117781

SEC 1972 (6-02) **Potential persons who are to respond to the collection o[redacted]ained in this form are not required to respond unless the form displ[redacted] control number.**

02048311

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption state exemption unless such exemption is predicated on the filing of a federal notice.

PROCESSED
JUL 18 2002
THOMSON FINANCIAL

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SEC PROCESSING SECTION RECEIVED JUN 27 2002 WASH. D.C. 154

FORM D

NOTICE OF SALE OF SECURITIES
PURSUANT TO REGULATION D,
SECTION 4(6), AND/OR
UNIFORM LIMITED OFFERING EXEMPTION

OMB APPROVAL
OMB Number: 3235-0076
Expires: May 31, 2005
Estimated average burden hours per response.. . 1

SEC USE ONLY		
Prefix		Serial
DATE RECEIVED		

Name of Offering ([ ] check if this is an amendment and name has changed, and indicate change.)

GLG Partners, LLC – Initial Offering

Filing Under (Check box(es) that apply): [ ] Rule 504 [ ] Rule 505 [X] Rule 506 [ ] Section 4(6) [X] ULOE

Type of Filing: [X] New Filing [ ] Amendment

1. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer ([ ] check if this is an amendment and name has changed, and indicate change.)

GLG Partners, LLC

Address of Executive Offices (Including Area Code) (Number and Street, City, State, Zip Code)	Telephone Number
1841 West Oak Parkway, Suite A, Marietta, Georgia 30062	**(770) 419-0691**

Address of Principal Business Operations (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)
(if different from Executive Offices)

1841 West Oak Parkway, Suite A, Marietta, Georgia 30062 (770) 419-0691

Brief Description of Business
To acquire and hold limited partner interests in Georgia Litho Group, LLLP, which will acquire, consolidate and operate four (4) lithotripsy services businesses operating throughout Georgia and parts of Alabama

Type of Business Organization

[ ] corporation [ ] limited partnership, already formed [**X**] other (please specify): limited liability company

[ ] business trust [ ] limited partnership, to be formed

Month Year

Actual or Estimated Date of Incorporation or Organization: [**0**] **6**] [**0**] **2**] [**X**] Actual [ ] Estimated

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State: CN for Canada; FN for other foreign jurisdiction) [**G**] [**A**]

GENERAL INSTRUCTIONS

Federal:

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When to File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.
Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:
This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix in the notice constitutes a part of this notice and must be completed.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: [ ] Promoter [X] Beneficial Owner [ ] Executive Officer [ ] Director [ ] General and/or Managing Partner

---

Full Name (Last name first, if individual)

Healthtronics Surgical Services, Inc., a Georgia corporation

Business or Residence Address (Number and Street, City, State, Zip Code)

1841 West Oak Parkway, Suite A, Marietta, Georgia 30062

Check Box(es) that Apply: [ ] Promoter [X] Beneficial Owner [ ] Executive Officer [ ] Director [X] General and/or Managing Partner/Manager

---

Full Name (Last name first, if individual)

Integrated Lithotripsy of Georgia, Inc., a Georgia Corporation

---

Business or Residence Address (Number and Street, City, State, Zip Code)

1841 West Oak Parkway, Suite A, Marietta, Georgia 30062

Check Box(es) that Apply: [ ] Promoter [ ] Beneficial Owner [ ] Executive Officer [ ] Director [ ] General and/or Managing Partner

[X] Beneficial Recipient of Investment

Full Name (Last name first, if individual)

Georgia Litho Group, LLLP, a Georgia limited liability limited partnership

---

Business or Residence Address (Number and Street, City, State, Zip Code)

1841 West Oak Parkway, Suite A, Marietta, Georgia 30062

Check Box(es) that Apply: [ ] Promoter [ ] Beneficial Owner [X] Executive Officer [X] Director [ ] General and/or Managing Partner

---

Full Name (Last name first, if individual)

Wheelock, M.D., Argil J.

Business or Residence Address (Number and Street, City, State, Zip Code)

1841 West Oak Parkway, Suite A, Marietta, Georgia 30062

Check Box(es) that Apply: [ ] Promoter [ ] Beneficial Owner [X] Executive Officer [X] Director [ ] General and/or Managing Partner

---

Full Name (Last name first, if individual)

McGahan, Martin, J.

Business or Residence Address (Number and Street, City, State, Zip Code)

1841 West Oak Parkway, Suite A, Marietta, Georgia 30062

Check Box(es) that Apply: [ ] Promoter [ ] Beneficial Owner [X] Executive Officer [ ] Director [ ] General and/or Managing Partner

Full Name (Last name first, if individual)

Stolarski, Tracy M.

Business or Residence Address (Number and Street, City, State, Zip Code)

1841 West Oak Parkway, Suite A, Marietta, Georgia 30062

Check Box(es) that Apply: [ ] Promoter [ ] Beneficial Owner [ ] Executive Officer [ ] Director [ ] General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering?..... Yes [X] No [ ]

Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual?..... $500 plus Guaranty of $9,500 of company obligations

3. Does the offering permit joint ownership of a single unit?..... Yes [ ] No [X]

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

NONE

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... [ ] All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... [ ] All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... [ ] All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box ¨ and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	$ 0	$ 0
Equity ...shares of membership interests in LLC [1]	$ 9,000,000	$ 0
[X] Common [ ] Preferred		
Convertible Securities (including warrants)	$ 0	$ 0
Partnership Interests	$ 0	$ 0
Other (Specify_____).	$ 0	$ 0
Total	$ 9,000,000	$ 0

Answer also in Appendix, Column 3, if filing under ULOE.

[1] includes all potential proceeds, including from Guarantys

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors	0	$ 0
Non-accredited Investors	0	$ 0
Total (for filings under Rule 504 only)		$

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505	N/A	$ N/A
Regulation A		$
Rule 504		$
Total		$

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

ATTENTION
Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? ..... Yes [ ] No [X]

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239,500) at such times as required by state law.

3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.

4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type)	Signature	Date
GLG Partners, LLC	Tracy M Stolarski	06/13/02
Name of Signer (Print or Type)	Title (Print or Type)	
Tracy M. Stolarski	Vice President, Integrated Lithotripsy of Georgia, Inc., Manager	

Instruction:

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Transfer Agent's Fees	[ ] $ 0	
Printing and Engraving Costs (2)	[x] $ 0	(2)
Legal Fees (2)	[x] $ 0	(2)
Accounting Fees (2)	[x] $ 0	(2)
Engineering Fees	[ ] $ 0	
Sales Commissions (specify finders' fees separately)	[ ] $ 0	
Other Expenses (identify) _____ (2)	[x] $ 0	(2)
Total (2)	[ ] $ 0	(2)

(2) Payable by affiliates of the Issuer from separate funding.

b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a. This $9,000,000

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments To Others
Salaries and fees	[ ] $ 0	[ ] $ 0
Purchase of real estate	[ ] $ 0	[ ] $ 0
Purchase, rental or leasing and installation of machinery and equipment	[ ] $ 0	[ ] $ 0
Construction or leasing of plant buildings and facilities	[ ] $ 0	[ ] $ 0
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger) (3)	[X] $9,000,000	[ ] $
Repayment of indebtedness	[ ] $ 0	[ ] $ 0
Working capital	[ ] $ 0	[ ] $ 0
Other (specify): _____	[ ] $ 0	[ ] $ 0
_____	[ ] $ 0	[ ] $ 0
Column Totals	[ ] $ 0	[ ] $ 0
Total Payments Listed (column totals added)	[x] $9,000,000	

(3) The selling partnerships are affiliated indirectly with the Issuer.

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type)	Signature	Date
GLG Partners, LLC	Tracy M. Stolarski	06/13/02
Name of Signer (Print or Type)	**Title of Signer (Print or Type)**	
Tracy M. Stolarski	Vice President, Integrated Lithotripsy of Georgia, Inc., Manager	

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No	Equity	Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL	X		$9,000,000	0	0	0	0		X
AK									
AZ									
AR									
CA									
CO									
CT									
DE									
DC									
FL									
GA	X		$9,000,000	0	0	0	0		X
HI									
ID									
IL									
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA									
MI									
MN									
MS									
MO									
MT									
NE									
NV									
NH									
NJ									
NM									
NY									
NC									
ND									
OH									
OK									
OR									
PA									

RI									
SC									
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UT									
VT									
VA									
WA									
WV									
WI									
WY									
PR									

http://www.sec.gov/divisions/corpfin/forms/formd.htm
Last update: 06/06/2002

00000007
SEC (Notice)

GLG PARTNERS, LLC

SUBSCRIPTION INSTRUCTIONS
Pursuant to Private Placement Memorandum
dated June 18, 2002

Outlined below are the documents required to be executed and delivered to GLG Partners, LLC, a Georgia limited liability company (the "Company"), c/o Andre & Blaustein, LLP, The Candler Building, 127 Peachtree Street, N.E., Suite 700, Atlanta, Georgia 30303-1800, in connection with subscription for a Share(s). Each document must be executed in the manner described below, with all applicable blanks completed. If an applicable blank is "not applicable", please so indicate on the document.

Document	How, and by Whom Executed	Checklist
(a) Subscription Agreement	by Offeree before a notary public	_____
(b) Signature Page Counterpart to Operating Agreement of the Company	by Offeree	_____
(c) Form of Guaranty	by Offeree before a notary public	_____
(d) Personal Financial Statement	by Offeree before a notary public	_____

Each subscription must be accompanied by the Offeree's payment of the Funds to "GLG Partners, LLC" in the amount of $500.00 times the number of Shares subscribed.

SUBSCRIPTION AGREEMENT

GLG Partners, LLC

TO: GLG Partners, LLC
c/o Andre & Blaustein, LLP
Attorneys and Counselors at Law
The Candler Building
127 Peachtree Street, N.E., Suite 700
Atlanta, Georgia 30303-1800

Ladies and Gentlemen:

The undersigned hereby tenders this subscription to GLG Partners, LLC, a Georgia limited liability company (the "Company"), and applies for the purchase of shares of membership interests in the Company as a member (the "Share" or "Shares"), for that number of Shares shown hereinafter. The purchase price per Share is Five Hundred Dollars ($500.00) plus the guaranty of the undersigned in the amount of Nine Thousand Five Hundred Dollars ($9,500.00) per Share to be used to secure debt financing for direct or indirect benefit of the Company (the "Funds"). Capitalized terms used in this Subscription Agreement and not otherwise defined shall have the meanings assigned to them in the Private Placement Memorandum of the Company dated June 18, 2002 (the "Memorandum"). Payment of the subscription funds (the "Funds") is being tendered by the undersigned herewith. The undersigned understands that subscriptions and the Funds will not be held in escrow.

1. Commitment to Acquire Shares. Subject to the terms and conditions of this Agreement and as set forth in the Memorandum, the undersigned hereby offers to acquire _____ (__) Share(s) pursuant to the Offering at the purchase price of Five Hundred Dollars ($500.00) plus the unconditional guaranty of the undersigned in the amount of Nine Thousand Five Hundred Dollars ($9,500.00) (the "Guaranty") (collectively, the cash and Guaranty are referred to as the "Funds") per Share. Upon the Company's acceptance in writing of the subscription of the undersigned for the purchase of Share(s) in the Company, the undersigned agrees to and shall become a Member of the Company and shall be bound by all terms and conditions of this Agreement and the Operating Agreement of the Company dated as of June 18, 2002, as amended (the "Operating Agreement"), and shall cooperate fully with the Company in the Company's use and pledge of the Guaranty to secure debt financing for the direct or indirect benefit of the Company.

2. Acceptance of Subscription and Funds. It is understood and agreed that the Company shall have the right to accept or reject this Agreement and the Funds, in whole or in part, in its sole and absolute discretion, for any reason whatsoever, at any time prior to the termination or expiration of this Offering. It is understood and agreed that the Company may accept this Agreement for any number of Shares up to the number of Shares hereby tendered, as determined by the Company in its sole and absolute discretion. The undersigned may not

revoke, rescind, withdraw, or otherwise cancel this subscription other than as provided under applicable state or federal law.

3. Representations, Warranties and Covenants of the Undersigned. The undersigned hereby represents, warrants and covenants to the Company and its partners (and their respective officers, directors, shareholders and agents) as follows:

[OPTIONAL REPRESENTATION – PLEASE INITIAL ONLY IF TRUE: _____.] The Undersigned natural person has an individual net worth, or net worth with his spouse, of $1,000,000, or has had individual income in excess of $200,000 in each of the two most recent years, or joint income with the undersigned's spouse, in excess of $300,000 in each of those years, and reasonably anticipates reaching the same income level in the current year.

(a) The undersigned (i) has adequate means of providing for his current needs and possible personal contingencies and has no need for liquidity with respect to his acquisition of Shares in the Company; (ii) understands that the Shares in the Company are transferable under only very limited circumstances; (iii) represents that the principal objective of the undersigned in submitting this Agreement and the Funds is the opportunity to make an investment in the Company; and (iv) either alone or with his legal and financial advisors possesses such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Shares.

(b) The address set forth below the signature of the undersigned is the undersigned's true and correct current address and that he has no present intention of becoming a resident of any other state or jurisdiction. The undersigned is a citizen of the United States (or such other nation set forth on the Signature Page hereto) and has his principal residence address (or principal business address in the case of an entity) at the address set forth on the Signature Page hereof.

(c) The undersigned has received and read and is familiar with the Memorandum, and the related Exhibits. All documents, books, financial information and records pertaining to the Company and an investment in the Shares requested by the undersigned have been made available or delivered to the undersigned and, if the undersigned so requested, to his attorney, accountant, or other representative.

(d) The undersigned has had an opportunity to ask questions of and receive answers from representatives of the Manager of and legal counsel to the Company, or a person or persons acting on behalf of the Company, concerning the terms and conditions of this Offering and to obtain such information, to the extent such persons possess the same or could acquire it without unreasonable effort or expense, as the undersigned deemed necessary. However, the undersigned has relied solely upon the Memorandum and the documents therein in making a decision to participate in this Offering and to acquire Shares.

(e) The undersigned acknowledges that Shares in the Company are securities. The undersigned understands and agrees that the Shares are being offered and sold in a private

placement pursuant to applicable exemptions from registration and that the undersigned has no unilateral right to cause the registration of a Share.

(f) The Shares are being acquired solely for the undersigned's own account, and the undersigned acknowledges and agrees that the Shares and parts thereof, may not be transferred, assigned, pledged, negotiated, or otherwise alienated except under the very limited circumstances outlined in the Operating Agreement and consistent with the terms outlined in the Memorandum and this Agreement. In order to induce the Company to accept this Agreement and the Funds, the undersigned agrees that neither the Company nor any other party will have any obligation or duty to recognize the ownership, beneficial or otherwise, or any rights related thereto with respect to the Shares as to anyone but the undersigned. Documentation evidencing the Shares will contain a legend satisfactory to the Company which evidences restrictions on transferability of the Shares, including without limitation, reference to the Operating Agreement and applicable securities laws.

(g) Neither the Company nor any other party acting on behalf of the Company have provided any tax, financial or legal advice to the undersigned with respect to participating in an investment in the Company.

(h) The undersigned is aware that investment in the Shares involves various risks and has carefully read and considered the Memorandum, including but not limited to matters set forth under the captions "RISK FACTORS," "THE PRIVATE PLACEMENT," and "BUSINESS OF THE COMPANY AND GLGROUP" in the Memorandum.

(i) The undersigned understands that the Shares have been offered and will be sold in reliance upon the exemptions provided in Section 4(2) of the Securities Act of 1933 (the "Act") and Regulation D, Rule 506 thereunder, as a purely private transaction and as transaction not involving any public offering. The undersigned makes the representations, declarations, and warranties in this Subscription Agreement with the intent that the same will be relied upon in determining the suitability of the undersigned as a purchaser of Shares. The undersigned understands that the Company has no obligation or present intention to register the Shares under the Act or to file the reports or make public the information set forth in Rule 144 under the Act for the foreseeable future.

(j) The Shares for which the undersigned hereby subscribes will be acquired solely for the account of the undersigned for long-term investment and are not being purchased for resale, fractionalization, or distribution. The undersigned has no contract, undertaking, agreement, or arrangement with any person or entity to sell, transfer, or pledge to such person or entity, or to anyone else, the Shares which the undersigned hereby subscribes to purchase or any part thereof; and the undersigned has no present plan to enter into any such contract, undertaking, agreement, or arrangement.

(k) The undersigned agrees not to dispose of the Shares or any interest therein, unless and until the Shares have been validly registered under the Securities Act of 1933 or the Company has been furnished an opinion of counsel satisfactory to it that the intended disposition does not violate the Act or the rules and regulations of the Securities and Exchange

Commission thereunder, nor any applicable state securities laws. The undersigned understands that any transfer will be subject to the terms of the Operating Agreement of the Company.

(l) The undersigned represents and warrants that the Funds tendered with this subscription do not represent greater than ten percent (10%) of his individual net worth with his spouse, and that the attached personal financial statement is true, accurate and correct in all material respects.

(m) The undersigned hereby consents to and by execution of this Agreement agrees to be subject to the terms of the Operating Agreement of the Company, as duly amended from time to time.

(n) The undersigned is aware that an investment in the Shares involves substantial risks, including those disclosed in the Memorandum. The attorneys for the Company and this Offering have disclosed that they are subject to actual and potential conflicts of interest by virtue of their representation of the Company and of West Coast Cambridge, Inc. and its affiliates, and the undersigned waives any rights or claims with respect thereto and as disclosed in the Memorandum.

(o) The undersigned does expressly represent and warrant that he is not a party to nor is there as of the date hereof any contract, agreement or understanding, written or oral, between or applicable to the undersigned and any other person or entity whatsoever which in any manner limits or restricts the right of the undersigned to enter into this Agreement, to hold the Shares, or to perform his covenants and obligations under this Agreement and the Operating Agreement, or which limits or affects the obligations, rights and/or actions of the undersigned with respect to this Agreement and the investment in the Company, nor shall the undersigned enter into any such contract, agreement or understanding prior to acceptance of the undersigned's subscription hereunder. The execution and performance of this Agreement and the Operating Agreement do not constitute a breach, default or violation of any agreement or covenant to which the undersigned is subject or a party.

The foregoing representations, warranties and agreements are true and accurate as of the date hereof and shall be true and accurate as of the date of delivery of the Funds and this Agreement and shall survive such delivery. If in any respect, such representations and warranties shall not be true and accurate prior to the acceptance of this Agreement and the Funds by the Company, the undersigned shall give written notice of such fact to the Company specifying which representations and warranties are not true and accurate and the reasons therefore.

4. Indemnification by Undersigned. The undersigned acknowledges that he understands the meaning and legal consequences of the representations, warranties, and covenants contained in this Agreement, that they are being relied upon, and recognizes that acceptance of the undersigned's participation in the Company is based on the truthfulness and accuracy of the representations and warranties herein contained. Accordingly, the undersigned hereby agrees to indemnify and hold harmless the Company, its members, the Manager, and the directors, officers, agents, and employees of the Company and its members from and against any

and all claims, loss, damage, liability, costs or expenses (including reasonable attorneys' fees) due to or arising out of a breach or the inaccuracy of any representation, warranty or covenant of the undersigned contained in this Agreement. The Securities and Exchange Commission has taken the position that indemnification of a breach of securities laws and regulations by the issuer is not enforceable.

5. Restrictions on Transfer of Shares. Transfer of Shares is restricted. Undersigned shall not transfer, assign, convey, encumber or otherwise alienate any interest in or to the Shares, in whole or in part, without compliance with the limitations on transfer of the Shares as set forth in this Agreement, the Operating Agreement and the Memorandum. Any attempted matter in contravention of this provision shall be null and void and shall not be binding on the Company. The Company shall legend any certificates which evidence ownership of the Shares.

6. Non-Competition, Non-Solicitation and Proprietary Information. The undersigned agrees to, and shall be subject to, the restrictions in the Operating Agreement, including without limitation Section 6.07 and the related provisions and remedies, all of which shall be cumulative and none exclusive.

7. Power of Attorney. The undersigned hereby irrevocably constitutes and appoints the Manager and each of the officers of the Manager of the Company and each of them, with full power of substitution, his true and lawful attorney-in-fact, in his name, place, and stead to consent and agree to, make, execute, sign, acknowledge, swear to, deliver, record and file, on behalf of him and on behalf of the Company, the following:

(a) a copy of the Operating Agreement by and among the Company and the Members in form and content as included in the Memorandum;

(b) any and all amendments to the Operating Agreement adopted in accordance with its terms and all instruments which the Company deems appropriate to reflect a change or modification in accordance with the terms of the Operating Agreement;

(c) any and all such other instruments as may be deemed necessary or desirable to carry out fully the provisions of the Operating Agreement or Guaranty in accordance with its terms; and

(d) such documentation and agreements, including a form of guaranty, pledge and/or other documentation that the Manager deems reasonable or necessary to use, pledge or transfer the Guaranty to a third-party lender to facilitate, collateralize, support, secure, permit and obtain such credit facilities, loans and lines of credit for the benefit, directly or indirectly, of the Company as the Manager deems to be in the best interests of the Company.

The foregoing grant of authority: (i) is a Special Power of Attorney coupled with an interest, is irrevocable and shall survive the death or incapacity of the undersigned (ii) may be exercised by a facsimile signature of the undersigned or the attorney-in-fact; (iii) shall survive the delivery of an assignment by a Member of the whole or any portion of his Shares; and (iv) shall be governed by and construed in accordance with the laws of the State of Georgia.

8. Binding Effect. This Agreement, its provisions, and the representations and warranties herein contained shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto and shall survive the execution, delivery and acceptance of this Agreement. The undersigned represents and warrants that he has the requisite legal capacity and authority to enter into this Agreement.

9. Incorporation by Reference. The terms, conditions, exhibits and definitions contained in the Memorandum are republished hereby and incorporated herein by this reference.

10. No Waiver. The failure of either party to insist, in one or more instances, on the performance by the other in strict compliance with the terms and conditions of this Agreement, shall not be deemed a waiver or relinquishment of any right granted hereunder or of any terms and conditions of this Agreement unless such waiver is contained in a writing signed by the parties.

