balance, if any, in such Limited Partner's capital account as of the end of the relevant fiscal year, after giving effect to the following adjustments: (i) credit to such capital account of any amounts which such Limited Partner is obligated to restore or is deemed to be obligated to restore pursuant to the next to last sentence of the Treasury Regulations Section 1.704-1T(b)(4)(iv)(f); and (ii) debit to such capital account the items described in Sections 1.704-1(b)(2)(i)(d)(4), (5) and (6) of the

Regulations. This definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

1.03 Adjusted Invested Capital. The Invested Capital of a Partner, less all amounts distributed to that Partner in reduction of the Partnership capital pursuant to Section 5.02.a, provided that Adjusted Invested Capital shall not be reduced below zero.

1.04 Affiliate. (i) Any Person directly or indirectly controlling, controlled by or under common control with another Person, (ii) any Person owning or controlling 10% or more of the outstanding voting securities or equity interests of another Person, (iii) any officer, director, employee or partner of an affiliated Person, or (iv) any Person for which a Person acts as an officer, director or partner. Control means the direct or indirect possession of the power to direct or cause the direction of management and policies of a Person, whether through the ownership of voting securities or equity interests, by contract or otherwise.

1.05 Agreement. This Limited Partnership Agreement, as amended and restated.

1.06 Allocation. Allocations of the Partnership's Net Income, Net Losses, and other items of gain, losses, or credit, made for federal income tax purposes and shown in the Partnership's federal income tax return.

1.07 Assignee. A Person who has acquired a beneficial interest in the Partnership from a Limited Partner in compliance with the terms of this Agreement, but who is not a substituted Limited Partner.

1.08 Assignment. The assignment of a Limited Partner's right to receive Allocations and Distributions from the Partnership.

1.09 Bankruptcy. The institution of any proceedings under federal or state laws for relief of debtors, including the filing of a voluntary or involuntary petition under the federal Bankruptcy law; or an adjudication as an insolvent or bankrupt; or an assignment of property for the benefit of creditors; or the appointment of a receiver, trustee, or conservator of any substantial portion of assets; or the seizure by a sheriff, receiver, trustee, or conservator of any substantial portion of assets.

1.10 Capital Account. The account maintained for each Partner in accordance with Section 4.

1.11 Cash Available for Distribution. Net cash generated by the Partnership's business operations and miscellaneous sources, including cash or property realized from the sale, exchange, refinancing or other disposition of the Partnership's interest in any assets held by the Partnership, after payment of cash expenditures, fees for services including to the General Partners and their affiliates as provided herein, retirement of or provision for existing debt, debt service, operating expenses, amounts set aside for reserves, amounts invested for Partnership purposes and payment of all expenses related to any sale, exchange or disposition resulting in such proceeds; provided, however, that such net cash shall not be reinvested and shall be considered Cash Available for Distribution as further set out in Section 5.03.

1.12 CCC. Comprehensive Cancer Centers, Inc., a Limited Partner in the Partnership.

1.13 Code. The Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent revenue laws.

1.14 Distribution. Any cash or other property distributed to the Partners arising from their interests in the Partnership (net of liabilities secured by distributed property that the Partner is considered to take or assume subject to Section 752 of the Code), other than payments to Partners for services or as repayment of loans.

1.15 Event of Dissolution. An Event of Dissolution as set forth in Section 3.02.b.

1.16 General Partners. Alta Bates-Herrick Hospital, Children's Hospital Medical Center of Northern California, Alameda Hospital, Alta Imaging Medical Group, Inc. and Alta Imaging Investment Group, or any Person succeeding any entity as a General Partner or any subsequently admitted General Partner.

1.17 General Partners' Percentage Interests. The General Partners' Percentage Interests are as set forth on Exhibit A attached hereto, which shall be amended by the General Partners as appropriate to reflect capital contributions by any General Partner(s) following formation of the Partnership, and any other adjustments agreed upon by the General Partners.

1.18 Gross Asset Value. Gross Asset Value shall have the meaning as set out in Section 4.05.c.

1.19 Initial Limited Partner. A Limited Partner who acquired Units pursuant to the Initial Offering, or any transferee or successor to such Limited Partner.

1.20 Initial Offering. The first offering by which Units in the Partnership were sold.

1.21 Invested Capital. The cash and agreed value of any property contributed to the Partnership by a Partner as capital when the Partnership is formed or at any later date pursuant to the terms of this Agreement. Non-cash capital contributions shall be valued at their fair market value at the time of contribution (net of any liabilities secured by such property that the Partnership is considered to assume or take subject to or under Section 752 of the Code).

1.22 Limited Partner. Each of the Persons who has been admitted to this Partnership as a Limited Partner in accordance with this Agreement, and any Person who becomes a Limited Partner by substitution after receiving an assignment from a Limited Partner with the consent of the General Partners.

1.23 Limited Partner's Percentage Interest. The Percentage Interest of a Limited Partner in the Partnership, or the Limited Partner's Percentage Interest, shall be determined by dividing the total number of Limited Partnership Units owned by such partner by the total number of Limited Partnership Units then issued.

1.24 Majority-in-Interest of the Limited Partners. The affirmative vote or consent of Limited Partners holding more than 50% of the Limited Partners' Percentage Interests in the Partnership.

1.25 Medical Group. Alta Imaging Medical Group, Inc., a California professional corporation.

1.26 Net Income and Net Losses. Except for Capital Account maintenance purposes, "Net Income and Net Losses" shall mean the net income and net loss, respectively, of the Partnership as determined for federal income tax reporting purposes.

1.27 Offering Memorandum. Any Offering Memorandum by which Units in the Partnership are sold.

1.28 Partner. Any Person who is a Limited or General Partner in the Partnership.

1.29 Partnership. The limited partnership formed pursuant to this Agreement.

1.30 Partnership Equipment. The magnetic resonance imaging equipment and peripherals located at the facility or facilities operated by the Partnership.

1.31 Partnership Minimum Gain. Partnership Minimum Gain has the meaning set forth in Regulations Section 1.704-1T(b)(4)(iv)(c).

1.32 Person. Any natural person, partnership, corporation, trust, association or other legal entity.

1.33 Reserves. A sum of money retained by the Partnership for current and future operating expenses, debt service, capital improvements, contingencies, emergencies and foreseeable capital replacements, as described in Section 4.06.

1.34 Regulations. Final Regulations as issued by the U.S. Treasury Department under Subsection 704(b) of the Code.

1.35 Second Offering. The second offering of Units in the Partnership pursuant to that Offering Memorandum dated October 15, 1990, by which 88 additional Units in the Partnership are sold, and the concurrent sale of 72 additional Units pursuant to Section 2.10.c.

1.36 Subscription Agreement. The Subscription Agreement included in the Subscription Package, provided together with any Offering Memorandum by which Units in this Partnership are sold, which incorporates by reference the terms and conditions of this Agreement.

1.37 Suitability Standards. The minimum standards for qualification for Persons to become a Limited Partner, as set out in the Offering Memorandum by which Units in this Partnership are sold.

1.38 Units. A "Unit" shall mean the interest of a Limited Partner in the Partnership representing a capital contribution by Initial Limited Partners of \$5,000 per Unit purchased. Pursuant to this Amended and Restated Partnership Agreement, the Units of the Initial Limited Partners are split on a 4 for 1 basis. Units issued to Limited Partners purchasing pursuant to and concurrently with the Second Offering represent a capital contribution of \$5,625 per Unit purchased.

Section 2

FORMATION AND ORGANIZATION

2.01 Formation. The Partners hereby have formed a limited partnership pursuant to the provisions of the Act and the Partnership Agreement as of January 11, 1985. The provisions of this Amended and Restated Partnership Agreement shall operate prospectively from its effective date.

2.02 Identity of Partners and Interests. The names, addresses, Invested Capital and Percentage Interests of the

Partners are set out on Exhibit "A" attached hereto. Exhibit "A" shall be amended by the General Partners from time to time to reflect changes in Partners, Percentage Interests and the addition of Partners as provided herein.

2.03 Certificate. A Certificate of Limited Partnership under Section 15621 of the California Corporations Code shall be prepared by the General Partners, and filed in the office of the California Secretary of State.

2.04 Purpose. The purpose of the Partnership is to operate a facility or facilities to provide magnetic resonance imaging services, and to acquire, own, operate, purchase, lease, hire, contract for, sell, trade or otherwise manage and deal with such premises, including real property, and equipment, including magnetic resonance imaging scanning equipment, and personnel which are necessary and incidental to such purpose. The Partnership purpose shall also include the purchasing and financing from time to time of additional or updated diagnostic imaging equipment, communications and computer equipment and peripherals which the General Partners reasonably believe to be in the best interests of the Partnership. Partnership funds not so invested may be placed in insured bank or savings and loan deposits, certificates of deposit, government securities, high grade commercial paper or money market accounts. The Partnership may do all things necessary, in the opinion of the General Partners, and not prohibited by this Agreement or by law, to accomplish the purposes of the Partnership.

2.05 Name. The name of the Partnership shall be "Magnetic Imaging Affiliates, A California Limited Partnership" or such other name as the General Partners may choose.

2.06 Place of Business. The principal place of business for the Partnership shall be 5730 Telegraph Avenue, Oakland, California, or such other place as the General Partners may choose.

2.07 Agent for Service of Process. The agent for service of process shall be Children's Hospital Medical Center of Northern California, or such other agent as shall be designated from time to time by the General Partners.

2.08 Admission of Limited Partners. A Person meeting the Suitability Standards will be admitted as a Limited Partner as follows:

2.08.a Procedure for Admission. A Person who has:
(i) signed a counterpart copy of this Agreement or Investor Acknowledgement Letter provided in the Subscription Package;
(ii) caused his or her spouse, if any, to sign a consent to the terms of this Agreement in the form provided in the Subscription

Package with respect to the interest of any married Limited Partner; (iii) completed and signed the appropriate Subscription Agreement and Suitability Letter provided in the Subscription Package; (iv) made the required payment of Invested Capital; and (v) been accepted by the General Partners to become a Limited Partner, will be admitted and become a Limited Partner after completion of steps (i) through (v), commencement of the Partnership Term and receipt of the Offering Amount.

2.08.b Rejection of Subscriptions. The General Partners in their discretion may reject the subscription of any Person received pursuant to an Offering as a Limited Partner.

2.08.c Additional Rules for Admission. The General Partners may establish additional reasonable rules and procedures for the admission of additional or substitute Limited Partners not otherwise inconsistent with this Agreement.

