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**American College of
Foot and Ankle Surgeons**

May 26, 2004

Alderman Rex Parker
612 S. Greenwood
Park Ridge, IL 60068

Dear Mr. Parker:

I have now received two phone calls from a reporter at The Bugle inquiring into the recent sale of 515 Busse Highway in Park Ridge. Since you recently inquired during an open City Council meeting as to where ACFAS was relocating, it is possible you are familiar with the purpose of this media inquiry and/or the Park Ridge Herald-Advocate story regarding a new police station. So as to clear the air on this issue, I'm going to volunteer the facts regarding this private real estate transaction, some of which were posed to me as questions by the reporter:

- I am not a surgeon or member of ACFAS. I am a Certified Association Executive, trained in professional association management, and the full-time, salaried CEO of the College's day-to-day business affairs. I report to a 10-person Board of Directors who are surgeons.
- The sale of this building was recommended to me when I assumed this position in January 2003 by an independent financial consultant (for reasons cited below) who was retained by my predecessor.
- In summer 2003, I retained an independent commercial building inspector and a separate price appraisal of the building by Coldwell Banker-Richard Ellis. Following receipt of these outside reports and completion of a ten-year cost-benefit analysis of owning vs. leasing, the Board of Directors unanimously approved a motion to sell this building in October 2003 as recorded in our corporate minutes.
- In November, the building was put up for sale at Coldwell Banker's recommended asking price. At this time I contacted Sharon Curcio, executive director of the Park Ridge Economic Development Corporation, to see if she knew of anyone who would be interested in purchasing the building. Ms. Curcio steered several parties to our attention. She also mentioned that a larger police facility had been informally discussed; due to our proximity to the public works garage, I asked if she'd inquire as to the city's interest. She reported back the city's response was "not interested."
- In late December, after considering two offers, the College accepted an "asking price offer" from Mr. Owen Hayes who owns several other office buildings in Park Ridge.
- The sale of the building was consummated on April 1, 2004. Per our attorney's advice, it is inappropriate for me to reveal the sale price for a private business transaction, but since all real estate transactions are public, that information is available via public record after closing.
- The proceeds of the sale were used to pay off the mortgage and the remaining monies were invested in the College's reserve fund.

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- As a not-for-profit corporation, by law ACFAS must retain all earnings from operating or non-operating activities as part of its net assets. We have no shareholders; no dividends are paid to anyone. I did not and will not receive any compensation whatsoever from the sale of this building.

Since you were interested in the College's relocation, here's more information: Real estate management is not a core competency of the College; it is medical education and research. The 1992 decision to buy 515 Busse was based on an ill-founded premise of opening a cadaveric surgical skills facility in the basement. Instead, ACFAS now cost-effectively rents the Orthopaedic Learning Center in Rosemont instead of operating its own facility. In addition, 515 Busse is a 42-year old building that will need substantial repairs in the years ahead and the building design did not allow for incremental growth of our staff. Our decision to sell was purely a business decision; it had absolutely nothing to do with Park Ridge or any individual.

We are moving to 8725 West Higgins Road, Suite 555, Chicago. Of the ten sites recommended by our broker, this location was selected because of the floor plan, base rent, rent concessions, tenant build-out allowance, being next door to the O'Hare Marriott for numerous meetings we hold here, a long-term hotel rate contract negotiated in advance, being within walking distance of the CTA L Station to enhance future employment recruitment, shuttle service to O'Hare for our members, and in-building restaurants and amenities. We are moving on June 30, 2004.

I trust this thoroughly explains the sale of 515 Busse Highway. Any misstatements credited to any city official or employee that either overtly or implicitly, directly or indirectly, accuses me or the College of any wrongdoing will be turned over to the College's legal counsel for appropriate action. If you have any further questions regarding the information in this letter, please contact me or the ACFAS legal counsel, Michael Reed, at Vedder Price Kaufman and Kammholz at 312-609-7640.

Sincerely,



J.C. (Chris) Mahaffey, MS, CAE
Executive Director

Cc: ACFAS Board of Directors
Michael Reed, ACFAS Legal Counsel
Park Ridge City Council
Tim Schuenke, Park Ridge City Manager
Sharon Curcio, Economic Development Corporation