11. Entire Agreement. This Agreement comprises all the agreements, understandings, representations, conditions and warranties by and between the parties. This Agreement may not be modified or amended except in writing signed by the parties to this Agreement.

12. Governing Law. This Agreement and the rights and duties of the parties attendant hereto shall be construed and governed in accordance with the laws of the State of Georgia, provided, choice of laws provisions shall not apply.

13. Notice. Any notice hereunder shall be in writing, and delivered either by certified mail, return receipt requested with adequate postage thereon, or delivered in person to the individual and to the address included below:

GLG Partners, LLC
c/o Integrated Lithotripsy of Georgia, Inc.
Attention: Legal Counsel
1841 West Oak Parkway
Suite A
Marietta, Georgia 30062

with a copy to:

Jon G. Blaustein, Esq.
Andre & Blaustein, LLP
Attorneys and Counselors at Law
The Candler Building
127 Peachtree Street, N.E.
Suite 700
Atlanta, Georgia 30303-1800

Undersigned
(See signature page attached hereto)

A party to this Agreement may amend the addresses for notice hereunder pursuant to written notice to the other party.

14. Survival. All representations, warranties and covenants contained in this Agreement shall survive the execution, delivery and performance of this Agreement and all documents executed in performance of and the performance of this Agreement.

15. Counterparts. This Agreement may be executed in one or more duplicate originals which shall, either singly or together, serve to represent one agreement between the parties.

16. Captions. The headings or captions used in this Agreement are inserted for convenience and reference purposes only and shall not constitute a part hereof nor effect the interpretation of any provision of this Agreement.

17. Interpretation. Within this Agreement, the singular shall include the plural and the plural shall include the singular, and any gender shall include the other gender, all as the meaning in the context of this Agreement shall require. In the event of any conflict or inconsistency between the terms of this Agreement and any description or terms set forth in the Memorandum, the terms of this Agreement shall control. This Agreement shall not be construed more strictly against the Company or any other party by virtue of the Rule of Construction that ambiguities are to be construed against the preparer of an agreement.

18. Severability. In the event any clause or provision of this Agreement or its application to any person or circumstance is invalid or unenforceable, then the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby. The parties intend that a Court of competent jurisdiction may modify the terms of this Agreement from time to time and shall enforce this Agreement to the fullest extent permitted by law.

[NEXT PAGE IS SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT]

SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT

The undersigned, in consideration of the premises and advantages to be obtained from the purchase of Share(s) in GLG Partners, LLC, a Georgia limited liability company, hereby subscribes for and agrees to purchase for his own account the number of Shares set forth herein for the purchase price per Share of: Five Hundred Dollars ($500.00) plus the undersigned's unconditional Guaranty in the amount of Nine Thousand Five Hundred Dollars ($9,500.00). Said Guaranty is to be used by the Company to secure debt financing as provided in this Agreement.

(1) Number of Shares (One Share minimum) _____ (__).

(2) Total Cash tendered with this Agreement ($500.00 x number of Shares) $_____ (by check payable to "GLG Partners, LLC").

(3) An executed form of Guaranty accompanies this Agreement.

(4) A completed and executed Personal Financial Statement accompanies this Agreement.

(5) For the account of:

_____
Print Name of "Limited Partner"

Executed this _____ day of _____, 2002, at _____, _____.

x_____(SEAL)
Signature/Authorized Party

Sworn to and subscribed before me
this _____ day of _____, 2002.

_____
Print or Type Name of Subscriber

_____
Notary Public
[NOTARY SEAL]

_____
Social Security Number or other
Taxpayer I.D. Number

_____
Relationship to Subscriber(s)

Residence Address:

_____

_____

_____
Telephone Number

Citizenship: United States_____
(or) Other _____
(country)

[ACCEPTANCE ON FOLLOWING PAGE]

Accepted this ____ day of _____, 2002, by:

GLG PARTNERS, LLC

By:_____
Authorized Officer, Integrated
Lithotripsy of Georgia, Inc., Manager

Number of Shares accepted:

_____ (__)

Number of Shares rejected:

_____ (__)

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SIGNATURE PAGE COUNTERPART TO
OPERATING AGREEMENT OF
GLG PARTNERS, LLC

IN WITNESS WHEREOF, the undersigned has executed this Signature Page Counterpart to the Operating Agreement of GLG Partners, LLC (the "Company"), dated June __, 2002, with the intent and purpose of being bound by and subject to said Agreement, as amended, upon the undersigned becoming a Member of the Company.

GLG Partners, LLC

By: _____
Authorized Officer, Integrated
Lithotripsy of Georgia, Inc., Manager

_____
Date Signed

MEMBER:

_____(SEAL)
Signature

_____
Print Your Name

_____
Date Signed

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STATE OF _____
COUNTY OF _____

GUARANTY

FOR AND IN CONSIDERATION of the sum of $10.00 and other good and valuable consideration paid or delivered the undersigned (individually and jointly, the "Guarantor"), who is subscribing for and purchasing share(s) of Membership Interest(s) in GLG Partners, LLC, a Georgia limited liability company (the "Company"), the receipt and sufficiency of which are hereby conclusively acknowledged, and for the purpose of inducing the assignees and intended beneficiaries of this Guaranty (as expressly designated by the Manager of the Company) (individually and jointly, the "Secured Party"), to provide loans, debt financing, credit facilities, credit enhancements, lines of credit, leases or other benefits, directly or indirectly, to or for the benefit of the Company, which action by Secured Party will be to the direct interest and advantage of Guarantor, Guarantor does hereby unconditionally guarantee to Secured Party the full and prompt payment when due, whether by acceleration or otherwise, with such interest and charges, if any, as may accrue thereon, either before or after maturity thereof, of all obligations of the Company to Secured Party (such obligations being individually and collectively hereinafter sometimes referred to as the "Obligations"). Guarantor does hereby agree that if any of the Obligations is not paid by Debtor in accordance with its terms, Guarantor will immediately make such payment and pay to Secured Party all expenses (including reasonable attorneys' fees) paid or incurred by Secured Party in endeavoring to collect the Obligations, to enforce any of the agreements between Secured Party and Company and a third party, if any, or to enforce this Guaranty, up to the maximum total aggregate payment and liability of the Guarantor to Secured Party or otherwise under this Guaranty in the total amount of Nine Thousand Five Hundred Dollars ($9,500.00) multiplied by the number of Shares acquired by the Guarantor in the Company.

Guarantor hereby consents and agrees that Secured Party may at any time, and from time to time, without notice to or further consent from Guarantor, either with or without consideration, take or fail to take any action of any type whatsoever. No such action which Secured Party shall take or fail to take in connection with the Obligations, nor any course of dealing with the Company, Secured Party or any other person, shall release Guarantor's obligations hereunder, affect this Guaranty in any way or afford Guarantor any recourse against Secured Party.

Guarantor hereby waives and agrees not to assert or take advantage of any defense based upon: (a) any incapacity, lack of authority, death or disability of Guarantor or any other person or entity; (b) any failure of Secured Party to commence an action against the Company, any other person or entity; (c) any lack of acceptance or notice of acceptance of this Guaranty by Secured Party; (d) any lack of presentment, demand, protest, or notice of demand, protest or non-payment with respect to any of the Obligations or performance of any of the agreements between Secured Party and the Company and a third party, if any; (e) any lack of other notices to which Guarantor might otherwise be entitled; (f) any lack of due diligence by Secured Party in obtaining reimbursement or performance from any person or entity now or hereafter liable for the Obligations or the agreements between Secured Party and the Company and a third party, if any; or (g) any deficiency in the ability of Secured Party to collect or obtain performance from any persons or

entities now or hereafter liable for the payment of the Obligations or the performance of the agreements between Secured Party and the Company and a third party, if any.

This is a guaranty of payment and performance and not of collection. The liability of Guarantor under this Guaranty shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against the Company or any other person. Guarantor waives any right to require that an action be brought against the Company or any other person. Upon any Event of Default under any of the agreements between Secured Party and the Company, which is not timely cured within any applicable cure period, Secured Party shall have the right to enforce its rights, powers and remedies thereunder or hereunder, in any order, and all rights, powers and remedies available to Secured Party in such event shall be nonexclusive and cumulative of all other rights, powers and remedies provided thereunder or hereunder or by law or in equity. If any Obligation is partially paid or is partially performed by reason of any election of Secured Party to pursue any of the remedies available to Secured Party, or if any Obligation is otherwise partially paid or any agreements between Secured Party and the Company is otherwise partially performed, this Guaranty shall nevertheless remain in full force and effect, and Guarantor shall remain liable for the entire unpaid balance of the Obligations and for the full performance of each agreement between Secured Party and the Company and a third party, if any, even though any rights which Guarantor may have against the Company, any other party may be destroyed or diminished by the exercise of any such remedy.

Guarantor waives, for himself and family, any and all homestead and exemption rights which Guarantor or Guarantor's family may have under or by virtue of the Constitution or the laws of the United States of America or of any state as against this Guaranty, any renewal hereof, or any indebtedness represented hereby, and does transfer, convey and assign to Secured Party a sufficient amount of such homestead or exemption as may be allowed, including such homestead or exemption as may be set apart in bankruptcy, to pay all amounts due hereunder in full, with all costs of collection, and does hereby direct any trustee in bankruptcy having possession of such homestead or exemption to deliver to Secured Party a sufficient amount of property or money set apart as exempt to pay the Obligations, and does hereby appoint Secured Party the attorney-in-fact for Guarantor to claim any and all homestead exemptions allowed by law.

This Guaranty may not be changed orally and no obligation of Guarantor can be released or waived by Secured Party or any officer or agent of Secured Party except by a writing signed by Secured Party. This Guaranty shall be irrevocable by Guarantor until all of the Obligations have been completely repaid and all obligations and undertakings of the Company relating to the Obligations have been completely performed. This Guaranty shall be revived and reinstated in the event that any payment received by Secured Party on any of the Obligations is returned or rescinded due to any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief of debtors. This Guaranty shall in no event be impaired by any change which may arise by reason of the dissolution of the Company. Guarantor has executed this Guaranty individually and not as a partner or member of the Company.

The provisions of this Guaranty shall be binding upon Guarantor and Guarantor's successors, successors-in-title, heirs, legal representatives and assigns and shall inure to the benefit of Secured Party, its successors, successors-in-title, endorsees and assigns. This Guaranty is assignable by Secured Party and any such full or partial assignment shall operate to vest in the assignee all rights and powers herein conferred upon and granted to Secured Party so assigned.

In the event any clause, provision, or part thereof of this Guaranty or its application to any person or circumstance is invalid or unenforceable, the remainder of this Guaranty and the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Guarantor further covenants and agrees, as an additional and material inducement to Secured Party, that: (a) Guarantor shall not voluntarily transfer, convey or abandon for less than full consideration and money's worth any material assets held by Guarantor on the date of this Agreement; and (b) Guarantor shall not pledge, hypothecate, mortgage nor grant a security interest in and to the assets of Guarantor which would materially impair, hinder or limit Guarantor's ability to perform his obligations under this Guaranty or Secured Party's ability to recover from Guarantor under this Guaranty.

The Guarantor hereby irrevocably constitutes and appoints the Manager of the Company and each of the officers of the Manager, and each of them, with full power of substitution, his true and lawful attorney-in-fact, in his name, place and stead, to assign, transfer, agree to, make, execute, sign, acknowledge, swear to, deliver, record, and file on behalf of Guarantor and the Company:

(a) this Guaranty, or a copy or facsimile hereof, or any other form, guaranty, agreement, pledge or otherwise pledging the guaranty of Guarantor consistent with the general purposes and intents of this Guaranty;

(b) amendments to this Guaranty;

(c) an assignment or transfer of this Guaranty to a person providing loans, debt financing, credit facilities, credit enhancements, lines of credit, leases or other benefits, directly or indirectly, to or for the benefit of the Company;

(d) any document to clarify and limit the maximum liability and obligation of the Guarantor under this Guaranty, including but not limited to specifying the number of Shares acquired by Guarantor and the maximum amount of this Guaranty;

(e) any and all other instruments as Manager of the Company may deem reasonable or necessary to carry out fully the provisions of this Guaranty in accordance with its terms; and

(f) such documents and agreements, including a form of guarantee or pledge, that the Manager of the Company deems reasonable or necessary to use, pledge, assign or transfer this Guaranty and the obligations of Guarantor hereunder to a third-party lender and provider to facilitate

loans, lines of credit, leases, credit facilities, credit enhancements, and the like for the Company and/or for the direct or indirect benefit of the Company, including without limitation with respect to the financing and business of Georgia Litho Group, LLLP, a Georgia limited liability limited partnership.

The foregoing grant of authority is a Special Power of Attorney coupled with an interest, is irrevocable, and shall survive the death or incapacity of Guarantor, may be exercised by facsimile signature, and shall survive the delivery, assignment or a transfer of Shares of Membership Interest in the Company and this Guaranty.

Third parties may rely conclusively on this Guaranty and the written action of the Manager and its officers. The Guarantor agrees not to contest the validity or authority of such written action as to any third party.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS GUARANTY, THE LIABILITY AND OBLIGATION OF THE GUARANTOR IS EXPRESSLY LIMITED TO AND SHALL UNDER NO CIRCUMSTANCES EXCEED NINE THOUSAND FIVE HUNDRED DOLLARS ($9,500) PER SHARE OF MEMBERSHIP INTERSET THAT GUARANTOR IS OBTAINING IN THE COMPANY AND DIRECTLY RELATING TO THE EXECUTION AND DELIVERY OF THIS GUARANTY BY GUARANTOR TO THE COMPANY AS PART OF THE CONSIDERATION FOR GUARANTOR'S SUBSCRIPTION FOR AND PURCHASE OF SHARES OF MEMBERSHIP INTEREST IN THE COMPANY.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty before a Notary and under seal to be effective for all purposes on the 18th day of June, 2002.

Sworn to and subscribed before me this
_____ day of _____, 2002.

_____
Notary Public

[NOTARY SEAL]

_____
Unofficial Witness

GUARANTOR:

_____(SEAL)

_____
(Print Name)

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Personal Financial Statement

Regions Bank

If you are applying for individual credit in your own name and are relying on your own income or assets, and not the income or assets of another person as the basis for repayment of the credit requested, you do not need to complete section II or lines 13-24 on the section entitled "Jointly Owned Assets".

Statement as of ,20

Section I – Borrower Information

Section II – Co-Borrower/Other Party Information

NAME:			NAME:		
Address:			Address:		
City:	State:	Zip:	City:	State:	Zip:
Social Security No.:	Date of Birth:		Social Security No.:	Date of Birth:	
Position / Occupation:			Position / Occupation:		
Business Name:			Business Name:		
Business Address:			Business Address:		
City:	State:	Zip:	City:	State:	Zip:
Res. Phone:	Bus. Phone:		Res. Phone:	Bus. Phone:	
			Relationship to individual listed in Section I:		

SECTION III – STATEMENT OF FINANCIAL CONDITION

ASSETS SOLELY OWNED (List here only those assets not jointly owned and which individual in Section I has sole legal title).	In Dollars (Omit Cents)	ALL LIABILITIES & NET WORTH (List all liabilities, joint or otherwise: include all liabilities as Co-maker).	In Dollars (Omit Cents)
1. Cash on Hand and in Banks – See Sched. A		26. Notes Payable to Banks - Secured	
2. U.S. Gov't and Marketable Securities – See Sched. B		27. Notes Payable to Banks – Unsecured	
3. Non-Marketable Securities – See Sched. C		28. Due to Brokers	
4. Securities Held By Broker in Margin Accounts		29. Amounts Payable to Others - Secured	
5. Restricted or Control Stocks		30. Amounts Payable to Others – Unsecured	
6. Real Estate – See Sched. D		31. Accounts and Bills Due	
7. Loans Receivable		32. Unpaid Income Tax	
8. Automobiles		33. Other Unpaid Interest and Taxes	
9. Cash Value – Life Insurance – See Sched. G		34. Real Estate Mortgage Payable – See Sched. D & E	
10. Other Personal Property		35. Other Debts	
11. Other Assets: (Itemize)			
		36. TOTAL LIABILITIES (Add lines 26 – 35)	
		37. NET WORTH (Line 25 minus line 36	
12. TOTAL ASSETS SOLELY OWNED (Add lines 1-11)		38.TOTAL LIABILITIES & NET WORTH (Add Lines 36 & 37)	

JOINTLY OWNED ASSETS (List here assets in which legal title and right to pledge is joint).	Individual Listed in Section II	Other Individual(s)	CONTINGENT LIABILITIES Do you have any contingent liabilities? If so, describe. (Add add'l sheet if necessary.)	
13. Cash on Hand and in Banks			Liabilities as endorser or guarantor?	
14. U.S. Gov't & Marketable Securities			Liabilities on leases or contracts?	
15. Non-Marketable Securities			Legal Claims?	
16. Securities Held by Broker in Margin Accounts			Other special debts?	
17. Restricted or Control Stocks			Amount of contested income tax liens	
18. Real Estate – See Schedule E				

Personal Financial Statement

Regions Bank

19. Loans Receivable			Source of Income for Year Ended . (Include other party income if you are applying for joint credit.)	
20. Automobiles			Salary	
21. Cash Value – Life Insurance			Bonuses & Commissions	
22. Other Personal Property			Dividends & Interest	
23. Other Assets: (Itemize)			Real Estate Income	
			Other income (Alimony, child support, or separate maintenance need not be revealed if you do not desire the bank to consider such income in determining your credit worthiness.)	
24. TOTAL JOINTLY OWNED ASSETS (Add lines 13-23)				
25. TOTAL OF ALL ASSETS (Add lines 12 &24)			TOTAL INCOME	

The information contained in this statement is provided for the purpose of procuring, establishing, and maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. The undersigned understands that you are relying on the information provided herein in deciding to grant or continue credit.

The undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

Signature (Borrower) Date

Signature (Co-Borrower/Other) Date

PLEASE COMPLETE SECOND PAGE

MEMORANDUM NO. 00000007
OFFEREE SEC (Notice)

PRIVATE PLACEMENT MEMORANDUM

Nine Hundred (900) Shares of Member Interests
In
GLG PARTNERS, LLC
(A Georgia Limited Liability Company)
1841 West Oak Parkway
Suite A
Marietta, Georgia 30062

No Commissions Will Be Paid

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED BY SECTION 4(2) OF THAT ACT AND REGULATION D, RULE 506, HAVE NOT BEEN REGISTERED UNDER GEORGIA LAW IN RELIANCE ON AN EXEMPTION FROM REGISTRATION PROVIDED IN SECTION 9(16) OF THE GEORGIA SECURITIES ACT OF 1973 AND HAVE NOT BEEN REGISTERED UNDER THE LAWS OF ANY STATE, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER SUCH LAWS AND REGULATIONS, OR AN OPINION OF COUNSEL, ACCEPTABLE TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED.

NEITHER THE SECURITIES OFFERED HEREBY NOR THE COMPANY HAVE BEEN GUARANTEED, SPONSORED, RECOMMENDED NOR APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES AUTHORITIES OF ANY STATE, NOR HAVE THEY BEEN REGISTERED WITH ANY STATE, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS ARE SPECULATIVE SECURITIES INVOLVING A HIGH DEGREE OF RISK AND ARE ONLY SUITABLE FOR PERSONS WHO CAN AFFORD TO LOSE ALL OF THEIR INVESTMENT. [SEE "RISK FACTORS"].

Dated: June 18, 2002

THIS MEMORANDUM IS SUBMITTED IN CONNECTION WITH THE OFFER AS TO CERTAIN OF INTERESTS OF THE COMPANY AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNAUTHORIZED. THIS MEMORANDUM CONSTITUTES AN OFFER ONLY IF A MEMORANDUM IDENTIFICATION NUMBER APPEARS IN THE SPACE PROVIDED THEREFOR ON THE COVER PAGE AND ONLY TO THE OFFEREE DESIGNATED ON THE COVER PAGE.

THE COMPANY SHALL MAKE AVAILABLE TO EACH OFFEREE DURING THIS OFFERING AND PRIOR TO THE SALE OF ANY INTEREST, THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM A PERSON AUTHORIZED TO ACT ON BEHALF OF THE COMPANY CONCERNING ANY ASPECT OF THE INVESTMENT, AND TO OBTAIN ANY ADDITIONAL INFORMATION TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT, WITHOUT UNREASONABLE EFFORT OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING, OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM. SUCH REPRESENTATIONS, IF ANY, MAY NOT BE RELIED UPON.

THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES LAWS RELATING TO THE SALE OF THE INTERESTS OFFERED HEREBY DEPENDS IN PART UPON THE QUALIFICATIONS AND INVESTMENT INTENT OF THE INVESTORS. EACH INVESTOR WILL BE REQUIRED TO REPRESENT TO THE COMPANY THAT HE IS KNOWLEDGEABLE ABOUT AND EXPERIENCED IN INVESTMENTS OF THIS TYPE, HE IS ABLE TO BEAR THE ECONOMIC RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD AND THAT HE IS ACQUIRING THE INTERESTS FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR RESALE IN CONNECTION WITH ANY DISTRIBUTION OF SUCH INTERESTS.

CONFLICTS OF INTEREST MAY ARISE WITH RESPECT TO THE BUSINESS AND AFFAIRS OF THE COMPANY. THE COMPANY AND AFFILIATES HAVE NOT BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL, ACCOUNTANTS OR BUSINESS ADVISORS AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THE COMPANY AND THIS OFFERING.

THE DELIVERY OF THE MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. HOWEVER, IF ANY MATERIAL CHANGE IN THE COMPANY'S AFFAIRS OR THIS OFFERING OCCURS AT ANY TIME PRIOR TO THE CLOSING OF THIS OFFERING, THIS MEMORANDUM WILL BE AMENDED OR SUPPLEMENTED.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFER AND PRIVATE PLACEMENT MEMORANDUM (OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY, ITS MANAGER AND EMPLOYEES, OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING) AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS OR HER OWN PERSONAL COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO THE LEGAL, TAX, ECONOMIC AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN AND ITS SUITABILITY FOR HIM OR HER.