2.08.d Purchase of Units by General Partners. The General Partners may purchase Units in any Offering and hold interests in the Partnership as Limited Partners.

2.08.e Subsequent Offerings. The General Partners may raise additional capital which they reasonably deem is required for Partnership operations by subsequent offerings of additional Units in the Partnership. Persons who purchase limited partnership interests in subsequent offerings, if any, shall be admitted and become Limited Partners according to the terms of any such later offering.

2.09 Trust Account.

2.09.a Establishment of Trust Account. Until receipt of the full or minimum amount of an offering and the completed and signed Subscription Package from Investors who are qualified for admission as Limited Partners under Section 2.08, the Invested Capital raised in an offering shall be deposited in one or more federally insured interest-bearing bank trust account(s). All interest will accrue to the Partnership, unless the Invested Capital of the Limited Partners is returned to them, pursuant to subsection 2.09.b.

2.09.b Use of Invested Capital. When the offering is fully subscribed and the conditions in Section 2.08.a are satisfied, the Persons contributing the Invested Capital shall be admitted as Limited Partners, and the General Partners are then authorized to transfer the Invested Capital to the Partnership's bank account(s) and to expend such funds for Partnership purposes, including reimbursement of organizational and offering expenses. In the event the offering is not fully subscribed by the date the offering terminates as provided in the Offering

Memorandum, all Invested Capital held in trust account(s) shall be returned to the Limited Partners, with accrued interest.

2.10 Splitting of Units, Additional Capital Contributions and Second Offering of Units.

2.10.a Splitting of Existing Units. Immediately following the effective date of this Amended and Restated Partnership Agreement, the General Partners shall issue three additional Units to each Initial Limited Partner for each Unit of partnership interest then held by such Limited Partner, and shall then cause the Partnership records to reflect that there are a total of 768 issued Units.

2.10.b Offering of Additional Units. Following the splitting of existing Units pursuant to Section 2.10.a above, the General Partners shall offer for sale on terms equally available to potential investors a total of 88 Units at a price of \$5,625 for each Unit, or a total offering of \$495,000 in Units.

2.10.c Sale of Units to Children's Hospital and Comprehensive Cancer Centers, Inc. Concurrently with the sale of an additional \$495,000 in Units, or in the discretion of the General Partners if such Units are not completely sold by the date established for close of the Second Offering, the General Partners shall sell to and issue a total of 18 Units to Children's Hospital Medical Center of Northern California, a General Partner, for a purchase price of \$101,250, and a total of 54 Units to Comprehensive Cancer Centers, Inc., for a purchase price of \$303,750.

Section 3

TERM

3.01 Commencement. The Partnership Term shall begin on admission of the Initial Limited Partners pursuant to Section 2.08.a, and upon filing the Certificate of Limited Partnership with the Secretary of State.

3.02 Dissolution.

3.02.a Term. The Partnership term is thirty years from the date specified in Section 3.01.

3.02.b Event of Dissolution. The Partnership shall dissolve prior to the end of its term on the occurrence of any of the following Events of Dissolution:

(i) Election to dissolve by the Partners pursuant to Subsection 10.02.a(vii), or by the General Partners pursuant to Section 14.03.

(ii) Sale of all or substantially all of the assets of the Partnership pursuant to subsection 10.02.a(iv).

(iii) All General Partners cease to be General Partners, other than by removal pursuant to Section 11.01.c.

(iv) The General Partners are removed by the Limited Partners pursuant to Section 11.01.c and the Limited Partners do not vote to reconstitute the Partnership pursuant to Section 3.03.b.

3.02.c Effect of Events of Dissolution. The occurrence of an Event of Dissolution shall dissolve the Partnership and the agency relationship between the Limited Partners and the General Partners. Following dissolution the Partnership's assets shall be liquidated and the proceeds distributed as provided in Section 5.04.

3.03 Reconstitution.

3.03.a Other Than Upon Removal. Upon the occurrence of an Event of Dissolution pursuant to Subsection 3.02.b(iii) in which all General Partners cease to be General Partners other than by removal, the decision to admit a new General Partner or General Partners, or to continue the business of the Partnership must be approved by the affirmative vote of all the Limited Partners.

3.03.b Upon Removal. On the occurrence of an Event of Dissolution pursuant to Subsection 3.02.b(iv), the Limited Partners may continue the Partnership with a new General Partner or General Partners elected by a Majority-In-Interest of the Limited Partners.

3.04 Liquidation on Dissolution. On dissolution of the Partnership without reconstitution, the business of the Partnership shall be wound up by the General Partners, the assets liquidated, and the proceeds applied as specified in Section 5.04. All Distributions to Partners in liquidation of the Partnership or of any Partner's interest in the Partnership shall be pro rata in accordance with the positive balance in the Capital Account of each Partner whose interest is being liquidated after all adjustments to such account for the taxable year of the Partnership during which the liquidation occurs as are required by United States Income Tax Regulations Section 1.704-1(b), such adjustments to be made within the time specified in such Regulations, until the Capital Accounts of all Partners are at zero or are no greater than zero.

Section 4

CAPITAL AND PARTNERSHIP INTERESTS

4.01 Limited Partners' Capital Contributions. Each Limited Partner shall make an initial capital contribution of cash in the amount specified in the Offering Memorandum by which such Units are sold. The General Partners may, in their sole discretion, permit a Limited Partner to purchase less than a full Unit or less than the minimum number of Units specified in the Offering Memorandum. The General Partners, in their sole discretion, may accept or reject the subscription of a prospective Limited Partner, in whole or in part.

4.02 Additional Limited Partners. Additional Limited Partners may be admitted to the Partnership on an individual basis or pursuant to subsequent offerings, on such terms and conditions as agreed upon by the General Partners. Additional Limited Partners shall be admitted upon completing the requirements specified in Section 2.08.a and upon their contribution of Invested Capital.

4.03 Withdrawal of Capital. No Limited Partner shall have the right or power to withdraw capital from the Partnership or reduce his capital account except as provided in this Agreement.

4.04 Interest. No interest shall be paid on any capital contribution except as provided herein.

4.05 Capital Accounts.

4.05.a Maintenance of Capital Accounts. Capital Accounts shall be established and maintained for each Partner. Each Partner's Capital Account shall be maintained on a book basis in accordance with the provisions of Section 1.704-1(b)(2)(iv) of the Regulations and will be determined as follows:

(i) To each Partner's Capital Account there shall be credited the amount of money and the initial Gross Asset Value of any property (other than money) contributed by such Partner to the Partnership, such Partner's distributive share of Partnership Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 5, and the amount of any Partnership liabilities that are assumed by such Partner or that are secured by any Partnership property, distributed to such Partner.

(ii) Each Partner's Capital Account shall be debited the amount of cash and the Gross Asset Value of any Partnership property distributed to such Partner pursuant to any

provision of this Agreement, such Partner's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 5 and the amount of any liabilities of such Partner that are assumed by the Partnership or that are secured by any property contributed by such Partner to the Partnership.

In the event any interest in the Partnership is assigned or transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

In determining the amount of any liability for proposes of subsections (i) and (ii) in the first paragraph of this Section 4.05.a, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and the Treasury Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulation Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulation. In the event the General Partners shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership or the Partners), are computed in order to comply with such Regulations, the General Partners may make such modification, provided that it is not likely to have a material effect on the cumulative amounts distributable to any Partner pursuant to Section 3 hereof through the dissolution of the Partnership. The General Partners also shall make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulation Section 1.704-1(b).

4.05.b Income and Losses. "Income" and "Losses" for Capital Account maintenance purposes pursuant to this Section 4 means, for each fiscal year or other period, an amount equal to the Partnership's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing income or losses pursuant to this Section 4.05.b shall be added to such taxable income or loss;

(ii) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Income or Losses pursuant to this Section, shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to Section 4.05.c(ii) or (iii), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Income or Losses;

(iv) Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account depreciation for such fiscal year or other period, computed in accordance with Section 4.05.d below; and

(vi) Notwithstanding any other provision of this Section 4.05.b, any items which are specially allocated pursuant to Section 5.01.f shall not be taken into account in computing Income and Losses.

4.05.c Gross Asset Value. For purposes of this Agreement, "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the General Partners;

(ii) The Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by the General Partners, as of the following times: (a) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis capital contribution; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership if the General Partners reasonably determine that such an adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

and (c) the liquidation of the Partnership within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g); and.

(iii) The Gross Asset Value of any Partnership asset distributed to any Partner shall be the gross fair market value of such asset on the date of distribution. If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section 4.05.c(i) or 4.05.c(ii) above, such Gross Asset Value shall thereafter be adjusted by the depreciation taken into account with respect to such asset for purposes of computing income and losses.

4.05.d Depreciation. For purposes of this Article, "depreciation" means, for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis.

4.06 Reserves. Initially, Reserves in an amount determined by the General Partners shall be retained out of Invested Capital. When the initial Reserves are reduced, the General Partners may replace the Reserves out of cash generated by the net proceeds from the Partnership's business operations and miscellaneous sources, including additional offerings. Reserves remaining on dissolution of the Partnership shall be held until the final liquidation of the Partnership and then distributed to the Partners in accordance with Section 5.04.

Section 5

ALLOCATIONS AND DISTRIBUTIONS

5.01 Allocation of Net Income and Net Losses. Net Income and Net Losses shall be allocated in the following order of priority:

5.01.a Priority Allocations. Net Income and Net Losses shall first be allocated 99% to the Limited Partners in proportion to their Investment Units and 1% to the General Partners in proportion to their General Partners' Percentage Interests until the Initial Limited Partners have been allocated cumulative Net Income from the commencement of the Partnership, equal to 100% of the aggregate amount of Invested Capital contributed by the Initial Limited Partners pursuant to the

Initial Offering, subject to the remaining allocation provisions set forth in this Section 5.01.

5.01.b General Allocations. Thereafter, Net Income and Net Losses shall be allocated 60% to all Limited Partners in proportion to their Investment Units and 40% to the General Partners in proportion to the General Partners' Percentage Interests, subject to the remaining allocation provisions set forth in this Section 5.01.

5.01.c Qualified Income Offset. Except as provided in Section 5.01.g, in the event any Partner unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specially allocated to each such Partner (allocated among several Partners in proportion to their respective deficit balances) in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible. It is the intention of the parties hereto that the allocations pursuant to this Section 5.01.d constitute a "qualified income offset" as that term is defined in Regulation Section 1.704-1(b)(2)(ii)(d).

5.01.d Allocations with Respect to Negative Capital Accounts. Except as provided in Section 5.01.e below, in the event any Partner has a deficit Capital Account at the end of any Partnership fiscal year which is in excess of the sum of (i) the amount such Partner is obligated to restore, and (ii) the amount such Partner is deemed to be obligated to restore pursuant to the next to last sentence of Regulation 1.704-1(b)(4)(iv)(f), each such Partner shall be specially allocated items of Partnership income and gain in an amount of such excess as quickly as possible. In addition, if an allocation of loss or deduction, or item thereof, would, if allocated in accordance with Section 5.01.a or 5.01.b, create or increase a deficit balance in the Capital Account of a Limited Partner (determined after the adjustment specified in paragraphs (4) through (6) of Regulation Section 1.704-1(b)(2)(ii)(d)(2) in excess of that Limited Partner's share of minimum gain as determined in accordance with Regulation Section 1.704-1T(b)(4)(iv)(f), such loss or deduction or item thereof shall not be allocated to the Limited Partner and shall be allocated to the General Partners in accordance with their General Partner's Percentage Interests.

5.01.e Minimum Gain Chargeback. Notwithstanding any other provision of this Section 5.01, if there is a net decrease in Partnership Minimum Gain during any Partnership fiscal year, income or gain shall be allocated to the Partners in the proportions and to the extent required by Regulation Section 1.704-1T(b)(4)(iv)(e). This Section 5.01.c is intended to comply with the minimum gain chargeback requirement in Regulations

Section 1.704-1T(b)(4)(iv)(e) and shall be interpreted consistently therewith.

5.01.f 704(c) Allocations. In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Gross Asset Value.

In the event the Gross Asset Value of any Partnership property is adjusted pursuant to Section 4.05.c hereof, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the General Partners in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.01.f are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing any Partner's Capital Account or share of Net Income, Net Losses, other items, or Distributions pursuant to any provision of this Agreement.

5.01.g Curative Allocations. The allocations set forth in Sections 5.01.c, 5.01.d and 5.01.e above (the "Regulatory Allocations") are intended to comply with certain requirements of Section 1.704-1(b) of the Regulations. The Regulatory Allocations may not be consistent with the manner in which the Partners intend to divide Partnership distributions. Accordingly, the General Partner is hereby authorized to divide other allocations of Net Income, Net Losses, Gain, Loss From Sale and other items among the Partners so as to prevent the Regulatory Allocations from distorting the manner in which Partnership distributions will be divided among the Partners pursuant to Section 5.04. In general, the Partners anticipate that this will be accomplished by specially allocating other Net Income, Net Losses, Gain, Loss From Sale and items of income, gain, loss and deduction among the Partners so that the net amount of the Regulatory Allocations to each such Person is zero. However, the General Partners shall have the discretion to accomplish this result in any reasonable manner.

5.02 Distributions. Cash Available for Distribution shall be distributed in the following order of priority:

5.02.a First Priority Distribution. 99% to the Limited Partners in proportion to their Investment Units, and 1% to the General Partners in proportion to the General Partners' Percentage Interests until an amount of cash has been distributed to the Initial Limited Partners equal to 100% of the aggregate amount of Invested Capital contributed by the Initial Limited Partners pursuant to the Initial Offering; and

5.02.b General Distributions. Thereafter, Cash Available for Distribution shall be distributed 60% to the Limited Partners in proportion to their Investment Units, and 40% to the General Partners in proportion to the General Partners' Percentage Interests.

5.02.c Distributions Following the Second Offering. Notwithstanding the foregoing, as of the date of the closing of the Second Offering, all cash available for Distribution to Limited Partners as described in Section 1.11 which resulted from operations prior to the closing, shall be distributed to the Initial Limited Partners in the same manner and proportion as if the additional Units sold pursuant to the Second Offering had not been issued. Cash available for Distribution accruing from operations occurring after the date of the closing of the Second Offering shall be distributed and allocated to the Partners as otherwise set out herein.

5.03 Minimum Distributions. Notwithstanding the definition of "Cash Available for Distribution" in Section 1.11, the General Partners shall not reinvest net cash from operations (other than as is necessary for reserves), but shall consider such net cash as Cash Available for Distribution to the Partners for any year in which Partnership Net Income exceeds Distributions, to the extent that increased Distributions are necessary to cause total Distributions to equal the sum of the top marginal federal and California income tax rates in effect for that year times total Net Income.

5.04 Distributions Upon Liquidation. Proceeds of liquidation shall be applied in the following order: (i) payment of Partnership debts, including debts to creditors who are Partners and expenses of the liquidation; (ii) creation of a trust account with a reasonable reserve, as determined by the General Partners, for payment of contingent liabilities and expenses; (iii) prorata in accordance with the positive balance in the Partners' Capital Accounts as further specified in Section 3.04.

5.05 Limitation on Losses and Liabilities of Limited Partners. No Limited Partner shall be liable for or subject to any obligations, losses, debts or liabilities of the Partnership in excess of the amount of his Invested Capital. Any losses of the Partnership in an amount exceeding the amount of the Invested

Capital of the Partnership shall be borne by the General Partners.

5.06 Return of Distribution. To the extent that any Distribution was made in violation of California Corporations Code Section 15666, each Partner shall be required to return his respective share of the Distribution made in violation of Section 15666.

5.07 Certificate of Dissolution. The General Partners shall cause to be filed with the Secretary of State, in accordance with the requirements of the Act, a Certificate of Dissolution and, upon the completion of the winding up of the affairs of the Partnership, a certificate of cancellation of the Certificate of Partnership.

5.08 Waiver of Right to Court Decree of Dissolution. Each Partner agrees that he shall not dissolve or cause the dissolution of the Partnership, whether by court action or otherwise, except under the circumstances specified in this Agreement, or cause a partition of any of the Partnership's property, whether by court action or otherwise; it being agreed that any such action would cause a substantial hardship to the Partnership and would be in breach and contravention of this Agreement.

Section 6

TRANSACTIONS WITH PARTNERS OR AFFILIATES AND COMPETITION

6.01 General Partners' Reimbursement. The General Partners may collectively receive a total fee for their management services of up to 2% of annual gross collections of the Partnership, which shall be allocated among the then-acting General Partners in proportion to the General Partners' Percentage Interests. The General Partners shall receive no other payments or fees from the Partnership except as specifically set forth in this Agreement.

6.02 Transactions with Affiliates. The Partners acknowledge that the Partnership will enter into or assume obligations under the agreements described in this Section 6.02 and each of the Partners approves the execution, delivery and performance of all agreements, acts, transactions or matters described herein and authorizes the execution of the appropriate documents and agreements by the General Partners or the taking of such actions by the General Partners on behalf of the Partnership, without any further approval of the Limited Partners.

6.02.a Professional Services Agreement. The Partnership has entered into an agreement with Medical Group to

provide the Partnership with the services of radiologists as required for operation of its facilities.

6.02.b Cancer Center Services Agreement. The Partnership will enter into an agreement with CCC, with which the Partnership has an agreement to sell Units, to provide MRI services to the facility operated by CCC located on the Herrick Hospital campus of Alta Bates-Herrick Hospital, a General Partner.

6.02.c Premises Lease. The Partnership will enter into a lease for premises with Alta Bates Corporation, an affiliate of Alta Bates-Herrick Hospital, a general partner, or with Alta Bates-Herrick Hospital, for its Telegraph Avenue facility.

6.02.d Management Services. The Partnership may enter into agreements with Alta Medical Management Company, an affiliate of Alta Imaging Investment Group and Alta Imaging Medical Group, Inc., General Partners, and/or with Alta Imaging Investment Group, for the provision of management and technical personnel, or for such other services as the general partners deem appropriate.

6.03 Validity of Actions.

6.03.a Good Faith Actions. The General Partners or any Affiliate of a General Partner may, directly or indirectly, deal with the Partnership in connection with carrying out the business of the Partnership. The General Partners or any Affiliate of a General Partner may act as an independent contractor or as an agent for others, and may receive from others, or the Partnership, profits, compensation, commissions or other amounts which the General Partners in good faith believe to be reasonable, without having to account to the Partnership therefor.

6.03.b Defense to Invalidity. The satisfaction of any one of the following conditions shall be a complete defense to any claim of invalidity or for damages or other relief with respect to any agreement or transaction between the Partnership and a General Partner or any Affiliate of a General Partner based upon the fact that the General Partner or any such Affiliate is a party thereto:

(i) The material facts of the transaction and the relationship or interest of the General Partner or an Affiliate of the General Partner are fully disclosed to the Limited Partners and the transaction is approved by a Majority of the Limited Partners; or

(ii) The transaction is fair to the Partnership at the time it is approved by the General Partners.

6.04 Loans by a General Partner. If a General Partner or an Affiliate of a General Partner, with the prior consent of the General Partners, makes any loan to the Partnership or advances money on its behalf, the loan or advance shall not increase the Capital Account of the General Partner, or entitle the General Partner to any greater share of Partnership Allocations or Distributions. The amount of the loan or advance shall be a debt owed by the Partnership, repayable on the terms and conditions and bearing interest at a market rate agreed upon by the lender and the General Partners.

6.05 Prohibited Activities of Comprehensive Cancer Centers, Inc.

In exchange for the agreement of the Partnership to issue 54 Units to Comprehensive Cancer Centers, Inc. ("CCC"), CCC, its affiliates, officers, directors and assigns, agrees not to engage in any activities of the same nature as the business of the Partnership, or which may be construed as competitive with the business of the Partnership, directly or indirectly, within the boundaries of Alameda and Contra Costa Counties, without the prior written consent of the General Partners. Utilizing the services of an MRI facility not affiliated with CCC shall not be deemed competitive with the business of the Partnership. Notwithstanding the foregoing, the parties acknowledge that CCC may consider development of additional outpatient cancer center facilities in either county which may require MRI services. In the event that CCC determines that a MRI scanner should be placed in such a facility, the Partnership shall have the option to provide MRI services and equipment to such facility to the extent this is not precluded by specific written agreements affecting such location or facility. The ability of the Partnership to provide such MRI services shall include the right to purchase or lease, in whole or in part, at its option, the scanner to be used at such facility. The scanner and related equipment which the Partnership has the right to provide under this Section shall be determined in consultation with the Partnership and shall be reasonable in type and cost for the anticipated needs of the Facility.