CERTAIN PROVISIONS OF THE OPERATING AGREEMENT OF THE COMPANY AND OTHER MATERIAL CONTRACTS AND SUPPORTING DOCUMENTS ARE SUMMARIZED IN THIS PRIVATE PLACEMENT MEMORANDUM. IT SHOULD NOT BE ASSUMED THAT SUCH SUMMARIES ARE COMPLETE. INVESTORS ARE SPECIFICALLY REFERRED TO THE DOCUMENTS ATTACHED OR REFERRED TO IN THIS MEMORANDUM AS EXHIBITS AND OTHER INFORMATION FURNISHED WITH IT FOR THE COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS OF THE PARTIES THERETO.

THE PURCHASER OF INTERESTS OFFERED HEREBY MUST BE ABLE TO BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "1933 ACT"), AND THEREFORE CANNOT BE SOLD OR TRANSFERRED WITHOUT REGISTRATION UNDER SUCH ACT OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THAT ACT IS AVAILABLE. IF, AS A RESULT OF SOME CHANGE IN CIRCUMSTANCES ARISING FROM AN EVENT NOT NOW IN CONTEMPLATION, AN INVESTOR WISHES TO TRANSFER HIS INTEREST, HE MAY FIND NO MARKET FOR THE INTEREST. THERE ALSO EXIST SIGNIFICANT RESTRICTIONS ON THE RIGHT TO TRANSFER AN INTEREST CONTAINED IN THE OPERATING AGREEMENT OF THE COMPANY.

DUE TO THE ABSENCE OF ANY PUBLIC OR OTHER MARKET FOR THE SALE OF INTERESTS IN THE COMPANY AND THE RESTRICTIONS ON THE TRANSFER OF INTERESTS IN THE COMPANY, A PURCHASER MAY BE REQUIRED TO RETAIN HIS OR HER INTEREST INDEFINITELY. THERE IS NO REPRESENTATION OR WARRANTY THAT THERE IS OR SHALL BE A MARKET FOR THE INTERESTS.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS TO WHOM THE OFFER IS MADE BY THE COMPANY. ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY IS PROHIBITED. THIS MEMORANDUM INCLUDES CONFIDENTIAL AND PROPRIETARY INFORMATION.

NOTHING IN THE OPERATING AGREEMENT, THE MEMORANDUM, OR THE OFFERING AS A WHOLE REQUIRES OR RECOMMENDS, OR SHOULD BE INTERPRETED TO REQUIRE OR RECOMMEND, IN ANY MANNER WHATSOEVER, THAT ANY MEMBER MAKE OR INDUCE REFERRALS FOR LITHOTRIPSY SERVICES TO ANY HEALTH CARE FACILITY AT WHICH THE COMPANY OR ITS AFFILIATES DIRECTLY OR INDIRECTLY PROVIDES EQUIPMENT OR SERVICES, OR IN ANY OTHER MANNER GENERATE BUSINESS FOR THE COMPANY OR ITS AFFILIATES.

Please direct all questions, correspondence and communications regarding this Offering to:

Georgia Litho Group, LLLP
c/o Mr. Jon G. Blaustein
Andre & Blaustein, LLP
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EXHIBITS

A. Subscription Agreement, Individual Signature Page Counterpart and Form of Guaranty
B. Articles of Organization and Operating Agreement of GLG Partners, LLC
C. Certificate of Limited Partnership and Partnership Agreement of Georgia Litho Group, LLLP
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I. SUMMARY OF THE OFFERING.

GLG Partners, LLC (a Georgia limited liability company) (the "Company") was formed on or about June 18, 2002, for the purpose of raising certain funds and undertaking the specific transactions described in this Memorandum. The Offering is being undertaken by the Company on a "best efforts" basis and consists of Nine Hundred (900) common shares of Membership Interests in the Company. If all common shares are sold in the Offering, each will represent an eleven one-hundredths of one percent (0.11%) interest as a member in the ownership, distributions, income and loss of the Company, for the purchase price of $500.00 cash and a guaranty of Company obligations (including to secure debt financing for the Company and its intended business investment) in the amount of $9,500.00 per Share. The Company intends to use the proceeds of this Offering primarily to purchase Units of limited partner interests in Georgia Litho Group, LLLP ("GLGroup"). GLGroup has been formed to acquire certain assets and operations of four (4) lithotripsy services partnerships operating throughout Georgia and certain areas of Alabama.

The principal objective of the Company is to provide its Partners with income from its ownership of Limited Partner Interests in GLGroup. GLGroup will generate its income from the ownership, lease of and operation of lithotripsy equipment in Georgia, Alabama and certain neighboring areas, and the provision of related and ancillary services. See, "Business of the Company and GLGroup." Significant tax benefits are not expected to result from an investment in the Company. The Company will report as a partnership for federal income tax purposes.

The following is a summary of certain provisions of this Offering and Private Placement Memorandum (the "Memorandum"), and is intended only for quick reference and does not purport to be complete. This summary is qualified in its entirety by reference to the more detailed information which appears elsewhere in this Memorandum and to the Exhibits hereto.

Issuer	GLG Partners, LLC, a Georgia limited liability company (the "Company").
Operating Company	Georgia Litho Group, LLLP, a Georgia limited liability limited partnership ("GLGroup").
Offering	A "best efforts" Offering consisting of Nine Hundred (900) Shares of Member interests in the Company. If all Shares are sold in the Offering, each Share will consist of an eleven one-hundredths of one percent (0.11%) interest in the Company as a member, at a price of Five Hundred Dollars ($500.00) cash and the unconditional guaranty of Nine Thousand Five Hundred Dollars ($9,500.00) of the Company's obligations, which will be used by the Company to secure debt financing relating to the Company's acquisition of Limited Partner Interests in GLGroup, which may include the financing for GLGroup's business.
Minimum and Maximum Purchase	Minimum purchase by an Investor is one (1) Share for a purchase price of $500.00 cash and a guaranty of $9,500.00 to secure Company obligations and borrowings, and the Maximum purchase by an Investor is twelve (12) Shares for a total purchase price of $6,000.00 cash and a guaranty of $114,000.00 to secure debt financing for the Company.

Resulting Ownership	If all Shares are sold in the Offering, the purchase of each Share will entitle the Investor to an eleven one-hundredths of one percent (0.11%) interest in the Company as a member, and a pro rata share of all distributions and taxable income and loss of the Company. Investors should not be directly responsible for the debts and liabilities of the Company, other than pursuant to an Investor's Guaranty. Each Share in the Company should also approximately represent an indirect one-tenth of one percent (0.10%) interest in GLGroup by virtue of the Company's acquisition of Limited Partner Interests in GLGroup with the proceeds from the Offering.
Purpose of Endeavor	For each one (1) Share sold in the Offering, the Company will use the proceeds from the Offering to acquire one (1) Unit of a Limited Partner Interest in GLGroup. GLGroup will use the proceeds from the Company's acquisition of the Limited Partner Interests to acquire the assets and operations of four (4) operating lithotripsy services partnerships (the "Transactions"), and to own and/or lease, operate and provide mobile and transmobile lithotripsy units to medical facilities to provide lithotripsy services and potentially to provide other urological procedures and modalities and, in general, to do any and every act, matter and thing related to or necessary in connection therewith, including borrowing money and to make, receive and issue notes, obligations and indebtedness of all kinds, from time to time, without limit as to amount for any of the business of GLGroup, and to secure the same by mortgage, pledge, assignment and any other security devices authorized by law.
Location	The lithotripsy units of GLGroup will be located and operate at specific locations in or about Georgia and Alabama.
Manager	The Manager of the Company is Integrated Lithotripsy of Georgia, Inc., which also serves as the General Partner of GLGroup. The Manager does not hold an ownership interest in the Company.
General Partner	The General Partner ("General Partner") of GLGroup is also Integrated Lithotripsy of Georgia, Inc., a Georgia corporation, an affiliate of HealthTronics Surgical Services, Inc. ("HealthTronics"), a Georgia corporation. The General Partner will hold a ten percent (10.0%) interest in GLGroup as the general partner. The General Partner is contributing $50,000 in cash and its guaranty of $950,000 of GLGroup obligations for its ten percent (10.0%) General Partner interest in GLGroup.
Investor Qualifications	Shares may only be purchased by natural persons who are residents of the State of Georgia and Alabama. Prospective Investors must also meet the Investor suitability requirements for purchasing Shares set forth in the Memorandum. [See "The Offering - Qualifications of Investors"].
Termination of Offering	The Offering will terminate as provided in the Memorandum, unless extended by the Manager, in its sole discretion.

Use of Proceeds	The proceeds of the Offering will be used by the Company to acquire Units of Limited Partner Interests in GLGroup. GLGroup will use said proceeds to pay costs of formation and organization of the Company, to acquire certain assets of four (4) existing operating companies and for operating capital, and as described under the "Use of Proceeds" section of this Memorandum. No sales commissions or finders fee shall be paid. GLGroup will pay the costs and expenses associated with the Offering from Offering proceeds.
Distributions	Distributions will be in proportion to the relative ownership percentages held by the parties. Distributions are in no event contingent or based upon referrals to or use of the services of the Company, GLGroup or any Affiliates.
Transferability	Shares may not be transferred to a third party without compliance with the Operating Agreement to which all Shares in the Company are subject, as well as restrictions set forth in the Subscription Agreement.
Speculative Investment	An investment in the Company is an illiquid investment that involves a substantial degree of risk, including loss of the entire investment and liability under the Guaranty. In addition, the Company and the business of GLGroup is subject to a number of specific risk factors and conflicts of interest.
Risk Factors	Prospective Investors are encouraged to review the Memorandum in its entirety for a description of material risk factors and to consult with legal, accounting, tax and investment counsel of their choosing. Material risk factors include: (1) Investment Risks; (2) General Business Risks, including competition, lack of diversity and declining reimbursement rates; (3) Reliance on Management; (4) Governmental Regulation, including fraud and abuse, Stark and ethical limitations; (5) Income Tax Matters; and (6) Conflicts of Interest.
Non-Competition	The Operating Agreement contains restrictive covenants to which an Investor will become subject upon investment in the Shares. Enforcement or attempted enforcement of outstanding restrictive covenants is subject to the discretion of the General Partner of GLGroup and the Manager of the Company.
Additional Information	Prospective Investors are invited to meet with the Executive Officers of the Manager concerning the terms and conditions of the Offering, and to obtain any additional information necessary to verify the information contained in the Memorandum, to the extent they possess such information or can acquire it without unreasonable effort or expense. However, prospective Investors should make their investment decision based solely upon the contents of the Memorandum.

Requests for Information

Please direct all questions, correspondence and communications regarding this Offering to:

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II. RISK FACTORS

The purchase of Shares involves a substantial degree of financial risk. This investment is intended only for persons who have no need for liquidity with respect to their investment and who can afford to lose all of their investment, including liability under the Guaranty. In evaluating an investment in the Company, the Investor should carefully consider all of the risk factors described below.

A. Investment Risks.

1. Lack of Cash Distributions. There can be no assurance that the Company will make distributions or that the Company will not sustain a cumulative loss over the period of its existence, and in such event the cumulative distributions, if any, to the Members during the term of the Company will not, in the aggregate, equal or exceed the investment in the Company. Further, because the Company is taxable as a partnership for federal income tax purposes, each Member will be taxed on the portion of Company income allocated to him (whether or not any cash is distributed). It is possible that cash distributions from the Company may be insufficient to pay the federal income taxes attributable to a Member's share of the Company's income.

2. Limited Liquidity. Each investor should be fully aware of the long-term nature of his investment in the Company and the lack of liquidity of his investment. The Shares are transferable only in accordance with the Operating Agreement and Subscription Agreement, which place restrictions on transfer, and in a transaction exempt from registration under federal and applicable state securities laws. Although it may be possible under certain circumstances for a Member to dispose of his Shares, no market for the Shares currently exists, and it is unlikely that a market will develop. Holders of Shares may not be able to liquidate their investment in the event of an emergency or for any other reason. In addition, the transfer of Shares may result in adverse tax consequences to the transferor.

3. Use of Financial Assumptions. No financial projections are presented herein. The financial information presented in this Private Placement Memorandum consists of the compiled financial information for the four (4) target companies from 2000 and 2001. The past history and profitability of the target companies does not guarantee that the Company will continue to be as profitable or will be profitable at all in the future. Significant developments beyond the control of the Members are likely to adversely impact the future profitability of the Company.

4. No Guaranty of Return. There is no guaranty or assurance that an investor will realize a return on his investment or that he will not lose his entire investment. The Shares should not be purchased by anyone who cannot afford the loss of his entire investment in the Shares, including liability under the Guaranty per Share of $9,500.

5. Price of Shares. The purchase price for a Share in this Offering was arbitrarily determined by the Company after consideration of numerous factors. The Company believes that the purchase price for the Shares reasonably approximates the fair market value of the Shares; however, there are no representations or assurances in this regard. There is no representation that the purchase price reflects the current value of the Shares or that the Company may not offer or sell Shares at a different or lower price per Share in the future.

B. Business Risks.

1. In General. The business of the Company is subject to a number of operational, economic and business risks, like any other business. There are no assurances that GLGroup will be able to market successfully the lithotripsy services or be able to operate profitably. The Company is solely

dependant upon GLGroup to generate a return and cash flow to the Company, so that the Company may generate a return and cash flow to its Members.

2. Competition. The success of GLGroup will depend on the utilization of the Lithotripters operated by GLGroup, which utilization will be effected by competition from other lithotripsy entities currently operating in the service areas or which may be operated in the future, as well as from other medical facilities and hospitals that offer such services. Except as set forth in Section 12.21 of the Partnership Agreement of the GLG (and Section 4.04 of the Operating Agreement of the Company), the General Partner, and its affiliates may engage in any other business activities they desire, whether or not such activities are competitive with GLGroup.

GLGroup will also be subject to risks generally incident to the health care equipment industry. These risks include competition from other lithotripsy operations in the market area, possible obsolescence of equipment resulting from technological and medical advances, possible reduction in the cost and hence the value of the lithotripsy systems after GLGroup has acquired such equipment, possible credit problems with existing or potential clients, possible claims for damages arising from alleged negligent performance of procedures or for other reasons, possible reduction in Medicare, Medicaid and third party reimbursements, and other factors, many of which are beyond the control of GLGroup. GLGroup is aware of other mobile and fixed based lithotripter units operated in the territory serviced by GLGroup and other competitive ventures which are being considered.

Hospital and medical facility closings may also adversely impact the anticipated profitability of GLGroup's operations. Increased competition and consolidations among hospitals and facilities may cause GLGroup to lose accounts or contracts or render certain of GLGroup's receivables as uncollectible.

3. Potential Liability. GLGroup may be liable for damages to persons or property occurring at the Lithotripters. Although GLGroup will obtain and maintain general liability insurance, it may not obtain coverage in amounts sufficient to cover all potential liability. Since most insurance policies contain a deductible and various exclusions, GLGroup will not be insured against all possible occurrences.

4. Lack of Diversity. The business of GLGroup will result from use of lithotripsy units for treatment procedures by medical facilities. The scope of the operations of GLGroup is, therefore, narrow. Accordingly, adverse developments in connection with the operation of the Lithotripters may have a significant adverse impact on the potential profitability of GLGroup. There exists no plan to diversify the operations of GLGroup.

5. Restrictive Covenants. Investors in the Company pursuant to the Offering are required to agree to and will be subject to restrictive covenants in favor of the Company and GLGroup. The Operating Agreement contains restrictive covenants which prohibit a Member from owning an interest in a competing business, among other restrictions.

The General Partner of GLGroup (and Manager) is not subject to the same restrictive covenants as the investors who will be Members, even to the extent the General Partner acquires Units of Limited Partner Interests in GLGroup. However, Section 12.21 of the Partnership Agreement requires that the General Partner of GLGroup offer certain business opportunities within the scope of its business to GLGroup. There are no requirements that any person, whether a partner or otherwise, refer business to GLGroup or affiliates or refrain from the use of the services of a competing company unless the referring Member has a prohibited interest in or relationship with the competing company. No person should invest who is unwilling to accept and abide by such provisions.

The Company has not obtained the opinion of counsel relating to the enforceability of nor the propriety of attempting to enforce said covenants. The attempted enforcement of restrictive covenants may be undertaken, if at all, at the discretion of the Manager and General Partner. There may be circumstances where restrictive covenants may not be enforceable, may not be applicable to particular situations or where the Manager and General Partner determine not to pursue actual or suspected violations. The Manager and General Partner have the discretion to seek a negotiated solution, which may impact the cash distributions available to an investor.

In addition, GLGroup intends to acquire certain outstanding Non-Compete Agreements from the selling partnerships. The Company is aware that various persons are or may be in breach and violation of certain covenants under said Non-Compete Agreements. Where the Seller's rights under said Non-Compete Agreements are acquired by GLGroup, the General Partner shall have the discretion and authority to determine whether or not to attempt to enforce said Non-Compete Agreements.

While the Company believes that the restrictive covenants under said Non-Compete Agreements are enforceable, there can be no assurances in this regard. One of the selling partnerships, South Georgia Lithotripsy Partners ("SGLP"), has brought an action to enforce the Non-Compete Agreement. In that action, the Court has indicated it will issue an Order in response to cross motions for summary judgment holding certain of the restrictive covenants under the Non-Compete to be unenforceable; however, no such Order has been entered as of the date hereof. In anticipation of such an Order, the General Partner is advised that SGLP intends to appeal any such adverse holding and Order. If GLGroup acquires said Non-Compete Agreements, there are no assurances that the restrictive covenants will be held to be enforceable or that the covenants may not be judicially modified in a manner which is not satisfactory to the Investors and Company.

Moreover, the General Partner may elect to negotiate on behalf of GLGroup and attempt to settle matters with those persons GLGroup then believes may have violated or remain in violation of said Non-Compete Agreements. There can be no assurances that any such negotiations will be successful or that the results of such negotiations and any settlement will be under terms satisfactory to an Investor.

6. Dependence on the Manager and General Partner and Management Company. The success of the Company is directly dependent on the successful operation of the lithotripsy services business of GLGroup. There can be no assurance the General Partner and the management company (Lithotripsy Management Associates) will be successful in managing the daily operations of the Lithotripters.

7. No Participation in Management. The Manager exercises full control of all activities of the Company. The Manager is also the General Partner of GLGroup, and the Limited Partners do not have any power or right to overrule decisions made by the General Partner. The Members must rely on the Manager for administration of the Company's affairs. The partners must rely on the General Partner for the operation of GLGroup including, but not limited to, obtaining the services of consultants, budgeting Company expenditures, controlling costs, and arranging necessary financing for GLGroup. Operational Management will be handled by Lithotripsy Management Associates, an affiliate of the General Partner, pursuant to a Management Agreement.

8. Need for Additional Funds. The General Partner believes that the cash flows from the operating of the Lithotripters will provide sufficient working capital for their operational needs. Any additional funds which may be required as a result of decreases in revenues or collections, the incurring of cost overruns or other unforeseen and unbudgeted expenses, the occurrence of any casualty, other loss not fully covered by insurance or otherwise, must be obtained through borrowings. There can be no assurance that a suitable lender can be found for any such additional borrowing by GLGroup or that such borrowing can be made on terms satisfactory to GLGroup. The usury laws of the State of Georgia

(and other states), credit restraints, and other banking regulations, and nationwide economic conditions may adversely affect the ability of GLGroup to borrow money. If GLGroup is unable to borrow, it may be necessary to terminate its business and operations.

9. Reimbursement Risks. GLGroup receives no payments directly from either the Medicare or the Medicaid programs for their services. However, the lithotripters are used by their contracted hospital and medical facility customers for the treatment of the patients of such hospitals and facilities regardless of payor source. GLGroup bills the hospital or facility on a per procedure basis or on a fixed monthly or other periodic basis for use of GLGroup services, as negotiated with the hospitals and facilities, from time to time. The General Partner understands that the hospitals, in turn, include the costs paid to GLGroup on their cost reports which are submitted to the Medicare program for reimbursement. As such, the receipts of GLGroup are indirectly dependent on the reimbursements to GLGroup's customers by third-party payors.

10. Changes in Medicare Reimbursement. From time to time, the Centers for Medicare and Medicaid Services (CMS) (formerly, the Health Care Financing Administration (HCFA)), the Federal agency administering the Medicare and Medicaid programs has instituted changes in its reimbursement policies and rates, including rates for lithotripsy services. CMS has instituted a Prospective Payment System, which established a new hospital outpatient reimbursement rate for lithotripsy procedures, effective September 1, 2000. The reimbursement rate for lithotripsy services has been set at $2,347 effective May 1, 2001 (and proposed at $2,016 for 2002), which will most likely result in a material reduction in the revenues available to GLGroup from its lithotripsy operations. There can be no assurance that the reimbursement rate reduction will not have a material adverse effect on GLGroup and its results of operation. GLGroup will likely realize less revenue per procedure, such that the historical financial statements included elsewhere herein may not be representative of the results that could be expected following such change.

The General Partner believes that the payment rate implemented by CMS is too low and, in some instances, would be less than the cost of providing the service. GLGroup is closely watching further possible developments with respect to the medicare reimbursement rate, which developments could have a material adverse impact on the anticipated profitability of GLGroup.

On June 26, 1998, the Health Care Financing Administration (HCFA) issued an interim rule with comment, interpreting the Balanced Budget Act of 1997 (BBA) which established a new Medicare+Choice program that significantly expanded the health care options available to Medicare beneficiaries. This program, while not replacing existing Medicare, greatly expanded the alternatives available to those persons covered by Medicare. While the provisions in the interim final rule generally cover only managed care plans, including HMOs, the interim final rule establishes rules concerning M+C, MSA plans and Private Fee for Service Plans. While the proposals leave intact the traditional Medicare coverages, they are expected to have some effect on the reimbursements otherwise available for Medicare patients.

In addition, there are significant risks that the "fair market value" provisions of Stark II may cause further material rate reductions. These matters cannot be predicted with any reasonable certainty.

11. Conflicts of Interest. The Company and GLGroup are each a party to certain arrangements which have not been negotiated at arm's-length. Legal Counsel to the Company and Offering, Andre & Blaustein, LLP, The Candler Building, 127 Peachtree Street, N.E., Suite 700, Atlanta, Georgia 30303-1800, also represents GLGroup, West Coast Cambridge, Inc. and other affiliates, which are the selling companies. Accordingly, said Legal Counsel may not be considered to be independent.