Notwithstanding the foregoing, if a facility CCC desires to develop is not included in that portion of said counties the boundaries of which are the San Francisco Bay to the west, Highway 4 to the north, Highway 680 to the east, Highways 580 and 238 and the boundary between the cities of San Leandro and San Lorenzo to the south, and in addition any part of the City of Walnut Creek, and if CCC is unable to accomplish the development of such a center outside of such area without arranging to use MRI Services provided by persons or entities other than the

Partnership, by reason of the reasonable needs or concerns of other parties over which CCC has no control which are material to the development of the center, and following good faith efforts of CCC to negotiate the use of the Partnership for provision of MRI Services to such center, CCC may thereafter proceed with development of such center without an option in the Partnership to provide the Services, following provision of 15 days written notice of the Partnership of such intent.

The Partnership must exercise its option to provide MRI services by providing notice in writing to CCC of its intent to pursue investigation into the provision of such services to the facility within ten days of receipt of written notice by CCC concerning such facility; and by further notice in writing to CCC of its intent to provide or not to provide such services within 45 days of receipt of the original notice from CCC. In the event the Partnership does not elect to provide MRI services as provided hereunder, CCC may proceed to provide the MRI services at such other facility, notwithstanding any other provision of this Section.

This Section prohibiting competitive activities of CCC shall be in effect during any period in which CCC is a Partner of the Partnership and/or during any period during which the Partnership has an agreement for the provision of MRI services in effect with CCC with respect to its Herrick Hospital campus facility, and for a period of two years after the end of either period, whichever occurs later; provided, however, that in the event the MRI services agreement with the Partnership is terminated by CCC for cause, and CCC thereafter transfers its interest in the Partnership to a person or entity then unaffiliated with CCC, this provision prohibiting competitive activity shall cease to be in effect immediately following completion of such transfer. Utilizing the services of an MRI facility not affiliated with CCC shall not be deemed competitive for purposes of this Section. Notwithstanding the foregoing, in the event of the acquisition by CCC of another entity or of CCC by another entity, or of merger by CCC with another entity, which entity is currently unaffiliated with CCC and which then owns or operates any enterprise which is competitive with the Partnership, such ownership or operation of competitive services in the form and at the level provided prior to the acquisition or merger shall not be deemed a violation of this Section. For purposes of this Section, an entity shall not be deemed affiliated if it is one over which another entity does not have direct or indirect control, including substantial influence over management and conduct of such entity through other related or affiliated co-owners or directors, legal rights under applicable laws or agreements, or otherwise; and passive investment in such a non-affiliated entity shall not be deemed a violation of this Section.

Section 7

PARTNERSHIP EXPENSES

7.01 Non-reimbursable Expenses. Except as provided in Sections 6.01 and 7.02, the General Partners shall not be reimbursed by the Partnership for overhead expenses of the General Partners.

7.02 Reimbursable Expenses. The Partnership shall reimburse the General Partners or their Affiliates for (i) the actual cost of goods and materials used for or by the Partnership; (ii) organizational and operational expenses including, without limitation, legal and accounting fees, consulting fees to affiliates, and all such fees incurred in the acquisition of the Partnership assets by the Partnership; (iii) leasehold improvements, deposits, pre-paid lease or financing expenses, operational costs, and equipment-related expenses incurred by the General Partners or their Affiliates on behalf of the Partnership; and (iv) all salaries, compensation, and fringe benefits of personnel employed or retained by the Partnership including individuals who may also be employees of the General Partners or their Affiliates.

Section 8

BOOKS AND RECORDS, ACCOUNTING

8.01 Records. The General Partners shall keep at the Partnership's mailing address, proper books, records, reports and accounts in which all of the transactions of the Partnership are fairly presented. Such books and records shall include:

8.01.a List of Partners. A current list of the full name and last known business or residence address of each Partner, together with the Invested Capital and Investment Units of each Partner.

8.01.b Certificate. A copy of the Certificate of Limited Partnership and all amendments to the Certificate, and executed copies of any powers of attorney pursuant to which any Certificate has been executed.

8.01.c Tax Returns. Copies of the Partnership's federal, state, and local income tax or information returns and reports, if any, for its six most recent years.

8.01.d Agreement. Copies of this Agreement and all Amendments to this Agreement.

8.01.e Financial Statements. Financial statements of the Partnership for its six most recent tax years.

8.01.f Books and Records. The Partnership's books and records for its current year and past six tax years.

8.02 Delivery of Records to Limited Partner and Inspection.

8.02.a Delivery of Records. On the request of a Limited Partner, the General Partners shall promptly deliver to the Limited Partner, at the expense of the Partnership, a copy of the information required by Sections 8.01.a, 8.01.b or 8.01.d.

8.02.b Inspection of Records. A Limited Partner has the right, on reasonable notice, to inspect and copy during normal business hours any of the Partnership records required to be maintained by Section 8.01 and obtain from the General Partners, promptly after they are available, a copy of the Partnership's federal, state, and local income tax or informational returns for each year.

8.03 Reports.

8.03.a Tax Information. The General Partners shall send to each Limited Partner, within ninety days after the end of each tax year, the information necessary for the Partner to complete his federal and state income tax or informational returns.

8.03.b Thirty-Five or Fewer Partners. If there are thirty-five or fewer Limited Partners, the General Partners shall send to each Limited Partner within ninety days after the end of each tax year a complete copy of the Partnership's federal, state, and local income tax or information returns for the year.

8.03.c More Than Thirty-Five Partners. If there are more than thirty-five Limited Partners:

(i) The General Partners shall cause an annual financial report to be sent to each Limited Partner not later than one hundred and twenty days after the close of each tax year, which shall contain a balance sheet as of the end of the tax year, an income statement, and a statement of changes in financial position for the tax year.

(ii) Limited Partners holding at least 5% of the Investment Units held by all the Limited Partners may make a written request to the General Partners for an income statement and a balance sheet of the Partnership for the initial

three-month, six-month, or nine-month period of the current tax year. The request shall not be made earlier than thirty days after the end of the period for which the information is requested. The General Partners shall send the statement to the Limited Partners within thirty days after the request.

(iii) The financial statements referred to in this Section 8.03.c shall be accompanied by the report, if any, of the independent accountants engaged by the Partnership or, if there is no such report, the certificate of a General Partners that such financial statements were prepared without audit from the books and records of the Partnership.

8.04 Tax Returns. The Partnership's tax year or fiscal year shall be the calendar year. The Partnership's accountants shall be instructed to prepare and file all required income tax returns for the Partnership. The General Partners shall make any tax election necessary for completion of the Partnership's return. The General Partners shall be the tax matters partners for purposes of Section 6231(a)(7) of the Code.

8.05 Method of Accounting. The Partnership shall report its income on the cash method of accounting for tax purposes; however, the General Partners may change this method following recommendation from the Partnership's accountants.

8.06 Accounting with Reference to Admission of New Partners. If additional Limited Partners are admitted to the Partnership during a year, Net Profits, Net Losses (including investment tax credit) and Cash Available for Distribution shall be allocated among the Limited Partners in a manner that takes into account their varying interests in the Partnership during that year.

8.07 Accounting with Reference to Transferred Units. If any Units in the Partnership are transferred, the income, deductions or credits of the year of transfer attributable to the Units transferred shall be allocated between the transferor and the transferee of such Units in accordance with their pro rata shares of those items calculated under a reasonable method to be determined in the General Partners' absolute discretion. After the offering of Units has terminated, the General Partners may require that income, deductions, credits and cash distributions with reference to Units transferred by a Limited Partner be allocated to a transferee only as of the beginning of the next calendar quarter, and the General Partners shall bear no liability for so requiring. The General Partners may alter or amend Partnership policies with respect to this Section 8.07 and 8.06 above to comply with any regulations concerning Partnership accounting issued by the United States Treasury Department. Any accounting costs resulting from the transfer shall be borne by the transferor and transferee of such Units.

8.08 Section 754 Election. In the event of a distribution of property made in the manner provided in Section 734 of the Code, or in the event of a transfer of any Partnership Interest permitted by this Agreement made in the manner provided in Section 743 of the Code, the General Partners, on behalf of the Partnership, may, but shall not be required to, file an election under Section 754 of the Code in accordance with the procedures set forth in the applicable regulations promulgated thereunder.

Section 9

MANAGEMENT

9.01 Control and Voting Rights of General Partners. Except as otherwise expressly stated in this Agreement, the General Partners shall be exclusively responsible for the management and control of the business and affairs of the Partnership. Except as otherwise provided herein, decisions and acts of the General Partners may be effected upon affirmative vote of General Partners holding greater than 50% of the General Partners' Percentage Interests. A vote of the General Partners holding at least two-thirds of the General Partners' Percentage Interests shall be required to terminate any lease, management agreement or professional services agreement to which the Partnership is a party; provided, however, in the case of any such agreement between the Partnership and a General Partner, such two-thirds vote shall be based only on the interests held by General Partners other than the contracting General Partner. The General Partners may select a Managing General Partner, who shall exercise those powers delegated to the Managing General Partner from time to time.

9.02 Specific Powers of the General Partners. The General Partners shall have all the rights, power and authority generally conferred by law or as may be necessary, advisable or consistent to accomplish the purpose of the Partnership. A decision or the approval of the General Partners does not have to be in writing or made or granted at a formal meeting. Any one General Partner may execute documents in the name and on behalf of the Partnership and any document so executed shall be valid and binding on the Partnership. Without limiting the generality of the General Partners' powers, and subject to the applicable voting rights of the Limited Partners, the General Partners shall have the authority to:

9.02.a Manage Assets. Acquire, hold, and dispose of the assets of the Partnership or any interest in the assets of the Partnership, but not all or substantially all of the assets.

9.02.b Borrow Funds. Borrow money on behalf of the Partnership, encumber Partnership assets, or place title to the

Partnership assets in the name of a nominee for the purpose of obtaining financing.

9.02.c Pay Obligations. Prepay in whole or in part, refinance, increase, modify, or extend any obligation of the Partnership.

9.02.d Manage. Manage the Center, and to contract with any Person, including but not limited to, Affiliates for the management of the Center.

9.02.e Hire Employees. Employ, retain or contract for all personnel needed to operate the Center and to provide services to patients and to establish work schedules for such personnel.

9.02.f Consultants. Retain from time to time, at the expense of the Partnership, such accountants, attorneys, consultants, or other individuals or entities as the General Partners may determine to be necessary or appropriate. The General Partners shall retain, at the expense of the Partnership, accountants to prepare all Partnership tax returns and all financial statements.

9.02.g Organizational and Operational Expenses. Pay all organizational expenses incurred in the creation of the Partnership, and all operational expenses incurred in the operation of the Partnership including but not limited to legal, audit, accounting and consulting fees, and expenses for the repair, remodeling, leasing, refinancing, and operation of any Partnership property or the Facility.

9.02.h Reserves. Determine the amount of Reserves.

9.02.i Bank Accounts. Open and maintain Partnership bank accounts, and the trust account(s) required by Section 2.09.

9.02.j Amendment. Notwithstanding anything herein to the contrary, to amend this Partnership Agreement without the consent of any of the Limited Partners: (i) to reflect the addition or substitution of a Limited Partner; (ii) to add to the representations, duties, or obligations of the General Partners or their Affiliates or surrender any right or power granted to the General Partners or their Affiliates herein, for the benefit of the Limited Partners; (iii) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to add any other provisions with respect to matters or questions arising under this Agreement which will not be inconsistent with the provisions of this Agreement; and (iv) to delete or add any provision from or to this Agreement requested to be so deleted or added by a state or

federal regulatory agency, the deletion or addition of which provision is deemed by such regulatory agency to be for the benefit or protection of the Limited Partners.

9.02.k Exercise Rights of Purchase. To exercise the options in Sections 12.05 and 14, and to offer and sell the Units purchased pursuant to such option to other Investors meeting the Suitability Standards; and to exercise the liquidation option in Section 14.

9.02.l Prepare Reports. To prepare, or cause to be prepared, reports or documents required by Section 8.

9.02.m File Documents. To prepare, file, and publish any and all instruments or documents necessary to enable the Partnership to transact business or otherwise to exist, operate and be recognized as a limited partnership in jurisdictions outside California.

9.02.n Assign and Contract. To enter into contracts and assignments of contracts and obligations with Affiliates and other third parties, including contracts for the performance of duties or powers of the General Partners as set forth in this Section.

9.02.o Overall Duties. Assume the overall duties imposed on the General Partners by the California Revised Limited Partnership Act.

9.03 Limitation of General Partners' Authority. Other than as may be specifically provided for herein, the General Partners shall not have the authority to perform any act in contravention of this Agreement or to perform any act that would make it impossible to carry on the ordinary business of the Partnership.

9.04 Devotion of Time and Other Ventures. The General Partners shall devote to the Partnership an amount of time reasonably necessary to manage the Partnership business and perform the General Partners' duties. The General Partners are not obligated to devote full time to the affairs of the Partnership. The General Partners may become involved in other businesses, occupations and other partnerships performing the same or similar services as the Partnership and which may compete with the Partnership, and such activities shall not be deemed wrongful or improper.

9.05 Limitation on General Partners' Liability. Neither the General Partners, nor any partner, shareholder, officer, director, employee or agent of a General Partner, nor of any Affiliate of a General Partner, shall be liable to the Partnership or the Limited Partners for any act or omission based

upon errors of judgment or other fault in connection with the business or affairs of the Partnership, so long as the Person against whom liability is asserted acted in good faith on behalf of the Partnership and in a manner reasonably believed by such Person to be within the scope of his authority under this Agreement and in the best interests of the Partnership, and provided that such action or failure to act does not constitute gross negligence or willful misconduct.

9.06 Indemnification of All Partners. The Partnership shall hold harmless and indemnify each of the Partners and any partner, shareholder, officer, director or employee of the Partnership, a General Partner, or an Affiliate of the Partnership or of a General Partner, to the fullest extent permitted by law against all liability and fees, costs, losses, damages and expenses (including amounts paid in satisfaction of judgments, in compromise, as fines and penalties, and as counsel fees) incurred by any of them in connection with the defense or disposition of any claim, action or demand, suit or other proceeding, whether civil, criminal or administrative, in which any of them may be involved or with which they may be threatened, which arises out of or in any way relates to being or having been in such capacity, except with respect to any matter as to which any of them shall have been adjudicated to have acted in bad faith, with willful misconduct or with gross negligence; and provided, that if such Person is a Limited Partner, such Person shall be so indemnified only with respect to any such action, suit or proceeding which relates to the business of the Partnership (as distinguished from the business or tax position of the Limited Partner) or the actions of a General Partner in carrying out the business of the Partnership. Such indemnification and hold-harmless shall only be payable out of the assets of the Partnership and not from the Limited Partners. The termination of any action, suit or proceeding by judgment, order, settlement or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that any Person acted with gross negligence or willful misconduct. A General Partner shall not be personally liable for the return of Invested Capital of any Partner. The General Partners are specifically permitted to satisfy any Partnership obligations as to which the General Partners (or their Partners) are personally liable before satisfying Partnership obligations as to which the General Partners (or their Partners) have no such personal liability.

9.07 Terms of Indemnification. The right of indemnification under Section 9.06 shall be in addition to any rights to which the Person seeking indemnification may otherwise be entitled and shall inure to the benefit of the successors, assigns, executors or administrators of any Person indemnifiable under Section 9.06. The Partnership, General Partners, or any partner, shareholder, director, officer, or employee of the Partnership, a General Partner, or an Affiliate of the

Partnership or a General Partner shall have the right (and no other Person shall have the right) to select his own attorney, if he makes a reasonable showing that the attorney for the Partnership cannot adequately represent his interest. The Partnership shall pay the expenses incurred by any Person indemnified hereunder and named in this Section 9.07 in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking acceptable to the General Partners by such Person indemnified to repay such payment if there shall be an adjudication or determination that he or it is not entitled to indemnification as provided in this Agreement. The General Partners shall not satisfy any right of indemnity or reimbursement granted in Section 9.06, or to which they may be otherwise entitled, except out of the assets of the Partnership, and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement.

9.08 Execution of Powers by Agents. The General Partners may execute any of the powers granted or perform any of the duties imposed by this Agreement either directly or through agents, counsel, accountants, appraisers, management consultants, investment bankers, and other consultants selected by them. An opinion by any consultant on a matter which the General Partners believe to be within that consultant's professional or expert competence shall be full and complete protection as to any action taken or omitted by the General Partners based on the opinion and taken or omitted in good faith. The General Partners shall not be responsible for the misconduct, negligence, acts or omissions of any consultant or of any agent or employee other than to use due care in the selection of all consultants, agents and employees.

Section 10

RIGHTS AND MEETINGS OF THE LIMITED PARTNERS

10.01 No Management and Control. The Limited Partners shall take no part in the control, conduct, or operation of the Partnership and shall have no right or authority to act for or bind the Partnership, including during the winding up period following dissolution of the Partnership, except that the Limited Partners may act for and bind the Partnership during the winding up period if the sole General Partner has ceased to be General Partner.

10.02 Voting Rights. The Limited Partners shall have the right to approve or disapprove matters as specifically stated in this Agreement, and shall have no other voting rights.

10.02.a Two-Thirds Vote. The following actions may be taken by the General Partners only upon the affirmative vote or written consent of the Limited Partners holding at least two-thirds of the Limited Partners' Percentage Interests:

(i) Election of a successor General Partner, except as provided in Section 3.03.

(ii) Removal or addition of a General Partner.

(iii) The incurrence of indebtedness by the Partnership other than in the ordinary course of business.

(iv) Any sale, exchange, refinance, or pledge of the assets of the Partnership other than in the ordinary course of business, or any sale of all or substantially all of the Partnership assets.

(v) The amendment of the Partnership Agreement, except as provided in Section 9.02.j, and except with respect to any provision of this Agreement requiring the vote of greater than a two-thirds percentage interest vote of the Limited Partners, which provision may be amended upon the vote of the same percentage of partnership interests as is referenced therein; and except with respect to provisions of the agreement relating to the General Partners' compensation, if any, and termination of leases or service agreements between the Partnership and a General Partner, which provisions require approval of the General Partners as otherwise herein provided.

(vi) Extension of the term of the Partnership.

(vii) Dissolution or liquidation of the Partnership, unless liquidation is pursuant to a good faith determination of the General Partners under Section 14.01.c.

(viii) A change in the purpose of the Partnership.

10.02.b Additional Voting Rights. In addition to the rights granted in Section 10.02.a, Limited Partners may vote as otherwise provided in this Agreement in the following sections:

(i) Section 3.03 on reconstituting the Partnership.

(ii) Section 12.01 on assignments by a General Partner.

10.02.c No Additional Powers. Except as expressly provided in this Agreement, the Limited Partners shall have no voting rights.

10.03 Meetings of Partners.

10.03.a Place. Meetings of Partners shall be held at the principal place of business of the Partnership.

10.03.b Calling a Meeting. Meetings shall be held at the request of a General Partner or Limited Partners holding greater than 10% of the Investment Units for any matter for which the Partners may vote.

10.03.c Notice. Whenever Limited Partners are required or permitted to take any action at a meeting, a written notice of the meeting shall be given by the General Partners to each Partner not less than ten nor more than sixty days before the date of the meeting. The notice shall state the place, date and hour of the meeting and the general nature of the business to be transacted, and no other business may be transacted. Notice of a Partners' meeting shall be given either personally or by mail or by other means of written communication, addressed to the Partner at the address of the Partner in the records of the Partnership notice. The notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. A declaration of mailing of any notice or report in accordance with this Section, executed by a General Partner and maintained with the records of the Partnership, shall be prima facie evidence of the giving of the notice or report.

10.03.d Constructive Notice. If any notice or report addressed to a Partner at the address of the Partner appearing on the books of the Partnership is returned to the Partnership by the United States Postal Service because it is unable to deliver the notice or report to the Partner at the address, all future notices or reports shall be deemed to have been duly given without further mailing if they are made available for the Partner at the principal executive office of the Partnership for a period of one year from the date of the giving of the notice or report to all other Partners.

10.03.e Written Waiver, Consent and Approval. The transactions of any meeting of the Partners, however called and noticed, and wherever held, are as valid as though consent had been given at a meeting duly held after regular call and notice, either before or after the meeting, if each of the Partners entitled to vote, not present in person or by proxy at such meeting, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All waivers, consents and approvals shall be filed with the Partnership records or made a part of the minutes of the meeting. Attendance of a Partner at a meeting shall constitute a waiver of notice of the meeting, except when the Partner objects, at the beginning of the meeting. Neither the business to be

transacted nor the purpose of any meeting of the Partners need be specified in any written waiver of notice.