The terms of the proposed Asset Purchase Agreement cannot be said to have been negotiated at arm's-length. Affiliates of HealthTronics are the general partners of each of the buyer and sellers under the proposed Transactions. Legal Counsel has represented both GLGroup, as buyer, and existing partnerships and their affiliates as sellers. There are no assurances that the terms of the proposed Transactions might be different or more favorable to one party or another if all were represented by independent counsel.

Investors are required to waive any claims against Legal Counsel arising from or with respect to the conflicts of interest attributable to Legal Counsel's representation of the Company, GLGroup, the sellers and their affiliates.

The Company has a Management Agreement, which provides for an affiliate of the Manager and General Partner, Lithotripsy Management Associates, to act as the management company for GLGroup for a fee. The management company is required to devote to the business only such time and resources as it deems necessary to manage the business. Other affiliates of the General Partner may provide goods or services to the Company or GLGroup, including but not limtied to ServiceTrends, which provided technical support and maintenance for the lithotripter units. Such arrangements should be binding on the Company and GLGroup and are subject to conflicts of interests.

C. Georgia Government Regulation.

1. Patient Self-Referrals. The Patient Self-Referral Act of 1993 was adopted by Georgia in recognition by the General Assembly that the referral of a patient by a health care provider to a provider of designated health care services in which the health care provider has an investment interest represents a potential conflict of interest. The statute sets forth prohibitions regarding certain patient referrals between health care providers and entities providing health care services.

In general, a physician may not refer a patient for the provision of designated health care services to an entity in which the physician directly or indirectly has an investment interest. A prohibited "referral" may be subject to civil and criminal penalties and disciplinary action under the Act. However, an order, recommendation or plan of care by a physician for items or services provided or performed at the direction or under the supervision of such physician (or a member of his group practice) does not constitute a prohibited referral under the Act and is permissible. However, there can be no assurances that the Act may not be modified to eliminate such exception from the definition of a prohibited "referral".

In addition, the Act prohibits a physician's referral of a patient to an entity in which such physician has an investment interest, unless, prior to the referral, the physician furnishes the patient with a written disclosure form informing the patient of the existence of the investment interest, the name and address of the applicable entity, and the patient's right to obtain the items or services from the provider of the patient's choice (unless otherwise restricted by law). In addition, each physician is required to post a copy of the disclosure form in a conspicuous public place in his office. A violation of this requirement is grounds for disciplinary action by the physician's state licensing board.

2. Certificate of Need. Georgia and Alabama each imposes substantial regulations which prohibit offering designated clinical health services without obtaining a certificate of need. GLGroup has not obtained (and has no plans to apply for or obtain) a certificate of need for its operations and equipment in Georgia, because the selling companies operated since their inception without a certificate and does not believe such a certificate is required. Neither the Company nor any of its principals is aware of any operation of a mobile kidney stone lithotripter which has been required to obtain a certificate of need in the State of Georgia.

GLGroup intends to acquire from the seller the limited Certificate of Need for the operations to be acquired in Alabama. Certain competing companies have tried to prevent one of the selling companies from continuing to provide lithotripsy services to facilities in Alabama, arguing that a certificate of need, different from the certificate and consent possessed by such seller, is required to provide lithotripsy services to certain facilities. While the General Partner believes there is no such requirement, there are no assurances that Alabama may not impose the requirement for an additional or different certificate.

There are no assurances that a certificate of need will not be required for the operations of the Lithotripters, or, if required, that such a certificate can be obtained. If a certificate of need was required, it could result in a delay, suspension or termination of operations and have a severe adverse effect on the financial condition of GLGroup and the Company. At the least, efforts to obtain a certificate of need would require a substantial outlay of funds and could result in delays or suspension of services.

3. Fee Splitting. Georgia law prohibits fee splitting. Specifically, O.C.G.A. Section 43-34-37 grants authority to the licensing board to discipline a physician who knowingly divided or agreed to divide fees for bringing or referring a patient. While GLGroup does not intend to split professional fees for referrals, there can be no assurances that an investor may not be subject to an enforcement action.

D. Federal Regulation.

1. In General. PERSONS CONSIDERING A PURCHASE OF SECURITIES SHOULD CAREFULLY CONSIDER THE FOLLOWING TOGETHER WITH THE OTHER INFORMATION SET FORTH IN THIS MEMORANDUM IN EVALUATING AN INVESTMENT.

Physician investment in a health care business presents certain legal and regulatory risks, described in greater detail below. Although the Manager of the Company has endeavored to limit the scope of risks inherent in an investment in the Shares, the purchase of the Shares nevertheless involves a number of significant risks, including the possibility of a total loss of investment, liability under the guaranty, and the possibility of civil or criminal penalties.

GLGroup will furnish equipment, and may furnish related services, to provide lithotripsy services, the cost of which may be reimbursed under the Medicare or Medicaid programs or other government health insurance programs. Physicians, including members of the Company, may furnish professional services associated with the use of GLGroup's lithotripsy equipment and may be compensated for those professional services under the Medicare or Medicaid programs or other government health insurance programs. In the future, GLGroup may furnish lithotripsy equipment and/or related services to other health care facilities, or possibly directly to patients, for which reimbursement may be made, directly or indirectly, by Medicare or Medicaid programs or other government health insurance programs. The Company and investors, as well as GLGroup and its affiliates, are therefore subject to federal laws, regulations, and statements of policy relating to these programs.

There can be no assurance that federal and/or state regulatory authorities that currently have jurisdiction over matters including, without limitation, antitrust, Medicare, Medicaid and other government reimbursement programs, licensure, and certificate of need will take the position that GLGroup's business and operations are in compliance with the standards of such regulatory authorities or with current or future statutes, regulations, administrative rulings, or statements of policy. In some cases, violations of such federal or state regulatory standards by GLGroup or Members can carry significant civil and criminal penalties.

Prospective investors should carefully consider the risks arising from regulatory matters. The following does not necessarily represent a complete presentation of potential risks nor a complete

statement of the consequences to the Company or the investors should a risk materialize. The order in which the following risk factors are presented does not necessarily represent their order of importance or likelihood of occurrence.

2. Fraud and Abuse Prohibition. Under the federal anti-kickback laws (42 U.S.C. §1320a-7b(b)), it is unlawful to offer or accept, to pay or to receive, any remuneration, directly or indirectly, in cash or in kind, in order to induce referrals of health care services that are reimbursable under the Medicare or Medicaid programs or other government health insurance programs. Related federal laws prohibit the making of false claims to the government for reimbursement and other offenses. There is a risk that the Offering of the Shares could be viewed by the government as impermissible inducement or remuneration under these laws. There is also a risk that the payments by a hospital or facility to GLGroup for use of the Lithotripters could be viewed by the government as impermissible remuneration under these laws. Certain of GLGroup's agreements may provide for payment by the hospital or facility to GLGroup of an amount for each procedure in which the Lithotripter is used. Such "per use" payment arrangements may be particularly sensitive under the anti-kickback laws, but are specifically permitted under Stark II (as defined below) where at "fair market value." Certain of the agreements with the hospitals and facilities have been converted to fixed rate monthly contracts.

The Health Care Financing Administration ("HCFA") of the U. S. Department of Health and Human Services, now known as the Centers for Medicare and Medicaid Services (CMS), has promulgated regulations under the anti-kickback laws establishing safe harbors for certain types of arrangements. If an arrangement meets the standards for a safe harbor, it will not be considered impermissible remuneration or subject to prosecution under the anti-kickback laws. If an arrangement does not fit within a safe harbor, it would be viewed by the government under the totality of the facts and circumstances, including the structure of the arrangement and the pattern of behavior of the parties in the course of business. No assurance can be made as to the view the government would take of the Offering or the operations of GLGroup, or as to the compliance of these arrangements with the anti-kickback laws.

Violation of the anti-kickback laws may constitute a crime punishable by a monetary fine, five years imprisonment and/or exclusion from participation in the Medicare and Medicaid programs. The Balanced Budget Act of 1997 signed by President Clinton on September 5, 1997, imposes a civil monetary penalty for anti-kickback violations in addition to the criminal penalties and the sanction of exclusion from the Medicare and Medicaid programs. The civil penalty is treble damages (three times the illegal remuneration) plus $50,000 per violation. These sanctions can be imposed by proof being the preponderance of the evidence, a standard less than the requirement that a criminal violation be proven beyond a reasonable doubt. The Balanced Budget Act of 1997 also allows the Department of Health and Human Services to permanently exclude any individual or entity convicted of three health care related offenses from federal health care programs. Either the Company, Manager, GLGroup, General Partner, investors or all could potentially be subject to penalties under the anti-kickback laws.

3. Prohibition Against Physician Self-Referrals. The prohibition against physician self-referrals was originally enacted in 1989 in Section 6204 of the Omnibus Budget Reconciliation Act of 1989 (OBRA 1989) (Public Law 101-239, enacted on December 19, 1989). Congress added a provision to the Social Security Act that governs whether physicians who have financial relationships (or who have immediate family members with financial relationships) with a health care entity can refer Medicare patients to that entity for clinical laboratory services. This provision was amended by Section 4207(e) of the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990) (Public Law 101-508, enacted on November 5, 1990); Section 13562 of the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993) (Public Law 103-66, enacted on August 10, 1993); and Section 152 of the Social Security Act Amendment of 1994 (SSA 1994) (Public Law 103-432, enacted on October 31, 1994). Generally, the self-referral ban, generally known as "Stark I," relates only to the ban from physician self-referral for clinical laboratory services. Effective January 1, 1992, Stark I prohibited physicians from referring

Medicare beneficiaries for clinical laboratory services to an entity in which they or their immediate family had a financial interest and prohibited entities from making a claim for payment under the Medicare program for clinical laboratory services which were furnished pursuant to a prohibited referral.

In 1993, Congress amended the Stark statute to expand the self-referral ban. Section 13562 of OBRA 1993 included extensive revisions to Section 1877 of the SSA. Most significantly, Section 13562 extended Section 1877 to cover ten additional designated health care services, beginning with referrals made after December 31, 1994 ("Stark II"). The ban was extended to include numerous additional health care services which Congress deemed to be particularly susceptible to overutilization driven by profit motives. The amendments are now known as "Stark II". The Stark II ban also applied the self-referral prohibitions to Medicaid beneficiaries and claims for Medicaid benefits for designated health care services. Generally, the Stark II amendments prohibit physician referrals and Medicaid and Medicare payments for designated health services furnished pursuant to a referral to an entity in which the physician or an immediate family member holds an interest. Section 1877(b) of the Act provides for certain general exceptions to the prohibition on physician referrals.

As a result of the Stark II amendments, effective January 1, 1995, the ban covers physician referrals of Medicare or Medicaid beneficiaries to entities in which physicians and members of their immediate families have a financial interest for designated health services, including without limitation, in-patient and outpatient hospitalization services. The ban includes making payments to entities which make a claim for payment under the Medicare or Medicaid programs for the provision of a designated health service furnished pursuant to a prohibited referral. 42 U.S.C. §1395nn.

Section 1877 (Stark I and II) prohibits physicians from referring Medicare patients to certain entities for designated health services if the physician (or an immediate family member) has a financial relationship with the entity, unless the relationship fits into an exception. While there are other remedies to a violation, Section 1877 is primarily a payment ban that is effective regardless of intent. Under Section 1877, a physician is required to meet an exception if the physician wants to make an otherwise prohibited referral, while under the anti-kickback statute (Sections 1128, 1128A and 1128B), a health care provider is not necessarily required to meet a safe harbor. That is, if a provider meets a safe harbor, it is automatically protected from prosecution under the anti-kickback statutes. If a provider does not meet a safe harbor, it may still be in compliance with the anti-kickback statute and therefore be safe from prosecution, but that determination would be based on a case-by-case assessment of the facts. A provider can apply for an Advisory Opinion from the Department of Health Care Finance Administration ("HCFA") (now known as "CMS") with regard to both the anti-kickback statute and Stark.

As noted under the proposed regulations to Stark II, "Although the purposes behind the anti-kickback statute in Section 1877 are similar, it is important to analyze them separately. In other words, to operate lawfully under Medicare and Medicaid, one must comply with both statutes." One should note that the safe harbors under the anti-kickback statute are not identical to the exceptions under Stark and that satisfaction of an anti-kickback safe harbor does not necessarily mean a transaction is necessarily in compliance with Stark (discussed immediately below).

On December 3, 1991, the Department published a proposed rule in the Federal Register, at 57 FR 8588, that proposed regulations concerning the provision of Section 1877, as amended by OBRA 1990, concerning physician referrals to clinical laboratories ("Stark I"). On August 14, 1995, HCFA published the Stark I Final Regulations at 60 FR 41923 (1995). As we have noted, the Stark I statute and the Stark I Final Regulations apply directly only to referrals for clinical laboratory services, but include provisions relating to Stark II which applied retroactively to clinical laboratory services as of January 1, 1992. On January 9, 1998, the Health Care Financing Administration, pursuant to authority of the office of Inspector General of the Department of Health and Human Services, issued proposed regulations to implement the Stark II amendment to the ban on physician self-referrals (63 FR 1659 (1998)).

On or about January 4, 2001, HCFA issued Final Regulations titled, "Physicians' Referrals to Health Care Entities With Which They Have Financial Relationships" (HCFA-1809-FC) ("Final Regulations"). These Final Regulations became effective on January 4, 2002. Under these Final Regulations, HCFA (now CMS) maintains its position that lithotripsy continues to be a "hospital inpatient and outpatient service" subject to Stark II when provided pursuant to an arrangement with a hospital. As such, under the Final Regulations, lithotripsy arrangements would be required to meet one of the limited exceptions (or safe harbors) to Stark II where a physician owner of a lithotripter makes referrals for lithotripsy services to a hospital where the physician has a "financial relationship." GLGroup may be required to restructure its relationships and/or service agreements with hospitals and health care facilities in order to meet one of the limited exceptions. Provided, as outlined below, physicians are permitted to refer their patients for lithotripsy services to an entity in which the physician has an interest, so long as the "fair market value" exception under the Stark II Final Regulations is satisfied.

Section 1877(b) provides for general exceptions to the prohibition on referrals. Section 1877(b)(1) specifies that the prohibition does not apply to services furnished on a referral basis if the services are physician services furnished personally by (or under the personal supervision of) another physician in the same group practice as the referring physician. The proposed rule retains this exception. The Company and GLGroup should not qualify for this exception.

Section 1877(b)(2) specifies that the prohibition does not apply to referrals for certain in-office ancillary services. However, in-office ancillary services must be provided in an in-office setting and the exception does not apply to referrals for the in-office provision of other durable medical equipment not specifically excepted under the regulation. The Company and GLGroup should not qualify for this exception.

Section 1877(b)(3) specifies that the prohibition on referrals does not apply to services furnished by certain prepaid health plans. The Company and GLGroup should not qualify for this exception.

Effective January 1, 1995, Section 1877(b)(4) authorizes the Secretary to provide regulations for additional exceptions for financial relationships, beyond those specified in the statute, if determined that they do not pose a risk of Medicare program or patient abuse. The Final Regulations adopt certain exceptions to the Stark II prohibitions and clarify others.

In Section VIII.M. of the Preamble to the Final Regulations, HCFA makes it clear that it considers lithotripsy to be a designated health care service by virtue of it being part of "inpatient or outpatient hospital services", subject to Stark II. However, Section 411.354(d) of the Final Regulations adopts a "Volume or Value" standard (discussed in Section V of the Preamble) that it believes will enable hospitals and urologists to protect bona fide arrangements either under an equipment lease or a personal service arrangements exception or under the fair market value exceptions.

Section 411.354 sets forth certain exceptions for financial relationships, compensation and ownership or investment interests. Subsection (c) provides that, "An 'under arrangements' contract between a hospital and an entity providing DHS 'under arrangements' to the hospital creates a compensation arrangement for purposes of these regulations." (emphasis added.) Subsection 411.354(d) sets forth special rules relating to compensation arrangements.

Section 411.355 then sets forth general exceptions to the referral prohibitions related to both ownership/investment and compensation. Subsection (l) includes an exception for "fair market value" compensation resulting from an arrangement between an entity and a physician (or immediate family members) or any group of physicians, if the arrangement meets the specified conditions. The Preamble notes in Section V. that a physician who owned a lithotripter could rent it to a hospital on a per procedure

basis, so long as the payment per unit was at fair market value at inception and meets the other requirements for this exception.

We are unable to comment on whether or not GLGroup's arrangements will meet this exception to Stark II. Other than this exception, the prohibitions of Stark II may apply. This analysis is a factually intensive inquiry.

Under Section 1877(c), the prohibition on referrals does not apply in the case of ownership by a physician (or an immediate family member) of investment securities that are listed on the New York Stock Exchange, the American Stock Exchange, or any regional exchange or securities traded under an automated inter-dealer quotation system, operated by the National Association of Securities Dealers, and in a corporation that had, at the end of the corporation's most recent fiscal year or on average during the previous three fiscal years, stockholder equity exceeding $75,000,000. The Company and GLGroup should not qualify for this exception.

We note that the Stark II Final Regulations do not incorporate an exception (i.e. safe harbor) which is included under the exception to Section 1128B of the Social Security Act, relating to investment interests that meet all of eight enumerated criteria.

The American Lithotripsy Society ("ALS") has filed a lawsuit against CMS (formerly HCFA) seeking to have lithotripsy excluded from the coverage of Stark II, and for other relief. There are no representations or assurances that said action will be successful or benefit the Company or its investors.

4. Considerations Under Both Fraud and Abuse and Stark Law Prohibitions. A risk exists based on future clarifications of existing law, future laws or regulations, future statements of government policy, or other information received by GLGroup in the future, or based upon future enforcement activity directed at GLGroup, affiliates or similar organizations, that the financial relationships of GLGroup with hospitals, health care facilities or third party payors, may be substantially restructured in order to comply with applicable law. No assurance can be made that such restructuring could be accomplished or that it would not adversely affect the revenues or profits of GLGroup or distributions to Investors.

Government regulators and enforcement agencies often view the demonstrable "fair market value" of financial arrangements as an important element of compliance with the anti-kickback and Stark law prohibitions. If the original Offering were to be reviewed by such regulators or agencies, the fair market value of the investment, the terms of payment, or the fair market value of equipment and/or services provided by GLGroup could be an issue. Each Investor should conduct his own evaluation in determining the compliance by the Company. GLGroup, its affiliates or the Offering with the federal Stark or anti-kickback laws, and no assurance can be made as to the government's view in the context of any investigation or enforcement activity.

The Company has not sought or obtained an advisory opinion from the Office of Inspector General with respect to the anti-kickback and Stark law issues implicated by the Offering or the intended operations of GLGroup or affiliates. NO INVESTOR MAY RELY ON THIS MEMORANDUM AS ADVICE ON THE CURRENT STATUS OF FEDERAL LAW OR ENFORCEMENT POLICY IN THE AREA OF MEDICARE AND MEDICAID REIMBURSEMENT AND COMPLIANCE. Rather, each Investor should review the Offering in its entirety with the assistance of qualified health care counsel.

5. Professional Ethics. It is the opinion of the Council on Ethical and Judicial Affairs of the American Medical Association ("AMA") that physicians have an ethical obligation to disclose to their patients their financial interest in any health care facility to which they refer such patients. Further, the AMA has held that under no circumstances may the physician place his or her

financial interest above the welfare of his or her patients. Any conflict must be resolved for the patient's benefit. Each Physician must exercise his or her own ethical discretion and consult his or her own professional advisors in determining the propriety of their actions and whether and in what form such disclosures should be made.

NOTHING IN THE OPERATING AGREEMENT, THE MEMORANDUM, OR THE OFFERING AS A WHOLE REQUIRES OR RECOMMENDS, OR SHOULD BE INTERPRETED TO REQUIRE OR RECOMMEND, IN ANY MANNER WHATSOEVER, THAT ANY PERSON MAKE OR INDUCE REFERRALS FOR LITHOTRIPSY SERVICES TO ANY HEALTH CARE FACILITY AT WHICH THE COMPANY OR AFFILIATES, DIRECTLY OR INDIRECTLY, PROVIDES EQUIPMENT OR SERVICES, OR IN ANY OTHER MANNER GENERATE BUSINESS FOR THE COMPANY OR AFFILIATES.

E. Federal Income Tax Risks.

1. In General. There are tax risks associated with an investment in the Company. The Company is taxable as a partnership for federal and state income tax purposes as a pass-through tax entity. The Company has made certain tax elections and taken certain tax positions. There can be no assurances that the Internal Revenue Service or the Department of Revenue of any state will not challenge the tax treatment of any issues adopted by the Company. Investors may be required to incur substantial legal and accounting costs in resisting a challenge as to any such tax issue.

2. Tax Shelter Registration. The Company has not registered and does not intend to register with the Internal Revenue Service as a tax shelter.

3. Tax Acts. The Tax Reform Act of 1986 (the "1986 Act"), which was signed into law on October 22, 1986, the Omnibus Budget Reconciliation Act of 1987 enacted December 22, 1987, the Technical and Miscellaneous Revenue Act of 1988, enacted October 22, 1988 and the Revenue Reconciliation Act of 1989, enacted November 22, 1989, the Revenue Reconciliation Act of 1990, enacted November 1991, the National Energy Policy Act of 1992, the Revenue reconciliation Act of 1993, and the Revenue Reconciliation Act of 1994 as well as tax acts in 1995, 1996, 1997, 1998, and 2001, substantially reform existing federal tax laws. Moreover, proposals that have been made but not enacted into law may indicate positions which the Internal Revenue Service ("IRS" or the "Service") will seek to enforce administratively. Many interpretative regulations have not yet been prepared, and consequently, there is not guidance as to how the Service or the courts will interpret many of the provisions of the various Acts as amended.

4. Tax Status of the Company and GLGroup. The Company intends to be taxable as a partnership under Subchapter K of the Internal Revenue Code. The Company has not sought and will not seek a ruling from the Service that it will be treated for Federal Income Tax purposes as a partnership rather than as an association taxable as a corporation. If the Company is treated as an association taxable as a corporation for any taxable year, the consequences would include imposition on the Company of liability for taxes on its taxable income and the taxation of Company distributions to the Partners as dividends or other corporate distributions. The IRS has published regulations, popularly known as "check the box regulations" which provide that under most circumstances an entity claiming partnership status will be treated as a partnership for federal tax purposes.