10.04 Meetings - Quorum.

10.04.a Majority. A Majority-in-Interest of the Limited Partners represented in person or by proxy, shall constitute a quorum at a meeting of Partners; provided, however, that a Majority-in-Interest for purposes of this Section must also consist of at least one-third of the Limited Partners.

10.04.b Maintaining Quorum. The Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Partners to leave less than a quorum, if any action (other than adjournment) is approved by those Limited Partners holding the requisite Investment Units specified in this Agreement.

10.05 Written Approval Without Meeting. Any action which may be taken at a meeting of the Partners may be taken without a meeting if a consent in writing, setting forth the action so taken, is approved by Partners having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all entitled to vote thereon were present and voted. In the event the Limited Partners are requested to consent on a matter without a meeting, each Partner shall be given notice of the motion to be voted upon in the same manner as described above with respect to an actual meeting and shall be given no less than ten days to respond. For purposes of this Section 10.05, consent includes actual consent or, if the following procedure is followed, acquiescence by no written responses.

10.05.a Recommended Vote. The General Partners may recommend to the Limited Partners a certain vote;

10.05.b Notice. Each Partner shall be given notice of the motion to be voted upon in the same manner as for a meeting. The motion and the recommendation of the General Partners shall be set forth in the notice. The notice shall state specifically that unless the Limited Partner responds with a written negative vote, he will be deemed to have voted in favor of the General Partners' recommendation. The notice shall contain a ballot for the Limited Partner to vote for or against the recommendation of the General Partners and a pre-addressed return envelope.

10.05.c Confirming Receipt of Notice. The General Partners shall confirm, by returned ballots, by personal contact or by telephone, that a majority of Limited Partners, both responding and nonresponding, had timely receipt of notice. A declaration executed by a General Partner setting forth the name

transacted nor the purpose of any meeting of the Partners need be specified in any written waiver of notice.

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10.05.a Recommended Vote. The General Partners may recommend to the Limited Partners a certain vote;

10.05.b Notice. Each Partner shall be given notice of the motion to be voted upon in the same manner as for a meeting. The motion and the recommendation of the General Partners shall be set forth in the notice. The notice shall state specifically that unless the Limited Partner responds with a written negative vote, he will be deemed to have voted in favor of the General Partners' recommendation. The notice shall contain a ballot for the Limited Partner to vote for or against the recommendation of the General Partners and a pre-addressed return envelope.

10.05.c Confirming Receipt of Notice. The General Partners shall confirm, by returned ballots, by personal contact or by telephone, that a majority of Limited Partners, both responding and nonresponding, had timely receipt of notice. A declaration executed by a General Partner setting forth the name

of the Partners contacted, the date of the contact and the manner of contact, shall be prima facie evidence of the confirmation. The declaration shall be maintained with the records of the Partnership for a period of three years.

10.06 Proxies. The use of proxies will be governed in the same manner as for corporations formed under the Act.

Section 11

WITHDRAWAL, REMOVAL, BANKRUPTCY OR DISSOLUTION OF A GENERAL PARTNER

11.01 General Partner Ceasing to be a General Partner.

11.01.a Events. A General Partner shall cease to be a General Partner of the Partnership upon the occurrence of any one or more of the following events:

(i) A General Partner's withdrawal from the Partnership as provided in Section 11.01.b;

(ii) A General Partner's removal as a General Partner as provided in Section 11.01.c;

(iii) The Bankruptcy of a General Partner;

(iv) The death of an individual General Partner;

(v) The entry by a court of competent jurisdiction of an order adjudicating an individual General Partner incompetent to manage the General Partner's person or estate;

(vi) In the case of a General Partner which is a partnership, the dissolution and commencement of winding up of the General Partner if the business of the General Partner is not continued upon dissolution;

(vii) In the case of a General Partner which is a corporation, the filing of a Certificate of Dissolution, or its equivalent, for the corporation.

11.01.b Withdrawal. A General Partner may withdraw after ninety days written notice to the Partners. A General Partner shall cease to be a General Partner on the effective date stated in the notice of its withdrawal; provided, however, that a General Partner shall not withdraw as a sole remaining General Partner unless the Limited Partners have elected a successor to serve as General Partner effective on or before such withdrawal. A General Partner which has ceased to be a General Partner shall have the same rights to inspect and make copies or excerpts of the books and records of the Partnership as is

provided to the Limited Partners until all amounts due the General Partner as of the date the General Partner ceased to be a General Partner pursuant to this Agreement have been paid. The General Partner shall be a creditor of the Partnership as to all such amounts owed to it by the Partnership.

11.01.c Removal.

(i) A General Partner may be removed from the Partnership by the vote of Limited Partners holding two-thirds of the Limited Partners' Percentage Interests.

(ii) A notice of removal under this Section 11.01.c shall be served on the General Partner by the Limited Partners, either personally or delivered by certified or registered mail, return receipt requested. If there is more than one General Partner, notice of removal may be served by any other General Partner. The notice shall set forth the grounds for removal, if removal was for cause, and the date on which the removal becomes effective.

11.02 Purchase or Conversion of Interest. When a General Partner ceases to be a General Partner, the interest of such General Partner in the Partnership (the "General Partner's Interest") shall become that of an Assignee. If the General Partner ceases to be a General Partner pursuant to Subsection 11.01.b, or 11.01.a(i), (ii) or (iii), at the option of the remaining General Partners or any of them, the remaining General Partners may purchase the interest of the General Partner. If a General Partner ceases to be a General Partner pursuant to Subsection 11.01.a(iv), (v), (vi) or (vii), at the option of such General Partner or the General Partner's personal representative, or of the remaining General Partners or any of them, the remaining General Partners shall purchase such General Partner's interest. The option to purchase shall be exercised by the remaining General Partner(s) within ninety days of receipt of written notice of the event triggering the option right, or, at the election of the remaining General Partners, within ninety days of receipt of actual notice of the event.

The purchase price of a General Partner's interest for purposes of this Section 11.02 shall be the fair market value of his or its interest in the Partnership, determined by agreement between the purchasing and selling General Partners, or if they cannot agree, by arbitration as provided in Section 15.01. For this purpose, the fair market value of the General Partner's interest shall be the sum of the fair market values of the Partnership's assets determined without regard to goodwill or the use of such assets as part of a "going concern," and valued as of the end of the month immediately prior to the date of the triggering event. Payment shall be made in accordance with the terms in Section 12.05.d of this Agreement.

The remaining General Partners shall have the right to purchase the withdrawing Partner's interest in proportion to their General Partner's Percentage Interest calculated without reference to the withdrawing Partner's interest. General Partners shall exercise the option within thirty days of receiving notice from the withdrawing Partner or his personal representative of the withdrawal or other circumstance triggering the option right under this Section, by providing notice of exercise of the option to the withdrawing General Partner (or personal representative) and all other General Partners. The remaining General Partners may, in their discretion, also elect to treat actual knowledge of circumstances triggering the option right as notice under this Section. Each General Partner exercising the option to purchase shall also indicate the degree to which he agrees to purchase any portion of the interest not purchased by any other General Partner, which additional portion shall in turn be proportionately allocated among the remaining General Partners desiring to purchase such additional portion.

11.03 Liability After a General Partner Ceases to be a General Partner. In the event that a General Partner's interest is purchased as provided in Section 11.02, a General Partner shall be discharged from, and the Partnership shall hold that General Partner harmless from, obligations and liabilities accruing after the date the General Partner ceases to be a General Partner.

Section 12

ASSIGNMENTS AND TRANSFERS

12.01 Assignments or Transfers by a General Partner. A General Partner's interest in Allocations and Distributions from the Partnership shall be assignable. If, concurrently with such Assignment, the assigning General Partner ceases to be a General Partner, such assignment shall be subject to the rights of the Partners and the Partnership in Section 11. The Assignee of such General Partner's interest in the Partnership may also be substituted as a General Partner upon the consent of Limited Partners holding two-thirds of the Limited Partners' Percentage Interests pursuant to Section 10.02.a(i), and upon the execution and filing, as may be necessary, of appropriate amendments to this Agreement and the Certificate of Limited Partnership.

12.01.a Assignment by Corporate General Partners. Notwithstanding anything herein to the contrary, any corporate General Partner may, with approval of General Partners holding a majority of General Partners' Percentage Interests not including the interest of the assigning General Partner, assign its interest as a General Partner in the Partnership to a corporation

all of whose issued and outstanding stock is owned (i) by the assigning Partner, or (ii) by a corporation which is the sole corporate member, or has the power to appoint the members, of the Partner or the corporation that is the sole member or has the power to appoint all the members of the Partner, and have such assignee admitted as a substituted General Partner without being subject to the purchase rights under Section 11.02.

12.01.b Assignment by Certain Other General Partners. It is acknowledged and approved that original General Partners Moscow, Cornelius, Custer, Binder and Kjos have assigned their Partnership Interests to Alta Imaging Medical Group, Inc. and/or Alta Imaging Investment Group, which are accepted as substitute General Partners. Notwithstanding any other provision herein, any interest of such individuals or any interest owned by Alta Imaging Medical Group, Inc. or Alta Imaging Investment Group may be assigned without any further approval of the Limited Partners, upon approval of General Partners holding a majority of the General Partners' Partnership Interests not including the assigning General Partner, to either Alta Imaging Medical Group, Inc., Alta Imaging Investment Group, or to any partnership, professional corporation or other entity succeeding either such entity, which for purposes of this Agreement shall mean that greater than 50% of the ownership interests in the new entity shall be the same as the ownership interests in the prior entity.

12.01.c Assignee as Substitute General Partners. The assignee of a General Partner shall be admitted as a substitute General Partner in place of the assigning General Partner upon its agreeing in writing to be bound by the Partnership Agreement which is then in effect and following the filing of the amendment to the Partnership Certificate of Limited Partnership showing the change. Each of the Limited Partners hereby agrees and consents to the substitution of such assignee as a General Partner in the Partnership and agrees to take such action as may be reasonably required to effectuate said substitution.

12.02 Assignments or Transfers by Limited Partner. A Limited Partner shall not be entitled to withdraw or retire from the Partnership, or to transfer or assign his or its interest in the Partnership except in accordance with the requirements of this Section 12.

12.03 Permissible Transferee of a Limited Partner. A Limited Partner (or such Limited Partner's guardian, conservator or trustee) may transfer his Units in the Partnership to one of the following transferees, which transfer shall not be subject to the provisions of Sections 12.04 or 12.05:

12.03.a A Partner. To a Partner of the Partnership.

12.03.b Trust. To a trust for the benefit of the transferring Partner or his or her spouse, so long as the Partner or his or her spouse is a current income beneficiary of the trust.

12.03.c Beneficiary of a Trust. A transfer from a trustee of a revocable trust as a distribution in kind to a beneficiary of the trust.

12.03.d Retirement Plan Successor or Beneficiaries. If a Limited Partner is a trustee of a trust or retirement plan, to any transferee who is a successor trustee or trustees of the trust or plan, or a trustee or custodian of a successor plan for the benefit of the same corporation or individual(s), and the distributee of any interest from the retirement plan or trust.

12.03.e Shareholders of Corporation. If the Limited Partner is a corporation, to any transferee(s) who constitutes a shareholder or shareholders previously holding at least 50% of the shares in the corporation, or to any successor legal entity to the corporation.

12.03.f Partners of Partnership. If the Limited Partner is a partnership, to any transferee(s) who previously collectively held at least 50% of the Partnership interests, or to any successor legal entity to the partnership.

12.03.g Transferee of General Partner. If the Limited Partner is also a General Partner, any transferee meeting the suitability standards established under the last offering of Units.

12.03.h Transferee of the Partnership. Any transferee of Units purchased by the Partnership pursuant to Section 12.05 or Section 14.

Sections 12.03.b through 12.03.f above are intended to permit a transfer of legal title under circumstances in which equitable or beneficial interests are not substantially changed, and the General Partners shall have the power to make determinations to allow or disallow transfers consistent with this intent.

12.04 Involuntary Assignment. Upon the occurrence of any of the following events, an involuntary assignment shall be deemed to have occurred, and a transferee, if any, of a Limited Partner's Units shall become an Assignee as of the date of the calendar quarter following the date of such event:

12.04.a Death. Death or legal incapacity of a Limited Partner (in which case the transferee shall be the executor, trustee, heirs, beneficiaries, guardian, conservator or

other fiduciary or personal representative of the Limited Partner). If the Limited Partner is the trustee of a trust for the benefit of an individual and his or her spouse, the involuntary assignment and purchase rights under Section 12.05 shall not occur until death of both of the spouses who were the beneficiaries of the trust at the time of acquisition of the Partnership interest by the trust;

12.04.b Foreclosure. Foreclosure (or transfer in lieu of foreclosure) against the Limited Partner's Units which were pledged or assigned as security for an obligation;

12.04.c Court Order. Court order transferring title to or beneficial interest in the Unit(s);

12.04.d Dissolution of Marriage. Transfer to a spouse of a Limited Partner, who has not previously held title to the interest, pursuant to a divorce decree or settlement;

12.04.e Termination of Interest. Transfer from a trustee, conservator or other fiduciary on termination of the trust, conservatorship or other fiduciary relationship; or as a distribution from such estate, unless the partnership interest is transferred to a Person who held the equitable interest in the trust or conservatorship estate at the time the said estate acquired the Partnership interest; or

12.04.f Bankruptcy. Bankruptcy or the issuance of a charging order against a Limited Partner's Units which is not removed within thirty days of its issuance.

The Units shall immediately be subject to the purchase rights provided in Section 12.05. An Assignee shall not be admitted or become a Limited Partner, except upon completion of the requirements stated in Section 12.06 and Section 12.07, as applicable.

12.05 Right of First Refusal. Upon an Assignment under Section 12.04, or if a Limited Partner desires to transfer his Units under circumstances other than as described under Section 12.03, such Assignment, transfer or purposed transfer shall be subject to this Section 12.05, and the remaining Partners and the Partnership shall have the following options:

12.05.a Transfer to a Third Party. If a Limited Partner proposes to transfer Units in the Partnership to another Person, such Limited Partner ("Selling Partner") shall:

(i) first give notice as provided in Section 15.09 (the "Notice") to the Partnership. The Notice shall contain a full and complete statement of the terms received from such Person offering to purchase the Selling Partner's Units (the

"Offer"). The Partnership shall have an option to purchase such Units at the price and on the terms set forth in the Offer. The option must be exercised in writing within twenty days of the effective date of such Notice.

(ii) If the Partnership does not elect to buy all of the Selling Partner's Units within the stated option period as set forth in Section 12.05.a(i) above, the Partnership shall immediately give notice to the other Limited Partners (the "Offeree Partners") which shall contain a full and complete statement of the terms of the Offer. The Offeree Partners shall have the option to purchase such Units at the price and on the terms in Offer in proportion to their ownership of Units, calculated without reference to the Offeror Partner's interest. The option must be exercised in writing within twenty days of the effective date of such notice. Each Offeree Partner shall additionally indicate in his exercise of the option to purchase whether he agrees to purchase Units in addition to his proportionate share of the Selling Partner's Units in the event not all of the Offeree Partners exercise their option to purchase such Units, and the degree to which the Offeree Partner agrees to purchase such additional Units. Exercise of the option as provided herein shall be deemed an irrevocable acceptance of an Offer with respect to such Units, and additional Units, if any. The right to purchase such additional portion shall in turn be allocated proportionately among the remaining Offeree Partners electing to purchase all or a part of the additional portion. If an Offeree Partner or Partners does not make a timely election to purchase his proportionate share of such Units, such share shall be apportioned among the Offeree Partners accepting the offer and agreeing to purchase such additional allocated Units, to the extent of such agreement. The General Partners shall have an option to purchase any Units not purchased by the Offeree Partners, proportionate to their General Partners' Percentage Interest in the same manner as set out in Section 11.02, which option shall be exercised within ten days of expiration of the Offeree Partner's option.

(iii) If the option to purchase all of the Selling Partner's Units is not exercised under this Section 12.05.a by either the Partnership or the Offeree Partners, a Selling Partner may transfer his Units as provided in the Offer. A purchaser of the Selling Partner's Units in the Partnership who is not then an existing Limited Partner shall be an Assignee and shall only become a Limited Partner upon the satisfaction of the conditions set forth in Sections 12.05 and 12.06.

(iv) If the transfer to the third party is not completed within ninety days of the date of the Offer, the Selling Partner must again offer his Units to the Offeree Partners as provided in this Section 12.05.

12.05.b Terms of Purchase Without An Offer. If a Limited Partner's Units have been assigned under Section 12.04, or if the transfer or proposed transfer occurs by gift, inheritance, trust distribution or other circumstance in which there is no price and terms of an Offer, and the transfer is not exempt under Section 12.03, the Partnership or the remaining Partners shall be entitled to purchase the Selling Partner's Units at a value for the interest to be purchased as determined in accordance with Sections 12.05.c and 12.05.d. The rights and procedure for purchase of Units by the Partnership and the remaining Partners shall be in accordance with the provisions of Section 12.05.a with respect to proposed transfers by a Limited Partner to a third party. If neither the remaining Partners nor the Partnership exercise the option to purchase all of the Units, the Units not purchased shall not be transferred, except to the extent that rights and obligations may be assumed by an Assignee as otherwise herein provided.

12.05.c Determination of Fair Market Value for Buy-Out Purposes. An appraiser shall be selected by the Selling Partner and the Partnership or Partner(s) purchasing the interest ("Purchaser"). If an appraiser is not selected by the Selling Partner and the Purchaser within forty days after an election to purchase, an appraiser shall be selected by arbitration in accordance with the rules of the American Arbitration Association, and the selection of an appraiser by the arbitrator shall be binding upon the parties. The appraiser selected shall set a fair market value for the Units to be purchased, which determination shall be final, and which shall be the amount the Limited Partner will receive for the Units upon exercise of the option to purchase as provided herein.

12.05.d Option to Purchase on Terms. At the option of the Purchaser(s), the purchase price determined in Section 12.05.c may be paid on terms as provided in this Section. 20% of the purchase price shall be paid by the purchaser(s) within thirty days of exercise of the option to purchase by Purchaser, or determination of the purchase price, whichever occurs later. The remainder shall be paid in twenty-four equal monthly installments of principal and interest payable on the first day of each month commencing with the month after the month in which the down payment is paid. The deferred portion of the purchase price shall bear interest on the unpaid balance from the date on which the down payment is payable at the then reference rate of interest being charged by the Main Branch of the Bank of America in San Francisco, California. Interest shall be paid monthly on a fully amortized basis. The deferred portion of the purchase price shall be evidenced by a negotiable promissory note, which shall provide that the entire unpaid balance of the note shall be due and payable upon a sale of all or substantially all of the Partnership assets, or a sale by the Purchaser of his interest in the Partnership. The buying and selling party shall

execute all other documents as are reasonably necessary to complete the transfer and sale of the purchase Units.

12.06 Terms of Transfer. Before any transfer of Units can occur, the General Partners shall have the right to require the Limited Partner transferring his Units to obtain a written opinion of counsel acceptable to the General Partners that the proposed transfer will not (a) violate, or cause the Partnership to be in violation of, any federal or state securities law, (b) jeopardize the status of the original sale of Partnership Units with respect to any pertinent exemption of the federal or state securities law, (c) cause a dissolution of the Partnership or (d) jeopardize the characterization of the Partnership as a partnership under any federal or state tax law, regulation or ruling.

12.07 Substitution of Limited Partner. An Assignee or transferee of a Limited Partner's Units pursuant to the terms of this Agreement may become a Limited Partner only on satisfaction of the following conditions:

12.07.a Document of Transfer. Filing with the Partnership a duly executed and acknowledged written document of assignment or transfer, in a form approved by the General Partners, specifying the number of Units being assigned or transferred and setting forth the intention of the assignor or transferor that the Assignee own the assignor's or transferor's Units as a Limited Partner.

12.07.b Execution of Agreement or Other Documents. Execution of an acknowledgement by the assignor or transferor and the Assignee of any other instruments required by the General Partners, including the acceptance and adoption by the Assignee of the provisions of this Agreement, and a spousal consent form, if applicable.

12.07.c Consent of General Partners. Obtaining the written consent of the General Partners, the granting or denial of which shall be within the sole discretion of the General Partners.

12.07.d Transfer Fee. Payment of a transfer fee to the Partnership sufficient to cover the reasonable expenses of the substitution.