GLGroup also intends to be taxable as a partnership for all income tax purposes.

5. Risk of Audit. An audit of the federal income tax returns of the Company by the Internal Revenue Service could result in an audit by the Service of the federal income tax returns of the Investors. Any such audit of an Investor's tax return could result in an adjustment of income. The

Company in which the Shares are being offered is taxable as a partnership for federal income tax purposes and, therefore, an audit of the Company's income tax return could result in an adjustment of items on the personal tax returns of the Investors. Each Investor will be individually responsible for any costs incurred and for any tax deficiencies (plus interest and penalties, if any) assessed against him/her as a result of his/her investment in the Company.

6. Necessity of Obtaining Tax Advice. The foregoing is not intended to be an exhaustive analysis or listing of the tax risks associated with an investment in the Company. Many of the relevant tax considerations will vary depending on a prospective investor's individual circumstances. The tax aspects associated with such an investment are complex and are subject to varied interpretations. The effect of the tax laws on each Investor will vary depending on each Investor's particular circumstances. Although the "Tax Considerations" section addresses the material tax issues and benefits associated with an investment in the Company, prospective investors should seek the advice of a tax advisor qualified to discuss the foregoing and other possible tax consequences of investing in the Company. EACH INVESTOR SHOULD CONSULT WITH AND RELY ON HIS/HER OWN TAX ADVISORS WITH RESPECT TO THE POSSIBLE TAX RESULT OF HIS/HER INVESTMENT IN THE COMPANY.

F. Conflicts of Interest.

1. Manager and General Partner. Integrated Lithotripsy of Georgia, Inc., a Georgia corporation, an affiliate of HealthTronics Surgical Services, Inc., ("HealthTronics"), is the Manager of the Company and the General Partner of GLGroup. Conflicts of interest could arise between the General Partner and its affiliates and/or the Company because of their relative positions, which may not be resolved to the benefit of the Partners or the Company. HealthTronics owns and has interests in numerous other businesses and ventures, and conflicts may develop with the Company's business and interests. Without limiting the general statements above, prospective investors should note that affiliates of HealthTronics are serving as the general partners of each of the Company and the four (4) selling partnerships.

2. Management. The Company and GLGroup are parties to certain arrangements which have not been negotiated at arm's-length. The operations of GLGroup are to be managed on a day-to-day basis by Lithotripsy Management Associates ("LMA") for a fee. The fee may not be considered to have been negotiated at arm's-length. LMA is an unincorporated division of Litho Group, Inc., a wholly-owned subsidiary of HealthTronics. LMA may engage the services of other affiliates on behalf of GLGroup. ServiceTrends, an affiliate of LMA, may also provide technical support for repairs and maintenance of the lithotripter units for a fee.

3. Legal Counsel. Legal Counsel to the Company, Andre & Blaustein, LLP, The Candler Building, 127 Peachtree Street, N.E., Suite 700, Atlanta, Georgia 30303-1800, also represents GLGroup, West Coast Cambridge, Inc. and other affiliates of HealthTronics, including the selling companies. Accordingly, said Legal Counsel may not be considered to be independent. As a condition to representation of the Company, GLGroup and preparation of this Offering, Legal Counsel has obtained a waiver of conflicts from the Company and each of the GLGroup and selling entities and certain affiliates. Investors are required to waive any claims against Legal Counsel arising from said conflict of interest as part of their subscription for a Share.

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III. BUSINESS OF THE COMPANY AND GLGROUP

A. In General.

The Company has been formed to raise equity and debt capital from investor physicians and to serve as a holding company for Units of Limited Partner Interests in GLGroup to be acquired with the proceeds from this Offering. The Company should acquire one (1) Unit of Limited Partner Interest in GLGroup for each one (1) Share of Membership Interest sold pursuant to this Offering. As such, the sole business of the Company is to hold the Units of Limited Partner Interests in GLGroup.

B. GLGroup's Business.

Georgia Litho Group, LLLP ("GLGroup") was formed on or about June 18, 2002, under Georgia law as a limited liability limited partnership. The limited liability limited partnership form of entity provides limited liability to its partners, including the persons who purchase Units in GLGroup, including the Company and the General Partner.

The sole business of GLGroup is its investment in and operation of lithotripter units. See, "GLGroup, General Partner and Affiliates." However, GLGroup may endeavor to include other urological procedures and modalities. All aspects of GLGroup are managed and controlled by the General Partner of GLGroup. Lithotripsy Management Associates ("LMA"), an affiliate of the General Partner of GLGroup, will manage the day-to-day operations of GLGroup for a fee.

GLGroup has been formed to raise adequate funds in order to acquire the assets and operations of four (4) lithotripsy services partnerships operating in and around Georgia and Alabama. Each of said partnerships is affiliated with the General Partner, but shall not be directly affiliated with GLGroup after the asset acquisitions are closed.

Upon successful completion of the contemplated asset acquisitions from all of the four (4) partnerships, GLGroup will own and operate three (3) mobile lithotripters and three (3) transmobile lithotripters throughout Georgia and in limited areas in Alabama. The lithotripters will be provided to certain hospitals and medical facilities, which should pay GLGroup for use of the lithotripters.

GLGroup is offering to purchase the assets and operations of each of the four (4) selling partnerships at a purchase price that is approximately 2.5 times the 2001 earnings of each respective entity. The purchase price to be offered by GLGroup for the purchase is based on the purchase price recently paid by HealthTronics Surgical Services, Inc. for all of the outstanding stock of Litho Group, Inc. in an arm's-length transaction. Litho Group, Inc. holds West Coast Cambridge, Inc., which is the managing general partner of each of the four (4) selling entities. The total purchase price is anticipated to be approximately $9 million for the assets of the four (4) entities, in total.

The purchase of the assets of the four (4) partnerships by GLGroup is contingent upon the successful completion and funding of this Offering, the Initial Capitalization of GLGroup, the consent and approval of various persons to the sale of the assets, the consent, approval and waiver of conflicts of interest relative to Legal Counsel, and the agreement to, execution of and closing of a definitive Asset Purchase Agreement between GLGroup and each of the four (4) respective selling partnerships. GLGroup will not acquire the assets and business of any of the selling partnerships unless it is acquiring the assets and business of all four (4) of the selling partnerships.

C. Kidney Lithotripsy.

Lithotripsy is a non-invasive technique using shock waves to disintegrate kidney stones. Other forms of kidney stone treatment include drug treatment, surgical removal, endoscopic treatment, and percutaneous treatment. The age and health of the patient, the size, number, and nature of the kidney stones, and other medical factors generally determine which form of treatment is most appropriate. The advantage of lithotripsy over surgery is that it can be performed on an outpatient basis at much less than the cost of the typical surgical procedure. In addition, lithotripsy has fewer complications or side effects, less pain, and a substantially shorter recovery period of approximately two to three days as compared to four to six weeks. However, lithotripsy will not be an effective or medically appropriate treatment for kidney stones in many cases.

D. Management of Operations.

The day-to-day business and operations of GLGroup and its lithotripters will be managed by Lithotripsy Management Associates, ("LMA"), an unincorporated division of an affiliate of the General Partner. LMA will be paid a management fee for its services. The management fee will be Forty Thousand Dollars ($40,000.00) per month, pursuant to a Management Agreement, under terms as set forth in Exhibit "D" to this Memorandum.

E. Regulation.

Kidney stone lithotripsy, and indeed the provision of health care items and services generally, are subject to significant regulation by state and federal authorities. Complying with these regulatory schemes may involve expense to GLGroup, delays in GLGroup operations, and/or restructuring GLGroup's business relationships. Violations could potentially cause civil and criminal penalties. [See "Risk Factors"].

F. Business Risks.

The business and operations of GLGroup are subject to numerous business and operational risks. Investors should consider the risks set forth under "Risk Factors" prior to making a decision to invest in the Shares.

NOTHING IN THE OPERATING AGREEMENT, THE MEMORANDUM, OR THE OFFERING AS A WHOLE REQUIRES OR RECOMMENDS, OR SHOULD BE INTERPRETED TO REQUIRE OR RECOMMEND, IN ANY MANNER WHATSOEVER, THAT ANY PERSON MAKE OR INDUCE REFERRALS FOR LITHOTRIPSY SERVICES TO ANY HEALTH CARE FACILITY AT WHICH THE COMPANY OR AFFILIATES, DIRECTLY OR INDIRECTLY, PROVIDES EQUIPMENT OR SERVICES, OR IN ANY OTHER MANNER GENERATE BUSINESS FOR THE COMPANY OR AFFILIATES.

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IV. THE OFFERING

A. Securities Offered.

This offer is being made to the prospective Investor to provide him with the opportunity to purchase Shares of Member interests in the Company. The ownership interest in the Company represented by each Share will vary depending on the number of Shares sold in the Offering. If all nine hundred (900) Shares are sold, each Share will represent an eleven one-hundredths of one percent (0.11%) Member interest in the Company. The purchase price per Share is $500.00 cash and the unconditional guaranty of $9,500.00 per Share (to be collaterally pledged to secure debt financing for the benefit of Company). The purchase price per Share in this Offering is equal to the purchase per Unit in GLGroup, as discussed below.

B. The Offering by the Company and Initial Capitalization of GLGroup.

The Offering is being made by the Company on a "best efforts" basis. Provided, the Company will not accept the subscription for any Shares unless and until GLGroup is to attain its Initial Capitalization (as defined below).

The Initial Capitalization of GLGroup is being undertaken on a "best efforts, all or none" basis, such that all available Units must be subscribed in order for the General Partner to accept the subscription for any Units on behalf of GLGroup. The General Partner will subscribe for and purchase any and all Units not subscribed for and to be purchased by the Company prior to the acceptance of subscriptions for any Units; provided, the General Partner is not required to accept any subscriptions for Units and the Manager may terminate the Offering in its sole discretion.

The Initial Capitalization of GLGroup consists of Nine Hundred (900) Units of limited partner interests, each Unit representing a one-tenth of one percent (0.10%) interest in GLGroup as a limited partner, for a total of a ninety percent (90.0%) aggregate interest in GLGroup as limited partners. There are no guaranties or assurances that the Initial Capitalization will be fully funded or that any number of Units will be sold. However, no subscription for Units will be accepted unless all nine hundred (900) Units are subscribed for Initial Capitalization of GLGroup.

Upon sale of all available Units by GLGroup ("Initial Capitalization"), GLGroup should have available the total of approximately $10,000,000.00 in debt and equity funding, as follows:

	Cash Contributions:	
General Partner	– 100 GP Units @ $500 per Unit	$ 50,000
Limited Partners	– 900 LP Units @ $500 per Unit	450,000
	Available Equity	$ 500,000
	Guaranty Pledges and Equivalents:	
General Partner	– 100 GP Units @ $9,500 per Unit	$ 950,000
Limited Partners	– 900 LP Units @ $9,500 per Unit	8,550,000
	Available Debt	$9,500,000
	Totals:	
	Available Cash (Equity)	$ 500,000
	Guaranty Pledges (Debt)	9,500,000
	Total Available	$10,000,000

As such, upon Initial Capitalization of GLGroup should have approximately $10 million available to undertake its intended acquisitions and business operations and to pay its other obligations, including the expenses of this Offering. The General Partner may purchase any and all unsubscribed Units, in its sole discretion.

C. Minimum and Maximum Purchase of Shares by Investors.

Minimum purchase by an Investor is one (1) Share for a purchase price of Five Hundred Dollars ($500.00) cash plus the guaranty of Nine Thousand Five Hundred Dollars ($9,500.00) to secure debt financing for the Company, and the Maximum purchase by an Investor is twelve (12) Shares for a total purchase price of Six Thousand Dollars ($6,000.00) cash plus the guaranty of One Hundred Fourteen Thousand Dollars ($114,000.00) to secure debt financing for the benefit of the Company.

D. Resulting Ownership.

The purchase of each Share in the Company should represent an indirect interest in one (1) Unit in GLGroup, that essentially should represent an indirect one-tenth of one percent (0.10%) interest in GLGroup, and a pro rata share of all distributions and taxable income and loss of GLGroup, as passed through to the Investor by the Company. Investors should not be directly responsible for the debts and liabilities of the Company because of the Company's existence as a limited liability company.

E. Acquisition of General Partner Interest in GLGroup.

The General Partner will subscribe for and purchase one hundred (100) Units of general partner interests representing a ten percent (10.0%) interest in GLGroup as its General Partner Interest contemporaneously with the General Partner's acceptance of subscriptions for and the purchase of all nine hundred (900) Units of Limited Partner Interests in GLGroup. The General Partner shall pay $500.00 and provide its guaranty of $9,500.00 for each Unit of General Partner Interest, for a total contribution of $50,000.00 cash and an aggregate guaranty of $950,000.00 of GLGroup debt financing obligations, for the ten percent (10.0%) General Partner Interest.

F. Qualifications of Investors.

The General Partner intends to conduct this offering in compliance with the requirements of Section 4(2) of the 1933 Act and Regulation D, Rule 506 thereunder, and with the laws of Georgia, and each other state where an offeree may reside, respectively. Units will be sold only to the Investor if the General Partner reasonably believes that such person either alone or with his Purchaser Representative (i) has knowledge and experience of finance, securities and investments, generally, or in investments of nature offered hereby based on actual participation in making such investments; and (ii) is capable of evaluating the merits and risks of an investment in the Shares and of making an informed investment decision; and (iii) is an actively practicing licensed physician. Moreover, the Investor must represent, and the General Partner must reasonably believe, that such purchaser's investment in the Shares does not exceed 10% of his net worth (or joint net worth along with his spouse) at the time the Shares were sold to him and at the present time.

The Shares will be sold to not more than 35 persons who are not "Accredited Investors" as defined under Regulation D. As used in Regulation D and this Offering, "Accredited Investor" means any natural person who the Company reasonably believes either (i) has an individual net worth, or joint net worth with that of his or her spouse, at the time of purchase that exceeds $1,000,000, or (ii) has had an individual income in excess of $200,000 in each of the two (2) most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

In addition to the suitability requirements imposed by applicable federal and state securities laws, the Investor should be aware that, because of the risks involved with an investment in the Company and the limitations on transfers of the Shares, the acquisition of Shares is suitable only for long-term investment by persons who have sufficient financial means to bear the risk of loss of their investment in the Shares, including liability under the Guaranty, and who have no need for liquidity in such an investment. The Investor has been required to represent in the Subscription Agreement that he is acquiring his Shares for his own account, for investment purposes, and not with any intention of making a distribution or resale of such unit, either in whole or in part. No resale or transfer will be permitted except in accordance with the provisions of the 1933 Act, the rules and regulations thereunder, and any applicable state securities laws. In addition, there will not be any secondary market for the Shares subsequent to this Offering, and the sale or transfer of Shares may result in substantial adverse tax consequences to the seller of Shares. Transfer of Shares is also subject to compliance with the Operating Agreement of the Company. Accordingly, purchasers of the Shares must bear the economic risk of an investment in the Shares for an indefinite period of time.

Shares will only be offered to natural persons who are residents of Georgia or such other states where the Company may determine to offer Shares after compliance with that state's applicable securities laws, rules and regulations. As noted, the General Partner or an Affiliate of GLGroup may subscribe for all unpurchased Units of GLGroup, in its sole discretion, in order to successfully fund the Initial Capitalization of GLGroup and thereby permit acceptance of subscriptions for Shares under this Offering.

G. How to Subscribe.

The Investor should fully and carefully read this Memorandum and send to:

GLG Partners, LLC
c/o Mr. Jon G. Blaustein
Andre & Blaustein, LLP
Attorneys and Counselors at Law
The Candler Building
127 Peachtree Street, N.E.
Suite 700
Atlanta, Georgia 30303-1800

(1) A fully completed, signed, dated and notarized Subscription Agreement, a copy of which is included elsewhere in this Memorandum;

(2) An executed Signature Page Counterpart to Operating Agreement, a copy of which is included elsewhere in this Memorandum;

(3) An executed Guaranty, a copy of which is included elsewhere in this Memorandum;

(4) A completed and duly executed Personal Financial Statement for the Investor (and his spouse, if applicable); and

(5) A check in the amount of $500.00 per Share subscribed payable to GLG Partners, LLC.

Subscriptions are subject to acceptance by the Manager. Subscription proceeds will not be held in escrow. The Manager may accept or reject a Subscription in whole or in part, in its sole discretion.

H. Subscription Period.

This Offering commenced as to residents of Georgia on June 18, 2002 and shall terminate at 11:59 p.m. on July 31, 2002 (unless extended by the Manager). The Company may extend the Offering period to a date not later than August 31, 2002, without notice to the Investor, at the sole discretion of the Manager.

I. Plan of Distribution.

This Offering is being undertaken as a private and confidential offering only through officers of the Manager of the Company. Neither the officers nor any other party will be paid any sales commissions or other remuneration in connection with the Offering, however, the Company or GLGroup will make reimbursements for out-of-pocket expenses incurred in connection with this Offering. There has not been and will not be any public solicitation with respect to this Offering.

The Offering may be made to, withheld from or withdrawn from such persons as the Manager may determine, in its sole discretion. If all available Shares are not subscribed in the initial phase of the Offering, the Manager intends to offer the then available Shares to those persons who did subscribe under the initial phase of the Offering. Thereafter, if all Shares have not then been subscribed, the Manager will offer the then available Shares to such qualifying persons as it may desire. Thereafter the Manager or an Affiliate may subscribe for that number of Units in GLGroup equal to the unsubscribed Shares in this Offering, such that all Units under GLGroup's Initial Capitalization would then be subscribed and purchased.

J. Access to Information.

The Investor and/or his purchaser representatives are invited to contact the Company to review any written materials or documents relating to this Memorandum or any financial information concerning the Company or GLGroup. The Manager will answer all inquiries from investors relative to this Memorandum and will obtain for the Investor such additional information (to the extent they can acquire it without unreasonable effort or expense) necessary to verify the accuracy of any information or representations set forth in this Memorandum. However, the Investor should rely solely on the contents of this Memorandum and documents incorporated herein in making a decision whether to invest in a Share.

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V. USE OF PROCEEDS

A. Proceeds Available from Offering.

As set forth in "The Offering" section of the Memorandum, the Company is offering Shares to actively practicing licensed physicians only. The Company will use its proceeds from the Offering, including the Guaranties, to acquire Units of Limited Partner Interests in GLGroup (which will acquire, own and operate the intended lithotripsy services businesses). The Company together with the General Partner (and Affiliates) of GLGroup will acquire all nine hundred (900) Units of Limited Partner Interests in GLGroup, or none at all. GLGroup should have the total of $500,000.00 in cash and $9,500,000.00 in aggregate Guaranties upon Initial Capitalization of GLGroup. The Guaranties will be used by the Company to secure debt financing for the benefit of Company, which may include the acquisition of the Units in GLGroup and/or the financing of the business of GLGroup. As such GLGroup should have as much as a total of $10,000,000 in equity and debt funding upon successful completion of the Offering and the Initial Capitalization of GLGroup.

B. Purchase of Assets and Businesses.

The proceeds available from the Initial Capitalization of GLGroup (including the proceeds from the Offering inuring to GLGroup upon the Company's acquisition of Units in GLGroup) will be used to purchase all or substantially all of the assets, businesses and operations of each of four (4) existing lithotripsy services partnerships. It is anticipated that the total purchase price will be approximately Nine Million Dollars ($9,000,000.00), allocated for the purchases, as follows:

Seller	Purchase Price
North Georgia Lithotripsy Partners of Atlanta, LLP	$2,900,000.00
North Georgia Lithotripsy Partners of Augusta	2,100,000.00
South Georgia Lithotripsy Partners	1,800,000.00
Coastal Lithotripsy Associates, L.P.	2,200,000.00
TOTAL	$9,000,000.00

The purchase prices are based on 2.5 times the approximate 2001 earnings for each respective seller. The purchase prices are based on the price paid by HealthTronics Surgical Services, Inc. for its purchase of general partnership controlling interests in essentially the identical lithotripsy services businesses in a recent arm's-length transaction with Integrated Health Services, Inc. As such, the General Partner believes the purchase prices reasonably approximate fair market value.

The purchases and sales are contingent upon each of the sellers obtaining the necessary consents from its partners and affiliates, GLGroup and each seller agreeing to the terms of an Asset Purchase Agreement, completion of due diligence satisfactory to GLGroup and certain other conditions. No subscriptions for Units will be accepted by GLGroup from the Company or otherwise unless GLGroup will be acquiring all or substantially all of the assets, operations and business of each and all of the identified sellers (the "Transactions").

A copy of the form of the intended Asset Purchase Agreement to be prepared by GLGroup is available upon request. There are no assurances or representations that the Transactions will be closed or closed under terms satisfactory to an investor.

C. Formation and Organization of the Company and GLGroup.

GLGroup (or its Affiliates) will pay or reimburse for the costs and expenses incurred to form and organize the Company and GLGroup. The estimated fees and costs for the formation and organization of the Company and GLGroup, including for filing fees, legal, accounting and other fees and related costs should not exceed $10,000.00.

D. Expenses of the Offering, Financing and Transactions.

The proceeds from the Offering will be used to acquire Units in GLGroup. GLGroup may use a portion of those proceeds to pay or reimburse for the costs and expenses associated with the Offering and the Transactions, respectively. Offering costs and expenses, inclusive of all fees and costs, including legal, accounting and other professional fees, printing, travel and otherwise should not exceed $35,000.00. Costs and expenses of the Transactions, including legal fees and other costs associated with investigating, contracting for and closing the acquisition of all or substantially all of the assets, operations and business of the sellers (the "Transactions") should not exceed $10,000.00.

In addition, the Company and GLGroup expect to incur certain out-of-pocket fees, costs and expenses to obtain the anticipated debt financing to fund the Company's acquisition of Units and the Transactions. The Company cannot predict with reasonable accuracy the anticipated costs with respect to obtaining the anticipated credit facilities, but said costs may exceed $10,000.00.

E. Working Capital.

Proceeds remaining, if any, to GLGroup after purchase of the businesses and after payment or reimbursement of Offering expenses and expenses relating to the Transactions, formation and organization of the Company and the like should be available as working capital. There are no representations or assurances that the Company or GLGroup will have adequate working capital upon completion of the intended Transactions.

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VI. THE COMPANY, GLGROUP AND AFFILIATES

Investors who become Members of the Company shall have a very limited voice in and essentially no control over the business and affairs of the Company or GLGroup and its operations. The Company will be managed by its Manager, Integrated Lithotripsy of Georgia, Inc., a Georgia corporation, which is an affiliate of HealthTronics Surgical Services, Inc. ("HealthTronics"), a Georgia corporation. The General Partner of GLGroup is also Integrated Lithotripsy of Georgia, Inc. The operations of the lithotripter business will be undertaken by an affiliate of the General Partner, Lithotripsy Management Associates, pursuant to a Management Agreement. As such, no one should invest in the Company who is not willing to entrust management to such parties.

A. GLG Partners, LLC (the "Company").

1. The Company and Operating Agreement. The Company was formed on or about June 18, 2002, to raise funding from investor physicians to be used to acquire Units of Limited Partner Interests in GLGroup. As such, the Company is intended to be a holding company whose sole and principal asset and business will be the Units in GLGroup. If GLGroup is not fully funded pursuant to its "Initial Capitalization," the Company will not acquire any Units in GLGroup, and subscriptions and proceeds will be returned to the subscriber in full, without reduction and without interest.

Investors in and the Manager of the Company will be subject to the terms of the Articles of Organization of the Company and the terms of the Operating Agreement of the Company, a copy of which is included as an Exhibit to this Memorandum. Prospective investors are urged to review a copy of the Operating Agreement carefully, and in its entirety, with legal advisors of their own choosing. The term of existence of the Company is expressly limited.

2. Manager of the Company. Integrated Lithotripsy of Georgia, Inc. is the Manager of the Company, and an affiliate of HealthTronics Surgical Services, Inc. ("HealthTronics"). The Manager has full authority and broad discretion to administer the affairs of the Company and may not be removed or replaced except under very limited circumstances set forth in the Articles of Organization and Operating Agreement.

3. Restrictive Covenants. Investors will be subject to certain non-competition provisions and certain other restrictive covenants by virtue of the Operating Agreement. Investors should review this Memorandum, and the Operating Agreement with their respective legal counsel.

B. Georgia Litho Group, LLLP ("GLGroup").

1. GLGroup and Partnership Agreement. GLGroup was formed as a Georgia limited liability limited partnership on or about June 18, 2002, for purposes of purchasing all or substantially all of the assets, operations and business of each of North Georgia Lithotripsy Partners of Atlanta, LLP ("NGLP Atlanta"), North Georgia Lithotripsy Partners of Augusta ("NGLP Augusta"), South Georgia Lithotripsy Partners ("South Georgia"), and Coastal Lithotripsy Associates, L.P. ("Coastal") (NGLP Atlanta, NGLP Augusta, South Georgia and Coastal are collectively referred to as the "selling partnerships"). Certain financial information relating to the selling partnerships and their assets, liabilities and results of operations are set forth in financial statements included as an Exhibit to this Memorandum.

The General Partner and purchasers of Units of Limited Partner Interests will be subject to the terms of that certain Partnership Agreement of GLGroup dated as of June 18, 2002, a copy of which is included as an Exhibit to this Memorandum, upon "Initial Capitalization." Prospective investors are

urged to review a copy of said Partnership Agreement carefully, in its entirety, with legal advisors of their own choosing. The term of the Partnership is through December 31, 2027; however, the Partnership shall be dissolved on December 31, 2007, unless the General Partner and a majority of the then outstanding Limited Partner Interests by percentage provide their written consent to extend the date for dissolution to a later date certain.

2. The General Partner. Integrated Lithotripsy of Georgia, Inc., a Georgia corporation, an affiliate of HealthTronics Surgical Services, Inc. ("HealthTronics"), is the General Partner of GLGroup. The General Partner has a great amount of discretionary authority and is responsible for the overall management of GLGroup. The General Partner has the authority to and has delegated the management of GLGroup's business to an affiliate, Lithotripsy Management Associates.

3. Allocations and Distributions. The Company and GLGroup have each elected to be taxed as a partnership under the Internal Revenue Code of 1986. As such, all items of income, gain, loss, and other tax attributes are allocated to and among the partners of GLGroup in proportion to their respective holdings and then among the Members of the Company in proportion to their respective holdings in the Company. A more detailed description of the method of allocation by the Company is included in the "Tax Considerations" section of this Memorandum, below. The General Partner is the "Tax Matters Partner" for the Partnership with the broad discretion attendant to such position; however, the Members of the Company may appoint the "Tax Matters Partner" for the Company.

Distributions of cash and other assets are generally undertaken in pro rata proportions to their holding of their respective percentage interests. However, the distribution of cash may not be consistent with the allocation of income for federal income tax purposes. Investors are encouraged to consult business and tax advisors of their own choosing.

There are numerous provisions in the Partnership Agreement which effect distributions of assets and allocations of income, loss and tax attributes among the partner of GLGroup. Investors are encouraged to review these provisions with tax and legal counsel of their choosing.

C. Affiliates and Selling Partnerships.

1. North Georgia Lithotripsy Partners of Atlanta, LLP ("NGLP Atlanta"). NGLP Atlanta is a Georgia limited liability partnership, formed for purposes of investing in and operating lithotripters. West Coast Cambridge, Inc. ("WCC"), is the Managing Partner of NGLP Atlanta holding a 49.3425% interest in the NGLP Atlanta. North Georgia Lithotripsy, L.P. ("NGLLP"), a Georgia limited partnership, holds a 47.4075% interest in NGLP Atlanta. The remaining interests totaling 3.25% are held by three individuals.

NGLLP is a Georgia limited partnership, having North Georgia Lithotripsy Associates, Inc. ("NGLA") as its general partner and various investors as its limited partners. Additional information about the affiliates of NGLP Atlanta and their relationship to the Company is available upon request. NGLP Atlanta is one of the "Selling Partnerships" and an anticipated seller in the Transactions.

2. North Georgia Lithotripsy Partners of Augusta ("NGLP Augusta"). NGLP Augusta is a Georgia partnership, formed for purposes of investing in and operating lithotripters. WCC is the Managing Partner of NGLP Augusta, holding a 54.43% interest in NGLP Augusta. North Georgia Lithotripsy, J.V. ("NGLJV"), a Georgia joint venture, is the other partner, holding a 45.57% interest.

The joint venture partners of NGLJV are NGLLP and Augusta Lithotripsy Associates, Inc. ("ALA"), a Georgia corporation. Additional information about the affiliates of NGLP Augusta and their

relationship to the Company is available upon request. NGLP Augusta is one of the "Selling Partnerships" and an anticipated seller in the Transactions.

3. Coastal Lithotripsy Associates, L.P. ("Coastal"). Coastal was formed as a Georgia limited partnership on or about April 4, 1991, for purposes of investing in and operating lithotripters. WCC is the General Partner of Coastal, holding a 22.3994% interest in Coastal. WCC also holds a 30.6550% interest in Coastal as a limited partner. The remaining 46.9456% of Coastal is held by various investors as limited partners. Additional information about the affiliates of Coastal and their relationship to the Company is available upon request. Coastal is one of the "Selling Partnerships" and an anticipated seller in the Transactions.

4. South Georgia Lithotripsy Partners ("SGLP"). SGLP is a Georgia partnership, formed for purposes of investing in and operating lithotripters. WCC is the Managing Partner of SGLP, holding a 55.61% interest in SGLP. South Georgia Lithotripsy Associates, Inc. ("SGLA"), a Georgia corporation, is the other partner, holding a 44.39% interest. Additional information about the affiliates of SGLP and their relationship to the Company is available upon request. SGLP is one of the "Selling Partnerships" and an anticipated seller in the Transactions.

5. HealthTronics Surgical Services, Inc. ("HealthTronics"). HealthTronics is a Georgia corporation that is subject to certain information and reporting requirements under the Securities Exchange Act of 1934, as amended. The reports and information on file with the Securities Exchange Commission are incorporated herein, and may be obtained as set forth in the "Additional Information" section of this Memorandum.

6. West Coast Cambridge, Inc. ("WCC"). WCC, a California corporation, is a wholly owned subsidiary of Litho Group, Inc., a Delaware corporation. WCC is the Managing General Partner of the Selling Partnerships and other various partnerships operating lithotripsy services businesses throughout the United States. Investors pursuant to the Offering will not obtain an interest with respect to WCC or any affiliate of WCC by virtue of an investment in the Company. Additional information about WCC and its affiliates is available upon request.

7. Litho Group, Inc. ("LGI"). LGI, a Delaware corporation, is a wholly owned subsidiary of HealthTronics. LGI was formed for purposes of investing in and operating lithotripter businesses. Lithotripsy Management Associates is an unincorporated division of LGI, through which LGI manages its lithotripter ventures. Additional information about the affiliates of LGI and its relationship to the Company is available upon request.

8. Lithotripsy Management Associates ("LMA"). LMA is an unincorporated division of LGI, a wholly owned subsidiary of HealthTronics. LMA will be paid a fee for its services in the amount of $40,000.00 per month from the Company for management of the intended business and operations of the Company. Certain expenses incurred by LMA in performance of its management services will be reimbursed by the Company.

9. Integrated Lithotripsy of Georgia, Inc. ("ILG"). ILG, a Georgia corporation, is a wholly-owned subsidiary of HealthTronics. ILG is the Manager of the Company and the General Partner of GLGroup.

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VII. SUMMARY OF SIGNIFICANT DOCUMENTS

Certain material agreements and documents, and portions thereof, are summarized below. Prospective Investors should not assume that the summaries are complete and are specifically referred to the agreements and documents themselves, which are attached hereto or available from the Manager, for complete information regarding the rights and obligations of the parties thereto. Each Prospective Investor should consult with independent legal, financial and tax advisors concerning a potential investment and may not rely on the contents of this Memorandum as legal, financial or tax advice.

A. Operating Agreement of the Company.

The Operating Agreement of GLG Partners, LLC (the "Company") is set forth in its entirety as part of Exhibit "B". The Company has elected to be taxable as a partnership for federal income tax purposes.

The term of the Company is limited. The Company will be dissolved on or before December 31, 2007, unless the Manager and a majority of Shares agree in writing to extend the date for dissolution of the Company.

The Operating Agreement contains significant restrictive covenants in Section 6.07. No person should invest in a Share unless they intend to and are willing to abide by such restrictive covenants.

B. Partnership Agreement of GLGroup.

The Partnership Agreement of Georgia Litho Group, LLLP ("GLGroup") is set forth in its entirety in Exhibit "C". GLGroup has elected to be a limited liability limited partnership in its Certificate of Limited Partnership, a copy of which is also included as part of Exhibit "C".

The term of GLGroup will terminate on December 31, 2027, unless extended by written consent of the General Partner and seventy-five percent (75.0%) of the Limited Partner Interests. However, Section 4.2 provides that GLGroup will be dissolved on or before December 31, 2007, unless the General Partner and a majority of the Limited Partner Interests agree in writing to extend the date for dissolution.

Investors' Guaranties which are part of subscriptions will be used to secure debt financing for GLGroup. Each Limited Partner Interest is granted a right of contribution as to the other Limited Partner Interests in Section 5.2.4, such that each Limited Partner Interest shall sustain a pro rata amount of actual liability under the Guaranties, if any. The General Partner is authorized to facilitate collection and payment as to the right of contribution through the withholding and transfer of distributions and other equitable actions.

Distributions will be made pro rata to the Partners based on their pro rata Interests, not less frequently than annually, in an amount not less than the "Cash Available for Distribution" pursuant to Section 6.3.

In general, the management of the business and affairs of GLGroup is vested in the General Partner. Subject to the limitations of the authority of the General Partner in Section 7.2, the General Partner has the exclusive right and full power and authority to manage, operate and conduct GLGroup's business and affairs under Section 7.1. GLGroup will indemnify the General Partner for all matters other than those attributable to the gross negligence, bad faith or willful misconduct of the General Partner.

Transfers of Partner Interests are restricted and will only be permitted as provided in Article 8. Generally, transfers require the consent of the General Partner and may not be made under circumstances

specified in Section 8.2. The General Partner may sell and transfer any Limited Partner Interests it may hold where it deems such transfer to be in the best interests of the Partnership and may pledge its General Partner Interest and Limited Partner Interests as collateral security to such persons who are providing loans, credit and/or credit facilities to the General Partner, HealthTronics, or their affiliates. In addition, there is no prohibition that would preclude transfer by HealthTronics of its interests in the General Partner.

The Partnership Agreement may be amended as set forth in Section 12.5, upon the consent of the General Partner and 75.0% of Limited Partner Interests.

C. Management Agreement.

The General Partner is authorized to retain the services of a management company under Section 7.3 of the Partnership Agreement. The Company will contract with Lithotripsy Management Associates ("LMA"), an unincorporated division of Litho Group, Inc., an affiliate of the General Partner, for such management services. A copy of the Management Agreement with LMA is included as Exhibit "D" to the Memorandum.

D. Asset Purchase Agreement.

GLGroup will use an Asset Purchase Agreement to memorialize and document the terms of the asset purchases from each respective selling partnership. An agreement will be tailored for each prospective selling partnership and will provide for the purchase of all or substantially all of the assets and business of each selling partnership. A copy of the form of the Asset Purchase Agreement is available upon request (see, the "Additional Information" section of this Memorandum).

E. Subscription Booklet.

The documents which comprise the Subscription Booklet are included as Exhibit "A" hereto. The Subscription Agreement includes various representations, warranties and covenants by an investor as a condition to investment. The Form of Guaranty contains certain commitments by an Investor relating to the securitization of credit for the Company in the amount of $9,500.00 per Share. The Guaranty is unconditional, includes certain delegation of authority by an investor to the Manager, and may result in the financial obligations and liabilities of an Investor.

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VIII. ADDITIONAL INFORMATION

This is an offering to sophisticated investors who accept the responsibility of conducting their own investigation and consulting with their professional advisors in connection with their investment. Prospective investors and their advisors are invited to ask questions of the Manager concerning this Offering, the Company and such other matters as the prospective investors and their advisors deem pertinent in connection with this investment. The Manager will make every effort to respond fully to such questions and to supply all information available to it without unreasonable effort and expense that the prospective investors or their advisors reasonably request.

All documents and agreements referred to in this Memorandum are available on request and should be reviewed by prospective investors for a complete understanding of their provisions. The statements in this Memorandum with respect to those documents do not purport to be complete and are qualified in their entirety by reference to the documents themselves.

The Manager and General Partner is a wholly owned subsidiary of HealthTronics Surgical Services, Inc. ("HealthTronics"). HealthTronics is subject to certain information disclosure requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and, in accordance therewith, files reports and other information with the Securities and Exchange Commission (the "SEC"). The reports and other information may be inspected and copied at the SEC's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549, or at its regional offices located at 7 World Trade Center, Suite 1300, New York, New York 10048 and Citicorp Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661-02511, and are publicly available through the SEC's Web site (http://www.sec.gov). Copies of such material also can be obtained from the General Partner at no cost to the investor.

The following documents or portions of documents filed by HealthTronics with the SEC are incorporated herein by reference:

(i) HealthTronics' Annual Report on Form 10-KSB for the year ended December 31, 2001;

(ii) HealthTronics' Quarterly Reports on Forms 10-QSB for the quarter ended March 31, 2002; and

(iii) The description of HealthTronics' capital stock contained in HealthTronics' Registration Statement on Form SB-2 (Registration No. 333-66977).

All reports and other documents filed by HealthTronics pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof and prior to the termination of this Offering shall be deemed to be incorporated by reference herein and to be a part hereof from the filing date of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein, or in any other subsequently filed document that also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as modified or superseded, to constitute a part hereof. Subject to the foregoing, all information regarding HealthTronics appearing in this Memorandum is qualified in its entirety by information appearing in the documents incorporated herein by reference.

All documents incorporated by reference herein are available upon request to HealthTronics' offices at 1841 West Oak Parkway, Suite A, Marietta, Georgia 30062, 1-800-464-3795.

IX. TAX CONSIDERATIONS

Prospective investors should understand that it is impractical to present a detailed explanation of all of the federal income tax consequences of an investment in the Company. The following is a summary of the principal (but not all) federal income tax consequences under present interpretations of the federal income tax laws that are generally material to investing in the Company. This summary is based upon the Internal Revenue Code of 1986, as amended ("IRC" or the "Code"), Treasury Regulations ("Regulations" or "Treas. Regs."), and case law ("Cases"). The conclusions set forth in this summary are based on laws and published statements by the Service that may change at any time, and such changes may be retroactive.

The Company intends to file its income tax returns as a partnership for federal income tax purposes. The tax law provides that the income of the Company is allocated to the Members based on certain complex rules governing the Operating Agreement and imposed by the Code and Regulations. References below to a "partnership agreement" or to taxation of a "partnership" or "partner" refer to the Company being taxable as a "partnership" for federal income tax purposes, the Company's Operating Agreement being viewed as the "partnership agreement" in question, and the members being taxable as "partners" or "limited partners".

A. Partnership Tax.

Under the Code, the general rule is that a partner's share of the income, deductions, loss or credits of a partnership is proportionate to the partner's interest in the partnership. However, "special" allocations provided in the partnership agreement will be respected for federal tax purposes if the partnership agreement meets one of two alternative tests provided under the Regulations.

Under the first test, allocations provided in the partnership agreement will be respected if those allocations have "substantial economic effect." Roughly speaking, the economic effect is "substantial" if the effect is not foreseeably transitory. For purposes of this test, an allocation has "economic effect" if: (1) the partnership maintains capital accounts for each of the partners in accordance with the Regulations; (2) allocations are reflected in appropriate adjustments to capital account balances; (3) capital account balances control the distribution of liquidation proceeds throughout the life of the partnership; and (4) partners with capital account deficits upon liquidation of the partnership are obliged under the partnership agreement to restore those deficits to the partnership. The Company's Operating Agreement does not meet the fourth requirement as the members are not required to make any further contributions.

Under the alternate test for economic effect, an allocation will be deemed to have economic effect even in the absence of an unlimited deficit capital account provision if: (1) the partnership maintains capital accounts for each of the partners in accordance with the Regulations; (2) allocations are reflected in appropriate adjustments to capital account balances; (3) capital account balances control the distribution of liquidation proceeds throughout the life of the partnership; (4) certain bookkeeping practices to reduce the possibility of negative capital accounts must be followed; and (5) the partnership agreement contains a "qualified income offset" provision as provided in the Regulations. A "qualified income offset" is a provision requiring items of income and gain to be allocated to any partner who unexpectedly receives an adjustment, allocation or distribution that if it had been expected would have had to be taken into account to reduce the partner's capital account under certain bookkeeping rules applicable to alternate-test partnerships. The Company's Operating Agreement appears to comply with the alternate test for economic effect; however, the Company cannot assure investors that the Internal Revenue Service will not challenge some allocations as not being substantial or too transitory to be respected for federal income tax purposes or that the IRS could not successfully challenge the Company's allocations for tax purposes.

In addition to the general rules for the allocation of income and loss outlined above, special rules apply to the allocation of deductions generated by partnership assets acquired through nonrecourse loans. A partnership liability is a nonrecourse liability to the extent that no partner or related person bears the economic risk of loss for that liability. Whether or not a partner or a related person bears the economic risk of loss with regard to any liability is determined by imagining what would happen if the Company immediately liquidated and sold all of its assets for nothing. To the extent a partner or a related person would be obligated to make a payment to any person (or a contribution to the Company) because that liability becomes due and payable and the partner or related person would not be entitled to reimbursement from another partner or person that is a related person to another partner, the liability is recourse to that partner. If no partner or related person is liable in the event of the imaginary liquidation, the loan is a nonrecourse loan and eligible for special allocation among the partners if the Partnership Agreement meets certain additional requirements under the Regulations.

In order for an allocation of deductions attributable to nonrecourse financing to be respected, the Regulations require that in addition to meeting the requirements of the alternate test for economic effect (or other applicable test) the Operating Agreement must contain two special provisions: a "partnership minimum gain chargeback" provision and a "partner minimum gain chargeback" provision.

Under the Regulations, in order to be allocated partnership nonrecourse deductions, the partner must be made responsible for the potential tax gain that may result from a loan default. The key for linking a partner with the potential tax gain from a loan default is the concept of "minimum gain". Assume the Company owns equipment with a tax basis of $50 which is the subject to a nonrecourse liability of $75. If the bank forecloses on the loan, the Company would realize gain of at least $25 from the cancellation of indebtedness. In most cases, the Company will have a tax basis less than the amount of the loan because depreciation deductions attributable to the equipment have reduced the tax basis over time. The "partnership minimum gain" requires that the income attributable to the difference between the foreclosed asset's basis and the amount of the nonrecourse loan be specially allocated to the partner who received those deductions.

Debt which is recourse to some partners but not to others is treated as a "partner nonrecourse liability" under the Regulations. All losses and deductions attributable to the proceeds of the "partner nonrecourse liability" must be specially allocated to the partner or partners bearing the risk of loss. Any "minimum gain" attributable to a "partner nonrecourse liability" must be specially allocated to the partner or partners bearing the original risk of loss and who presumably enjoyed the benefit of the deductions that reduced the value of the encumbered asset below its tax basis.

The Company's Operating Agreement may be interpreted to allow the Manager to amend the Company's Operating Agreement and/or vary allocations solely to comply with these Regulations. However, there can be no assurances that the Internal Revenue Service will not attempt to reallocate any losses or deductions attributable to certain types of loans to the Company.

As outlined above, the Regulations look to who bears the ultimate risk of loss for purposes of allocating deductions based on an imaginary liquidation of the Company even if the possibility of such liquidation is remote. The Company is currently structured as a limited liability company. This means that no member is automatically liable for all the debts of the Company.