Section 13

POWER OF ATTORNEY; AUTHORITY TO EXECUTE DOCUMENTS

13.01 Power of Attorney. The Limited Partners irrevocably constitute and appoint the General Partners and each of them as their true and lawful attorney, in their name, place and stead,

to make, execute, have acknowledged and file or record any of the following documents: the original Certificate of Limited Partnership, and any amendment to the Certificate and any amendment to the Agreement of the Limited Partnership; the original and any modification or amendment of a Certificate of Fictitious Business Name; any agreement, documents or other writing the General Partners determine to be necessary to effectuate the business of the Partnership, or that may be required by law to be filed by the Partnership.

13.02 Authority to Execute Documents. This Section does not supersede any other provision of this Agreement, and it is intended only to provide a simplified system for execution of documents.

This Power of Attorney is coupled with an interest and shall survive the delivery of an assignment of a Limited Partner's interest. The signature of the Partnership and the Limited Partners can be made by any of the attorneys in fact either by facsimile signature or by the attorney in fact's signature on behalf of the Limited Partner.

Section 14

LEGISLATION

14.01 Changes in Law. The parties acknowledge that legislation has been introduced in Congress in the past, and may in the future be introduced in Congress and/or in the state legislature of California, which, if passed, would affect the ability of certain Partners to refer patients to the Partnership or to own interests in the Partnership (the "Affected Partners"). In addition, new regulations or interpretation of or enforcement efforts with respect to existing laws or regulations may occur which have a similar effect. If such legislation, regulation or interpretation becomes effective during the term of the Partnership which is applicable to the Partnership or any of its Partners, the General Partners may exercise any of the following options, if in their sole and absolute discretion it is necessary and appropriate to do so to preserve the business of the Partnership:

14.01.a Purchase of General Partners' Interests. In the event any of the General Partners are Affected Partners, the remaining General Partners may purchase the interests of the Affected Partners who are General Partners in accordance with the terms of Article 11 as if the interest of the General Partners were being purchased under said Article.

14.01.b Purchase of Limited Partners' Interests. In the event any of the Limited Partners are Affected Partners, the General Partners may purchase or may cause the Partnership to purchase the interest of any Affected Partner who is a Limited Partner, or may in their discretion purchase the interests of all Limited Partners. A Limited Partner whose interest is purchased pursuant to this Section 14.01 shall be entitled to receive, in full satisfaction of his or its interest in the Partnership, the greater of (1) 80% of the amount said Limited Partner would be entitled to receive under Section 12.05.b of this Agreement in the event purchase was being made pursuant to the terms of such section, payable pursuant to the terms referenced therein, or (2) an amount equal to the sum of (i) the amount of cash capital contributions made by the Partner whose interest is being purchased less the aggregate amount of all distributions made to such Partner; and (ii) an amount equal to a return of 10% per annum, simple interest, on all capital contributions of the Partner, computed on a first-in, first-out basis from the date of contribution to the date of distribution or repayment.

14.01.c Liquidation. In the event that the General Partners make a good faith determination that government laws, regulations, or interpretations thereof have made continued operation of the Partnership business in any form unfeasible, the General Partners may liquidate and dissolve the Partnership and distribute its remaining assets as provided in Section 5.04.

14.02 Procedure. The General Partners shall give fifteen days notice to the Affected Partner(s) of the intent to purchase the Units as provided herein, and whether the election is to purchase the interests of all of the Limited Partners. In the event that the General Partners are not causing the purchase of the interests of all of the Limited Partners, at any time prior to the expiration of the fifteen days notice period, any Affected Partner(s) may give notice to the General Partners of a bona fide offer to purchase his or her shares by any other Person, in which event the provisions of Section 12.05 of this Agreement shall apply with respect to such transfer. The transferee of such interest, however, shall take the interest subject to the purchase rights in this Section. Following completion of the transfer, the General Partners may then exercise all rights under this Section with respect to the interest transferred. If the Affected Partner does not give such notice of an Offer to purchase prior to the expiration of the fifteen days notice period, the General Partners shall, upon the expiration of the notice period, immediately tender payment to the Affected Partner as provided hereunder and shall then be deemed to have acquired the Units. The General Partners shall not give notice under this Section in the event any notice of transfer under Section 12 has already been provided by an Affected Partner unless and until (a) such transfer has been completed or fails to occur during the time period required in such Section, or (b) the Partnership is

electing to purchase the interests of all Limited Partners in which event the notice shall be provided to the Affected Partner and his or her transferee, and the purchase price shall be paid to the transferee immediately upon completion of said transfer. The Affected Partner may invoke the procedures of Section 12.05 after notice under this Section has been given by the General Partners only with respect to a bona fide offer to purchase the Units by another Person, but not under any other circumstances, including a transfer by gift or an involuntary transfer.

14.03 Conversion or Dissolution of Partnership. In the event the General Partners have elected to purchase the interests of all of the Limited Partners under the provisions of this Section the Partnership shall thereafter be converted to a general partnership, and the General Partners shall thereafter either cause the dissolution of the Partnership or amend the Partnership Agreement as an agreement of general partnership, on such terms as they shall agree.

Section 15

MISCELLANEOUS PROVISIONS

15.01 Arbitration. In the event of any dispute between the Partners relating to interpretation or enforcement of this Agreement, the matter shall be submitted to arbitration under the commercial rules of the American Arbitration Association then in effect. Such arbitration shall be binding and judgment may be entered upon the award in any court having jurisdiction thereof. In any such arbitration, the parties may request of the arbitrator the right to take discovery which is reasonable in scope and timing, and the parties agree that the arbitrator's decision on such request shall be binding.

15.02 Attorneys' Fees. In the event of any litigation or proceeding arising out of, or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party.

15.03 Parties in Interest. Subject to the limitation on transfer provided for in Section 12 of this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, beneficiaries, assigns, executors and administrators.

15.04 Section and Subsection Headings. The section and subsection headings of this Agreement are for convenience and ease of reference only and do not define, limit, augment or describe the scope, content or intent of this Agreement or of any part or parts hereof.

15.05 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

15.06 Law Governing. This Agreement has been executed and delivered in the State of California and shall be construed and enforced in accordance with the laws of that state.

15.07 Amendment of Partnership Agreement. This Agreement may be amended by written agreement executed by the Partners, or as stated in Section 9.02.j or 10.02.a(v).

15.08 Amendment to Certificate. The Certificate of Limited Partnership of this Partnership shall be amended as required by the California Revised Limited Partnership Act.

15.09 Notices. Unless otherwise stated in this Agreement, all notices to be given hereunder shall be made in writing, mailed by registered or certified mail, addressed to the General Partners at the mailing address of the Partnership, and to the Limited Partners at the addresses set forth in the records of the Partnership. Such notice or notices shall be deemed effective upon personal delivery or twenty-four hours after the date of such mailing. Any Partner may change his address by giving notice thereof to the General Partners as herein provided.

15.10 Capacity to Sign. All Partners covenant that they possess all necessary capacity and authority to sign and enter this Agreement.

IN WITNESS WHEREOF, the Partners have signed this Amended and Restated Partnership Agreement effective as of the date first set forth above.

GENERAL PARTNERS:

ALTA BATES-HERRICK HOSPITAL

By *H. E. Foy*

CHILDREN'S HOSPITAL MEDICAL
CENTER OF NORTHERN CALIFORNIA

By *Donald H. Williams*

ALAMEDA HOSPITAL

By *W. J. Davis*

ALTA IMAGING MEDICAL GROUP,
INC.

By *Thomas D. Thompson*

ALTA IMAGING INVESTMENT GROUP

By *Thomas D. Thompson*

SCHEDULE A

Partners of Magnetic Imaging Affiliates

The following are the General Partners of the Partnership:

<u>Name/Address</u>	<u>Percentage Interest</u>
ALTA BATES-HERRICK HOSPITAL	
CHILDREN'S HOSPITAL MEDICAL CENTER OF NORTHERN CALIFORNIA 747 52nd Street Oakland, California 94609	
ALAMEDA HOSPITAL	
ALTA IMAGING MEDICAL GROUP, INC. 2510 Webster Street Berkeley, California 94705	
ALTA IMAGING INVESTMENT GROUP 2510 Webster Street Berkeley, California 94705	

The following are the Initial Limited Partners of the Partnership:

<u>Name/Address</u> <u>Interest</u>	<u>Capital Contribution</u>	<u>Percentage Limited Partnership</u>
Gerald Meyer, M.D.		
Alan Greenbaum, M.D.		
Avrum Gratch, M.D.		
James Florey, M.D.		
John Tolbert Jones, M.D.		
Howard Gordon, M.D.		

Sumner Marshall, M.D.

Robert J. Swanson, M.D.

Norman Moscow, M.D.

Robert J. Binder, M.D., as
Custodian for Justin G. Binder

Klaus Dehlinger, M.D.

Amarjit Singh Sandhu, M.D.,
Custodian for Harprett Singh
Sandhu

Joy M. Price, M.D.

Barry Price

Bent Kjos, M.D.

Bruce Rice, M.D.

John Jauregui, M.D.

Alan Lifshay, M.D.

Frederick Epstein

Matthew Kirby Gale, Jr., M.D.

Michael Cassidy, M.D.

K. Yogam, M.D.

Benjamin Covinton, M.D., Inc.,
Profit Sharing Trust

Jeffrey Wolf, M.D.

Alta Bates-Herrick Hospital

Benjamin Covington, M.D., Inc.
Money Purchase Pension Trust

Robert J. Binder, M.D.,
Custodian for Jonathan H.
Binder

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The following are the additional Limited Partners of the Partnership:

<u>Name/Address</u> <u>Interest</u>	<u>Capital</u> <u>Contribution</u>	<u>Percentage Limited</u> <u>Partnership</u>
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CONSENT OF SPOUSE

I acknowledge that I have read the foregoing Amended and Restated Agreement of Limited Partnership of Magnetic Imaging Affiliates, a California Limited Partnership, and that I know its contents. I hereby consent to the execution of this document by my spouse and I hereby agree that my spouse's interest in said partnership agreement, as amended, is and shall be irrevocably bound by the terms and conditions of the partnership agreement. I further understand and agree that my community property or any other interest therein, if any, shall be similarly bound by said agreement, as amended, and I acknowledge that the Agreement will govern the purchase and terms of purchase of my interest and that of my spouse in the Partnership under specific circumstances. This consent is binding upon my heirs, personal representatives and assigns and I agree to execute and deliver such documents as may be necessary to carry out the spirit and intent of the partnership agreement, as amended.

I have executed this consent as of _____,
1990.

SPOUSE OF