Cancellation of indebtedness owed by the Company will trigger income to be allocated among the members without generating any cash to pay any tax generated under the Code. Often, such phantom income will be allocated under the minimum gain chargeback provisions outlined above. Under Section 108 of the Code, a taxpayer does not pay tax on a cancellation of debt income to the extent the taxpayer is insolvent or in bankruptcy; however, the amount of cancellation of debt income will reduce dollar for dollar certain tax attributes of the taxpayer. If a taxpayer is solvent and not in bankruptcy, he or she

generally pays income tax on the full amount of the cancellation of debt income. One major disadvantage of a partnership in comparison to an S corporation is the application of the insolvency and bankruptcy exceptions to the recognition of cancellation of debt income under Section 108. In an S corporation, the test for bankruptcy or insolvency is made at the corporate rather than at the shareholder level. In contrast, in a partnership, the test for bankruptcy or insolvency is made at the partner rather than the partnership level. This rule combined with special allocations mandated under the minimum gain chargeback Regulations increase the likelihood that solvent limited partners who are not personally in bankruptcy may be liable for tax on cancellation of debt income should the Company itself become insolvent or file for bankruptcy.

B. Alternative Minimum Tax.

Certain taxpayers are subject to an "alternative minimum tax" in addition to the regular income tax.

For individuals, the Alternative Minimum Tax is 26% of the first $175,000 of alternative minimum taxable income in excess of an exemption amount of $45,000 for married taxpayers filing jointly. For other taxpayers, the exemption amount may be as low as $22,500. The exemption amount will also vary with taxable years; for 2002 through 2004, it is $49,000, reverting back to $45,000 in 2005. The exemption amount is reduced by 25% of the amount the Alternative Minimum Taxable Income exceeds $150,000. Thus, the $45,000 is completely phased out at $330,000 of Alternative Minimum Taxable Income, and the $49,000 exemption is phased out at $346,000. The rate of Alternative Minimum Tax is 28% on Alternative Minimum Taxable Income over $175,000. The taxpayer must in effect pay the higher of his tax calculated in the regular manner or the Alternative Minimum Tax.

The alternative minimum tax rules are designed to ensure that at least a minimum amount of tax is paid by high-income taxpayers who benefit from certain tax deductions and exemptions. Some partners, in some years, may find that alternative minimum tax rules limit the deductibility of certain items, such as accelerated depreciation, passed through to them by the partnership.

Each prospective investor in the Company should consult his own tax advisor to determine if acquiring an interest in the Company is likely to increase his tax liability under the alternative minimum tax rules.

C. Passive Loss Limitations.

The 1986 Act prohibits a taxpayer's use of losses from passive investment to offset income that is not derived from passive activities, such as salaries and other "active business income," as well as "portfolio" income such as interest and dividends. Tax losses from a passive activity generally are deductible only against income from that activity or from another passive activity. A passive activity is generally any trade or business activity in which the taxpayer does not materially participate, or any rental activity. The determination of whether an investment is passive or active must be made at the partner level, rather than at the partnership level. As a result, although a taxpayer may deduct passive losses from income derived from passive investments, he may not shelter ordinary income by accumulating losses in business investments in which he does not materially participate. In general, limited partners are considered to be passive investors.

Under the terms of the Operating Agreement, the members will not be actively participating in the management of the Company's business, as the Manager has exclusive authority to manage the business. These facts, taken together with the general rule characterizing members as passive investors, strongly indicate that a member's investment in the Company will be considered a passive activity under the passive loss limitation rules.

A taxpayer's passive activity loss for any year is the amount by which the taxpayer's aggregate losses from passive activities for the taxable year exceed his aggregate income from all passive activities for such year. No deduction against "active business income" is allowed for a taxpayer's passive activity losses. A taxpayer may, however, carry forward such passive activity losses ("suspended passive activity losses") to be used against income from passive activities in subsequent years.

If a taxpayer does not use suspended passive activity losses to offset his income from passive activities in subsequent years, such losses cannot be recognized until the taxpayer disposes of his interest in the activity that gave rise to the passive activity loss. A partner who disposes of his interest in a partnership can recognize any passive activity losses from such partnership activity, by netting them against ordinary income at the time he disposes of such interest.

Under the 1986 Act, portfolio income is distinguished from income from passive activities; it is not taken into account for purposes of determining a taxpayer's income or loss from passive activities. Dividends on stock, dividends from real estate investment trusts, interest on debt obligations, and royalties from the licensing of property are examples of portfolio income. Taxpayers are not permitted to offset portfolio income with passive losses. Similarly, passive income cannot be offset by portfolio losses.

Income and deductions relating to passive activities retain their character in the current year and when they are carried forward. For example, capital losses generated in a passive activity may be deducted only to the extent that a taxpayer has overall capital gains during the taxable year. In addition, $3,000 of capital loss may offset $3,000 of the taxpayer's ordinary income, and any excess losses may be carried forward to subsequent years.

Investment Interest. The 1986 Act limits an individual taxpayer's annual deduction for "investment interest" to the amount of the taxpayer's net investment income. To the extent that it is incurred in the conduct of a trade or business, interest expense incurred in a passive activity is not taken into account in applying the investment interest limitation. Furthermore, any interest expense incurred to purchase an interest in a passive activity is allocated to that passive activity and is not treated as investment interest. The exclusion of passive activity interest expense and income in determining net investment income may reduce the significance of the investment interest limitation to an individual taxpayer.

D. Basis and At Risk Limitations.

Section 465 of the Code provides that a taxpayer may deduct tax losses with respect to an investment only to the extent of the amount that he is at risk with respect to such investment at the close of the taxable year. A taxpayer is at risk during the taxable year in an amount equal to sum of (i) his at risk investment in the venture on the last day of the taxable year, and (ii) his taxable income from the venture during the taxable year. A taxpayer's at risk investment is equal to the sum of (i) the amount of money that the taxpayer contributes to the investment; (ii) the adjusted tax basis of any property that the taxpayer has contributed to the investment; and (iii) any amounts borrowed by the taxpayer for use in the investment, if the taxpayer is personally liable to repay such borrowed amount.

The Regulations under Section 465 of the Code indicate that a taxpayer is not at risk with respect to any amount which he is required to contribute to the limited liability company until he actually contributes that amount, regardless of whether there is a fixed liability and regardless of whether the obligation is evidenced by a promissory note. A member's loan to the Company increases his at risk amount by his proportionate share of the loan. The Regulations indicate that a member does not increase his at risk amount on account of partnership indebtedness if such member is not personally liable to repay

such loan or is otherwise protected against loss with respect to such loan. Furthermore, the Regulations indicate that a member does not increase his at risk amount merely because he has guaranteed a portion of the Company's liability, even after he has been forced to respond on his guarantee. A member's at risk amount will be increased only after he has no reasonable prospect of contribution by the Company or the other members under the rules of subrogation.

Losses that a taxpayer cannot deduct during the taxable year on account of the at risk limitation are carried forward indefinitely. The at risk rules are applied before the passive loss limitation rules are applied. Losses disallowed under the at risk rules may be used to offset the taxpayer's income when he disposes of his investment.

Another limitation on the amount of partnership loss (including capital loss) that may be recognized by a partner is measured by the amount of his adjusted basis in the partnership. Techniques for increasing basis are similar to those for increasing the amounts at risk and include making additional capital contributions or increasing the partner's share of partnership liabilities. Any losses disallowed because of insufficient basis may be carried forward to subsequent years.

E. Activities Engaged in for Profit.

Code Section 183 provides that if an activity is not engaged in for profit, the only amounts deductible are (i) those amounts, such as the deductions for interest (as limited by Section 163(d)) and taxes, which would be deductible whether or not incurred in connection with an activity engaged in for profit ("nonbusiness deductions"), and (ii) amounts otherwise deductible, but only to the extent of the activity's income, reduced by otherwise allowable non-business deductions.

The Code defines the phrase "activities not engaged in for profit" as any activity other than one that constitutes a trade or business, or one that is engaged in for the production or collection of income or for the management, conservation, or maintenance of property held for the production of income.

The Regulations set forth nine relevant factors to be considered in making the determination of whether or not an activity is engaged in for profit. Those factors include but are not limited to the following:

(a) The fact that the taxpayer carries on the activity in a businesslike manner and maintains accurate books and records may indicate that an activity is engaged in for profit;

(b) Preparation for an activity by extensive study of its accepted business, economic, and scientific practices, or consultation with those who are expert therein, may indicate that the taxpayer has a profit motive when the taxpayer carries on the activity in accordance with such practices;

(c) The fact that the taxpayer devoted much of his personal time and effort to carrying on an activity, particularly if the activity does not have substantial personal or recreational aspects, may indicate an intention to derive a profit. If the taxpayer, however, devotes a limited amount of time to an activity, it does not necessarily indicate a lack of profit motive in those situations where the taxpayer employs competent and qualified persons to carry on such activity; and

(d) The presence of personal motives in carrying on an activity may indicate that the activity is not engaged in for profit, especially if there are recreational or personal elements involved.

The various other factors discussed in the Regulations do not appear to be relevant to the Company.

Section 183 provides that an activity is presumed to be engaged in for profit if the gross income from such activity for three out of five taxable years ending with the current taxable year exceeds the deductions attributable to such activity. It is possible that the operations of the Company will entitle it to the benefit of this presumption.

Organization and Start-Up Expenses and Syndication Fees. Section 195 and 709 of the Code provide that expenses paid in connection with the start-up of the Company may be amortized over a period of not less than 60 months (beginning with the month in which the Company begins business) if the Company so elects. If the Company is liquidated prior to the end of the amortization period, the unamortized start-up and organization expenses are deductible to the extent provided by Section 195 of the Code. Section 709 also provides that no deduction may be taken for syndication fees (costs of selling) nor may syndication fees be amortized.

F. Other Considerations.

1. Tax Shelter Registration. Under TEFRA, a "tax shelter" must be registered by the "tax shelter" organizer. Registration is accomplished by filing a properly completed Form 8264 with the Internal Revenue Service. The Internal Revenue Service will assign a registration number to each "tax shelter" that is registered. Although the Service has relaxed registration requirement for certain types of Partnerships, the rules remain generally applicable where an investor's cumulative tax liability is reduced as of the close of any of the first five years of operation.

In recent years, the Internal Revenue Service has made curbing abusive tax shelters a top priority. In 2000, the IRS issued the first set of temporary and proposed tax shelter regulations, and announced the creation of the Office of Tax Shelter Analysis to serve as the focal point for gathering and analyzing tax shelter information. Among other things, the regulations require the registration of confidential tax shelters, and the tax return disclosure of certain "reportable" transactions. In addition, promoters are required to maintain lists of tax shelter investors, which much be submitted to the IRS upon request. There have been some revisions to the Regulations in response to comments from the public, and the process is still ongoing; it is far from clear what form the final Regulations will take.

The Company has not registered with the Internal Revenue Service as a "tax shelter" and does not intend to so register. There is a possibility, however, that under the new Regulations, the Company will face new reporting requirements. This could increase the possibility that the Company, and/or the partners, will be audited by the IRS.

2. Nominee Reporting. The 1986 Act provides that persons who hold an interest in an entity as a nominee for another person must report certain information to the entity. The Service has announced that such information should include (i) the name, address and taxpayer identification number of the beneficial owner, and (ii) the amount and description of the entity held, acquired or transferred for the beneficial owner. The nominee is required to supply the beneficial owner with the information furnished to the entity. No member may hold his interest for a nominee. Such an arrangement is precluded by the required disclosures to be made by the purchaser.

G. Reallocation of Income, Deductions or Credits.

Under Code Section 482, the Service has the authority to distribute, apportion or allocate gross income, deductions, credits, or allowances between two or more businesses (whether or not incorporated) owned or controlled by the same interests if the Service determines such distribution, appointment or allocation is necessary to prevent evasion of taxes or to clearly reflect income of any such businesses. If the Service can successfully assert that the Company and the Manager are controlled by the same interests and that the operating fee or management fee paid by the Company under the management

agreement is unreasonably low, the Company may thereafter be forced to pay higher operating and management fees, thereby reducing the potential profitability of the Company and the cash distributions to the Members. On the other hand if the Service can show that the Company and the Manager are controlled by the same interests and that the operating fee or management fee paid by the Company is unreasonably high, the Service may significantly reduce such fees and therefore reduce the Company's deductions for such fees. In such event, the limited partners will owe additional income taxes without additional cash distributions from the Company to pay such taxes. The Company believes that the operating and management fees approximate fair market fees for the management services to be provided to the Company. There can be no assurances, however, that the Service will agree with the Company with respect to the reasonableness of the operating and management fees.

H. Method of Accounting.

The Tax Reform Act of 1986 introduced Code Section 448 providing that, except in enumerated circumstances, a partnership, which has a C corporation as a partner, and a "tax shelter" must use the accrual, rather than the cash, method of accounting. A partnership having a C corporation as a partner or being a "tax shelter" described in Code Section 448 must adopt the accrual method of accounting on its first information return and use the accrual method for financial accounting purposes.

As a general rule, a taxpayer using the accrual method is entitled to deduct an item in the taxable year in which all the events have occurred which establish the taxpayer's liability therefor and in which the amount of the taxpayer's liability can be determined with reasonable accuracy. This rule has been refined by the 1984 Act's modification of Code Section 461 to provide that an accrual method taxpayer will not be entitled to accrue a deduction until "all the events", including economic performance, have occurred which establish the taxpayer's liability. Economic performance generally occurs as property or services are actually provided.

The Company intends to adopt the accrual method of accounting for tax and financial purposes.

I. Other Elections.

The Company may make various other elections for federal tax reporting purposes which could result in various items of income, gain, loss, deduction, and credit being treated differently for tax purposes than for accounting purposes. For example, the Company may, in conformity with generally accepted accounting principles, recognize gain on the sale of a particular property in its entirety for accounting purposes, but may report the gain on the installment basis for federal income tax purposes.

J. Substantial Understatement Penalty.

Pursuant to the 1986 Act as amended by the Revenue Reconciliation Act of 1989, the Code imposes a penalty equal to twenty percent (20%) of the amount of any "substantial understatement" of federal income tax. An understatement of federal income tax is "substantial" if it exceeds the greater of ten percent (10%) of the tax required to be shown on the return or, in the case of individuals (and personal holding companies and S corporations), $5,000. In the case of items other than "tax shelter" items, the penalty may be avoided if (i) the taxpayer acted in good faith and there was reasonable cause for the understatement, (ii) the treatment of the item in the return is supported by substantial authority, or (iii) all of the facts relevant to the treatment of the item in the return are disclosed in the return, and there is a reasonable basis for that treatment. No assurance can be given that the IRS will agree that the Company and/or individual investors have "substantial authority" or any of the other requirements for the proposed treatment of each item by the Company.

In the case of "tax shelter" items, the substantial understatement penalty is avoided only under limited circumstances. There is a risk that the Company could constitute a "tax shelter" within the meaning of the penalty provision. No assurance can be given that an individual investor will not incur the substantial understatement penalty in the event that a substantial understatement of tax results from his investment in the Company. [EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT HIS OWN TAX ADVISOR REGARDING THE POSSIBLE APPLICATION OF THE SUBSTANTIAL UNDERSTATEMENT PENALTY TO POTENTIAL UNDERSTATEMENTS OF TAX RESULTING FROM HIS INVESTMENT IN THE COMPANY].

K. Penalty for Overvaluation.

The Code provides (with certain limited exceptions) for the imposition of a penalty in the event that an individual, a closely held corporation, or a personal service corporation understates on its tax return the tax owing by it for any year and, relating particularly to the present context, such understatement of tax liability is attributable to the fact that excessive depreciation is claimed as a result of the overstatement of the adjusted tax basis of depreciable property or excessive interest deductions are claimed as a result of indebtedness in excess of fair market value of the applicable property. Property is deemed to be overvalued if the value (or adjusted tax basis) of the property of a taxpayer, as claimed on the taxpayer's return, exceeds two hundred percent (200%) of the amount ultimately determined to be the correct amount of value (or adjusted tax basis) of the property. Under Section 6662(b)(3) of the Code, the penalty to be assessed in the event of such a valuation overstatement is equal to twenty percent (20%) of the amount of tax which was underpaid as a result of the understatement. Under Section 6662(b)(2) of the Code, this penalty will not be assessed if (i) for the taxable year in question the underpayment of tax which is attributable to the valuation overstatement is less than $5,000.00 (for most taxpayers); or (ii) the IRS concludes that there was a reasonable cause for the valuation made by the taxpayer and that the taxpayer's valuation was made in good faith. Other penalties may also be assessed if there is a "gross" misvaluation of property.

Although the Manager believes that the amounts which GLGroup will claim as its tax basis for its equipment is proper and that no investor in the Company should be subject to the penalty imposed by Section 6662(b)(3) of the Code for any year during which the GLGroup owns its equipment by reason of the GLGroup's valuation of its equipment, there can be no assurance that the IRS will accept the position taken by the Manager or General Partner of GLGroup. Furthermore, this penalty would likely automatically be applicable if GLGroup is not treated as the sole owner of its equipment. Accordingly, if the IRS were to sustain a challenge to the amount of tax basis claimed by the GLGroup, those investors in the GLGroup who are individuals, closely held corporations or personal service corporations could be subject to the penalty imposed by Section 6662(b)(3) of the Code. [EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT WITH HIS OWN TAX ADVISOR REGARDING THE POSSIBLE APPLICATION OF THE VALUATION OVERSTATEMENT PENALTY TO POTENTIAL UNDERSTATEMENTS OF TAX RESULTING FROM HIS INVESTMENT IN THE COMPANY.]

L. Risk of IRS Audit.

Information returns filed by the Company and GLGroup, respectively, will be subject to audit by the Service. An audit of the Company's or GLGroup's return may lead to adjustments, in which event the investors may be required to file amended personal federal income tax returns. In addition, any such audit may lead to an audit to an investor's individual tax return which may lead to adjustments other than those relating to an investment in the Company.

Investors should be aware that the Code contains registration requirements for tax shelters. These registration requirements are meant to provide the Service with more complete and systematic information upon which to base its decisions about audits of tax shelter investments. During 2000,

registration requirements grew more stringent and comprehensive. The Company does not intend to register as a tax shelter.

The Code permits the determination of partner tax liability with respect to partnership items to be made at the partnership level in a unified partnership proceeding, rather than in separate proceedings for each partner. The rules governing such unified proceedings are complex and should be reviewed carefully by each prospective investor or his tax advisor. The IRS is following a procedure for 1983 and later taxable years designed to determine the tax treatment of items or partnership income and loss at the partnership level in a unified proceeding rather than in separate proceedings with the partners. This approach applies to such procedures as notice, negotiation, and settlement of issues arising during partnership and partner audits and litigation arising from such audits. In general, the IRS must send notices to the "Tax Matters Partner" ("TMP") who is a person so designated. The Members may designate the TMP for the Company who may act on behalf of the Company and all Members in administrative proceedings and in litigation. The Company may also participate in administrative proceedings. If the Company desires not to be bound by any settlement reached by the TMP it may file a statement within a particular time period stating that the TMP does not have authority to enter into a settlement on its behalf.

While the IRS will ordinarily be required to initiate proceedings against the Company and not against the individual partner, such requirement is waived with respect to any partner whose treatment of an item on its return is inconsistent with the treatment of that item on the partnership return unless such partner files a statement with the IRS identifying the inconsistency. In the absence of such a filing, the IRS may, without sending the taxpayer a deficiency notice, assess and collect the additional tax necessary to make the partner's treatment of the item consistent with the Company's treatment of the item. Each partner is required to treat partnership items on its return in a manner consistent with the treatment of such items on the partnership return. This consistency requirement is waived only if the partner files the above-mentioned statement identifying the inconsistency. A penalty is imposed for intentional disregard of the consistency requirement.

The determination of whether a return will be included in the audit program depends upon a number of criteria, including a large net loss in a taxable year. Until recently the IRS has refused to settle by compromise certain issues in the tax shelter area so that taxpayers have been compelled to either concede to or litigate proposed adjustments by the IRS. Prospective Investors should note that a federal income tax audit of the Company's tax information return could ultimately result in an audit of their individual returns that would not otherwise occur. Such an examination could result in adjustments by the IRS not only to items that are related to the Company but also to unrelated items. Furthermore, the unified partnership audit procedure could cause the Members to be unable to protest IRS determinations separately and could increase the likelihood of audits for organizations such as the Company. If the Company's information returns are audited and adjustments subsequently are made by the IRS with respect to the Company's federal income tax return, members could be required to pay additional federal income tax plus interest and possible penalties. Generally, the rules regarding determinations of the tax treatment of partnership items can result in the assessment of a federal income tax deficiency with respect to the partnership item taken into account by an investor regardless of whether the investor is a party to the proceeding in which the tax treatment of such items is determined.

M. Publicly Traded Partnerships Treated as Corporations.

The Code provides that certain publicly traded partnerships will be treated as corporations for federal income tax purposes. A "publicly traded partnership" is defined as a partnership the interests of which are traded on an established securities market or are readily tradeable on a secondary market or its substantial equivalent. An exception is provided for partnerships when ninety percent (90%) or more of their gross income consists of portfolio and passive-type income for the current taxable year and each

taxable year beginning after December 31, 1987, during which the partnership (or any predecessor) was in existence. If (i) a publicly traded partnership fails to meet such gross income test for any taxable year, (ii) such failure is inadvertent, as determined by the Service, and (iii) the partnership take steps within a reasonable time to once again meet the gross income test and agrees to make such adjustments as are required by the Service, such failure will not cause the partnership to be taxed as a corporation. If a publicly traded partnership is taxed as a corporation under Section 7704 of the Code, such partnership will be treated as having transferred all of its assets (subject to its liabilities) to a newly formed corporation on the first day the partnership is treated as a corporation under such section in exchange for the stock of the corporation, and as having distributed such stock to its partners in liquidation of their interests in the partnership. If the Company qualified as a publicly traded partnership for purposes of Section 7704 of the Code and failed to meet the gross income test thereunder, the Company's income would be subject to federal income tax issues associated with publicly traded partnerships and other large partnerships. [ALTHOUGH THE MANAGER DOES NOT BELIEVE THAT THE COMPANY WILL QUALIFY AS A PUBLICLY TRADED PARTNERSHIP FOR PURPOSES OF SECTION 7704 OF THE CODE, EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT WITH HIS OWN TAX ADVISOR REGARDING THE APPLICABILITY OF SUCH SECTION TO THE COMPANY AND THE POTENTIAL IMPACT OF THE COMPANY BEING TREATED AS AN ASSOCIATION TAXABLE AS A CORPORATION FOR FEDERAL INCOME TAX PURPOSES].

N. Withholding and State Income Tax Issues.

Georgia imposes income tax withholding at a rate of four percent (4%) with respect to any distribution to a partner who is not a resident of Georgia, unless exempted. Non-residents of the state of Georgia should consult with their own tax advisors and inform the Company whether or not they qualify for any exemption from applicable withholding. Since the Company plans to operate in more than one state, it is possible that other states may impose withholding on income attributable to activities in that state. Additionally, the Company on audit by Georgia or other state income tax authorities may face issues concerning the proper allocation of deductions to activities within that state. An allocation of an expense to activities in another state would lead to a disallowance of that deduction for state income tax purposes. Moreover, there is no requirement that the tax authorities in Georgia and other states take consistent positions with regard to the allocation of deductions or income. It is possible that a reallocation of deductions or income could materially increase the Company's overall state income tax liability.

Investors who are non-resident aliens of the United States for income tax purposes are subject to withholding under Section 1446 of the Code. Investors should consult with their own tax advisors and inform the Company whether or not they qualify for any exemption or reduction in applicable withholding.

O. Partnership Anti Abuse Rule.

Regardless of whether or not the Company complies with the formal requirements of the Code and Regulations, the Internal Revenue Service may disregard the partnership form of the Company and its allocation of income and deductions if the Internal Revenue Service determines the Company's operation is inconsistent with the intent of the partnership provisions of the income tax portion of the Code. Under Treasury Regulation Section 1.701-2 (the "Anti Abuse Rule"), the Internal Revenue Service is given broad authority to disregard the form of a partnership transaction if a principal purpose of the taxpayer is to achieve a substantial tax reduction and this tax reduction is inconsistent with the intent of the partnership income tax rules. If a partnership transaction is disregarded, the Internal Revenue Service is authorized to treat the Company as an aggregate of its partners in whole or in part, to reallocate items of income, gain, loss deduction or credit, or adjust the accounting methods used by the Company in order to more clearly reflect the parties' income. Although widely believed to target only exotic transactions, the

Anti Abuse Rule is so vague and grants such broad authority to the Internal Revenue Service, there is a material risk the Internal Revenue Service may use this rule to reallocate income and deductions and impose interest and penalties on the partners. Certain procedures currently must be followed by the Internal Revenue Service to invoke the Anti Abuse Regulation. There can be no assurance that the Internal Revenue Service will maintain these procedural requirements in the future, particularly as the Internal Revenue Service is undergoing an extensive reorganization.

P. S Corporations.

Investors who are S corporations should review with their own tax advisors whether or not their investment in the Company could trigger a termination of their S election. Under Code Section 1362, an S corporation that has accumulated earnings and profits at the end of each of three consecutive years and has passive investment income of more than twenty-five percent (25%) of gross receipts for each of those years will have its election terminated effective as of the beginning of the next tax year. An S corporation that never operated as a C corporation cannot have the S election terminate under this provision. [INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE PRESERVATION OF THEIR S ELECTION].

Q. Internal Revenue Code Section 414(m).

Prospective investors should be aware of the possible application and ramifications of the "affiliated service group" rules under Section 414(m) of the Code. Section 414(m) provides in general that a group of Partnerships or other entities that is combined as an "affiliated service group" is considered a single employer for certain employee benefit purposes. If some members of an affiliated service group have no qualified retirement plan or a qualified retirement plan that is not "comparable" (under a specific set of Internal Revenue Service guidelines) to the qualified retirement plans of other members (including the plan maintained for Partnership employees), affiliated service group status could result in the disqualification of one or more of such qualified retirement plans maintained within the affiliated service group. This could well result, depending on the circumstances, in disallowance of deductions for employer contributions, assessment of taxes on plan earnings because of loss of the plan's tax-exempt status, assessment of taxes against employees for amounts that would have been includable in gross income as each employer contribution is made and disallowance of special advantageous federal income tax treatment of distributions made from the plan in a year in which it is disqualified.

An affiliated service group is defined in Section 414(m)(2) of the Code as follows:

For purposes of this subsection, the term "affiliated service group" means a group consisting of a service organization (hereinafter in this paragraph referred to as the "first organization") and one or more of the following:

(A) any service organization which

(i) is a shareholder or partner in the first organization, and

(ii) regularly performs services for the first organization or is regularly associated with the first organization in performing services for third persons, and

(B) any other organization if

(i) a significant portion of the business of such organization is the performance of services (for the first organization, for organizations described in subparagraph (A), or for both) of a type historically performed in such service field by employees, and

(ii) 10 percent or more of the interest in such organization is held by persons who are officers, highly compensated employees, or owners of the first organization or an organization described in subparagraph (A).

The application of Section 414(m) is complex and factual. However, there exists a substantial risk that, considering the Company and the General Partner and the limited partners who have not received a prior determination from the Service to the contrary, a combination of two or more of those entities will qualify as an affiliated service group and thus be subject to Section 414(m). It is impossible to identify all potential tax consequences without individualized review . [EACH INVESTOR SHOULD CONSULT HIS OR HER OWN TAX ADVISOR FOR THE PURPOSE OF UNDERTAKING SUCH A REVIEW].

Neither the Company nor its counsel can give any assurance that the Service will not take the position that an affiliated service group exists between the Company and its Manager or between the Company and members or among the Company, the Manager and the members. The Company does not intend to request an Internal Revenue Service opinion on such issue. However, individual contracting physicians may ask the Service to consider their affiliated service group status by submitting certain supplemental information in connection with a request for a determination letter on the contracting physician's qualified retirement plan. Contracting physicians are encouraged to consult their tax advisors with respect to whether it is advisable to request such a determination letter in order to mitigate any affiliated service group risk. If the Company and one or more Members, or two or more Members, become an affiliated service group, the following issues, among others, could arise:

(1) For plan years beginning after December 31, 1988, Section 401(a)(26) of the Code may require each qualified retirement plan, standing alone, of each member of the affiliated service group, to benefit on each day of the plan year the lesser of (i) 50 employees (determined by treating all employees of each member of the affiliated service group as being employed by the plan's sponsor) or (ii) 40% of all employees of the affiliated service group.

(2) Generally, each plan sponsored by members of an affiliated service group has to contain language that credits service with any member of the affiliated service group for participation and vesting purposes.

Each prospective investor should consult his or her own tax advisor to determine the specific effects of inclusion in an affiliated service group.

Section 414(o) of the Code authorizes the issuance of such regulations as may be necessary to prevent the avoidance of the effect of the Section 414(m) through the use of separate organizations, employees leasing or other arrangements. No regulations have been issued under Section 414(o) yet, but the broad authority granted by this Section could permit regulatory changes that alter or even totally change the foregoing analysis of Section 414(m). [EACH PROSPECTIVE INVESTOR IS ENCOURAGED TO CONSULT HIS OR HER OWN TAX ADVISOR TO STAY ABREAST OF DEVELOPMENTS IN THIS AREA].

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EXHIBIT "A"

Subscription Agreement, Individual Signature Page Counterpart and Form of Guaranty

GLG PARTNERS, LLC

SUBSCRIPTION INSTRUCTIONS
Pursuant to Private Placement Memorandum
dated June 18, 2002

Outlined below are the documents required to be executed and delivered to GLG Partners, LLC, a Georgia limited liability company (the "Company"), c/o Andre & Blaustein, LLP, The Candler Building, 127 Peachtree Street, N.E., Suite 700, Atlanta, Georgia 30303-1800, in connection with subscription for a Share(s). Each document must be executed in the manner described below, with all applicable blanks completed. If an applicable blank is "not applicable", please so indicate on the document.

Document	How, and by Whom Executed	Checklist
(a) Subscription Agreement	by Offeree before a notary public	_____
(b) Signature Page Counterpart to Operating Agreement of the Company	by Offeree	_____
(c) Form of Guaranty	by Offeree before a notary public	_____
(d) Personal Financial Statement	by Offeree before a notary public	_____

Each subscription must be accompanied by the Offeree's payment of the Funds to "GLG Partners, LLC" in the amount of $500.00 times the number of Shares subscribed.

SUBSCRIPTION AGREEMENT

GLG Partners, LLC

TO: GLG Partners, LLC
c/o Andre & Blaustein, LLP
Attorneys and Counselors at Law
The Candler Building
127 Peachtree Street, N.E., Suite 700
Atlanta, Georgia 30303-1800

Ladies and Gentlemen:

The undersigned hereby tenders this subscription to GLG Partners, LLC, a Georgia limited liability company (the "Company"), and applies for the purchase of shares of membership interests in the Company as a member (the "Share" or "Shares"), for that number of Shares shown hereinafter. The purchase price per Share is Five Hundred Dollars ($500.00) plus the guaranty of the undersigned in the amount of Nine Thousand Five Hundred Dollars ($9,500.00) per Share to be used to secure debt financing for direct or indirect benefit of the Company (the "Funds"). Capitalized terms used in this Subscription Agreement and not otherwise defined shall have the meanings assigned to them in the Private Placement Memorandum of the Company dated June 18, 2002 (the "Memorandum"). Payment of the subscription funds (the "Funds") is being tendered by the undersigned herewith. The undersigned understands that subscriptions and the Funds will not be held in escrow.

1. Commitment to Acquire Shares. Subject to the terms and conditions of this Agreement and as set forth in the Memorandum, the undersigned hereby offers to acquire _____ (__) Share(s) pursuant to the Offering at the purchase price of Five Hundred Dollars ($500.00) plus the unconditional guaranty of the undersigned in the amount of Nine Thousand Five Hundred Dollars ($9,500.00) (the "Guaranty") (collectively, the cash and Guaranty are referred to as the "Funds") per Share. Upon the Company's acceptance in writing of the subscription of the undersigned for the purchase of Share(s) in the Company, the undersigned agrees to and shall become a Member of the Company and shall be bound by all terms and conditions of this Agreement and the Operating Agreement of the Company dated as of June 18, 2002, as amended (the "Operating Agreement"), and shall cooperate fully with the Company in the Company's use and pledge of the Guaranty to secure debt financing for the direct or indirect benefit of the Company.

2. Acceptance of Subscription and Funds. It is understood and agreed that the Company shall have the right to accept or reject this Agreement and the Funds, in whole or in part, in its sole and absolute discretion, for any reason whatsoever, at any time prior to the termination or expiration of this Offering. It is understood and agreed that the Company may accept this Agreement for any number of Shares up to the number of Shares hereby tendered, as determined by the Company in its sole and absolute discretion. The undersigned may not

revoke, rescind, withdraw, or otherwise cancel this subscription other than as provided under applicable state or federal law.

3. Representations, Warranties and Covenants of the Undersigned. The undersigned hereby represents, warrants and covenants to the Company and its partners (and their respective officers, directors, shareholders and agents) as follows:

[OPTIONAL REPRESENTATION – PLEASE INITIAL ONLY IF TRUE: _____.] The Undersigned natural person has an individual net worth, or net worth with his spouse, of $1,000,000, or has had individual income in excess of $200,000 in each of the two most recent years, or joint income with the undersigned's spouse, in excess of $300,000 in each of those years, and reasonably anticipates reaching the same income level in the current year.

(a) The undersigned (i) has adequate means of providing for his current needs and possible personal contingencies and has no need for liquidity with respect to his acquisition of Shares in the Company; (ii) understands that the Shares in the Company are transferable under only very limited circumstances; (iii) represents that the principal objective of the undersigned in submitting this Agreement and the Funds is the opportunity to make an investment in the Company; and (iv) either alone or with his legal and financial advisors possesses such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Shares.

(b) The address set forth below the signature of the undersigned is the undersigned's true and correct current address and that he has no present intention of becoming a resident of any other state or jurisdiction. The undersigned is a citizen of the United States (or such other nation set forth on the Signature Page hereto) and has his principal residence address (or principal business address in the case of an entity) at the address set forth on the Signature Page hereof.

(c) The undersigned has received and read and is familiar with the Memorandum, and the related Exhibits. All documents, books, financial information and records pertaining to the Company and an investment in the Shares requested by the undersigned have been made available or delivered to the undersigned and, if the undersigned so requested, to his attorney, accountant, or other representative.

(d) The undersigned has had an opportunity to ask questions of and receive answers from representatives of the Manager of and legal counsel to the Company, or a person or persons acting on behalf of the Company, concerning the terms and conditions of this Offering and to obtain such information, to the extent such persons possess the same or could acquire it without unreasonable effort or expense, as the undersigned deemed necessary. However, the undersigned has relied solely upon the Memorandum and the documents therein in making a decision to participate in this Offering and to acquire Shares.

(e) The undersigned acknowledges that Shares in the Company are securities. The undersigned understands and agrees that the Shares are being offered and sold in a private

placement pursuant to applicable exemptions from registration and that the undersigned has no unilateral right to cause the registration of a Share.

(f) The Shares are being acquired solely for the undersigned's own account, and the undersigned acknowledges and agrees that the Shares and parts thereof, may not be transferred, assigned, pledged, negotiated, or otherwise alienated except under the very limited circumstances outlined in the Operating Agreement and consistent with the terms outlined in the Memorandum and this Agreement. In order to induce the Company to accept this Agreement and the Funds, the undersigned agrees that neither the Company nor any other party will have any obligation or duty to recognize the ownership, beneficial or otherwise, or any rights related thereto with respect to the Shares as to anyone but the undersigned. Documentation evidencing the Shares will contain a legend satisfactory to the Company which evidences restrictions on transferability of the Shares, including without limitation, reference to the Operating Agreement and applicable securities laws.

(g) Neither the Company nor any other party acting on behalf of the Company have provided any tax, financial or legal advice to the undersigned with respect to participating in an investment in the Company.

(h) The undersigned is aware that investment in the Shares involves various risks and has carefully read and considered the Memorandum, including but not limited to matters set forth under the captions "RISK FACTORS," "THE PRIVATE PLACEMENT," and "BUSINESS OF THE COMPANY AND GLGROUP" in the Memorandum.

(i) The undersigned understands that the Shares have been offered and will be sold in reliance upon the exemptions provided in Section 4(2) of the Securities Act of 1933 (the "Act") and Regulation D, Rule 506 thereunder, as a purely private transaction and as transaction not involving any public offering. The undersigned makes the representations, declarations, and warranties in this Subscription Agreement with the intent that the same will be relied upon in determining the suitability of the undersigned, as a purchaser of Shares. The undersigned understands that the Company has no obligation or present intention to register the Shares under the Act or to file the reports or make public the information set forth in Rule 144 under the Act for the foreseeable future.

(j) The Shares for which the undersigned hereby subscribes will be acquired solely for the account of the undersigned for long-term investment and are not being purchased for resale, fractionalization, or distribution. The undersigned has no contract, undertaking, agreement, or arrangement with any person or entity to sell, transfer, or pledge to such person or entity, or to anyone else, the Shares which the undersigned hereby subscribes to purchase or any part thereof; and the undersigned has no present plan to enter into any such contract, undertaking, agreement, or arrangement.

(k) The undersigned agrees not to dispose of the Shares or any interest therein, unless and until the Shares have been validly registered under the Securities Act of 1933 or the Company has been furnished an opinion of counsel satisfactory to it that the intended disposition does not violate the Act or the rules and regulations of the Securities and Exchange

Commission thereunder, nor any applicable state securities laws. The undersigned understands that any transfer will be subject to the terms of the Operating Agreement of the Company.

(l) The undersigned represents and warrants that the Funds tendered with this subscription do not represent greater than ten percent (10%) of his individual net worth with his spouse, and that the attached personal financial statement is true, accurate and correct in all material respects.

(m) The undersigned hereby consents to and by execution of this Agreement agrees to be subject to the terms of the Operating Agreement of the Company, as duly amended from time to time.

(n) The undersigned is aware that an investment in the Shares involves substantial risks, including those disclosed in the Memorandum. The attorneys for the Company and this Offering have disclosed that they are subject to actual and potential conflicts of interest by virtue of their representation of the Company and of West Coast Cambridge, Inc. and its affiliates, and the undersigned waives any rights or claims with respect thereto and as disclosed in the Memorandum.

(o) The undersigned does expressly represent and warrant that he is not a party to nor is there as of the date hereof any contract, agreement or understanding, written or oral, between or applicable to the undersigned and any other person or entity whatsoever which in any manner limits or restricts the right of the undersigned to enter into this Agreement, to hold the Shares, or to perform his covenants and obligations under this Agreement and the Operating Agreement, or which limits or affects the obligations, rights and/or actions of the undersigned with respect to this Agreement and the investment in the Company, nor shall the undersigned enter into any such contract, agreement or understanding prior to acceptance of the undersigned's subscription hereunder. The execution and performance of this Agreement and the Operating Agreement do not constitute a breach, default or violation of any agreement or covenant to which the undersigned is subject or a party.

The foregoing representations, warranties and agreements are true and accurate as of the date hereof and shall be true and accurate as of the date of delivery of the Funds and this Agreement and shall survive such delivery. If in any respect, such representations and warranties shall not be true and accurate prior to the acceptance of this Agreement and the Funds by the Company, the undersigned shall give written notice of such fact to the Company specifying which representations and warranties are not true and accurate and the reasons therefore.

4. Indemnification by Undersigned. The undersigned acknowledges that he understands the meaning and legal consequences of the representations, warranties, and covenants contained in this Agreement, that they are being relied upon, and recognizes that acceptance of the undersigned's participation in the Company is based on the truthfulness and accuracy of the representations and warranties herein contained. Accordingly, the undersigned hereby agrees to indemnify and hold harmless the Company, its members, the Manager, and the directors, officers, agents, and employees of the Company and its members from and against any

and all claims, loss, damage, liability, costs or expenses (including reasonable attorneys' fees) due to or arising out of a breach or the inaccuracy of any representation, warranty or covenant of the undersigned contained in this Agreement. The Securities and Exchange Commission has taken the position that indemnification of a breach of securities laws and regulations by the issuer is not enforceable.

5. Restrictions on Transfer of Shares. Transfer of Shares is restricted. Undersigned shall not transfer, assign, convey, encumber or otherwise alienate any interest in or to the Shares, in whole or in part, without compliance with the limitations on transfer of the Shares as set forth in this Agreement, the Operating Agreement and the Memorandum. Any attempted matter in contravention of this provision shall be null and void and shall not be binding on the Company. The Company shall legend any certificates which evidence ownership of the Shares.

6. Non-Competition, Non-Solicitation and Proprietary Information. The undersigned agrees to, and shall be subject to, the restrictions in the Operating Agreement, including without limitation Section 6.07 and the related provisions and remedies, all of which shall be cumulative and none exclusive.

7. Power of Attorney. The undersigned hereby irrevocably constitutes and appoints the Manager and each of the officers of the Manager of the Company and each of them, with full power of substitution, his true and lawful attorney-in-fact, in his name, place, and stead to consent and agree to, make, execute, sign, acknowledge, swear to, deliver, record and file, on behalf of him and on behalf of the Company, the following:

(a) a copy of the Operating Agreement by and among the Company and the Members in form and content as included in the Memorandum;

(b) any and all amendments to the Operating Agreement adopted in accordance with its terms and all instruments which the Company deems appropriate to reflect a change or modification in accordance with the terms of the Operating Agreement;

(c) any and all such other instruments as may be deemed necessary or desirable to carry out fully the provisions of the Operating Agreement or Guaranty in accordance with its terms; and

(d) such documentation and agreements, including a form of guaranty, pledge and/or other documentation that the Manager deems reasonable or necessary to use, pledge or transfer the Guaranty to a third-party lender to facilitate, collateralize, support, secure, permit and obtain such credit facilities, loans and lines of credit for the benefit, directly or indirectly, of the Company as the Manager deems to be in the best interests of the Company.

The foregoing grant of authority: (i) is a Special Power of Attorney coupled with an interest, is irrevocable and shall survive the death or incapacity of the undersigned (ii) may be exercised by a facsimile signature of the undersigned or the attorney-in-fact; (iii) shall survive the delivery of an assignment by a Member of the whole or any portion of his Shares; and (iv) shall be governed by and construed in accordance with the laws of the State of Georgia.

8. Binding Effect. This Agreement, its provisions, and the representations and warranties herein contained shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto and shall survive the execution, delivery and acceptance of this Agreement. The undersigned represents and warrants that he has the requisite legal capacity and authority to enter into this Agreement.

9. Incorporation by Reference. The terms, conditions, exhibits and definitions contained in the Memorandum are republished hereby and incorporated herein by this reference.

10. No Waiver. The failure of either party to insist, in one or more instances, on the performance by the other in strict compliance with the terms and conditions of this Agreement, shall not be deemed a waiver or relinquishment of any right granted hereunder or of any terms and conditions of this Agreement unless such waiver is contained in a writing signed by the parties.

11. Entire Agreement. This Agreement comprises all the agreements, understandings, representations, conditions and warranties by and between the parties. This Agreement may not be modified or amended except in writing signed by the parties to this Agreement.

12. Governing Law. This Agreement and the rights and duties of the parties attendant hereto shall be construed and governed in accordance with the laws of the State of Georgia, provided, choice of laws provisions shall not apply.

13. Notice. Any notice hereunder shall be in writing, and delivered either by certified mail, return receipt requested with adequate postage thereon, or delivered in person to the individual and to the address included below:

GLG Partners, LLC
c/o Integrated Lithotripsy of Georgia, Inc.
Attention: Legal Counsel
1841 West Oak Parkway
Suite A
Marietta, Georgia 30062

with a copy to:

Jon G. Blaustein, Esq.
Andre & Blaustein, LLP
Attorneys and Counselors at Law
The Candler Building
127 Peachtree Street, N.E.
Suite 700
Atlanta, Georgia 30303-1800

Undersigned
(See signature page attached hereto)

A party to this Agreement may amend the addresses for notice hereunder pursuant to written notice to the other party.

14. Survival. All representations, warranties and covenants contained in this Agreement shall survive the execution, delivery and performance of this Agreement and all documents executed in performance of and the performance of this Agreement.

15. Counterparts. This Agreement may be executed in one or more duplicate originals which shall, either singly or together, serve to represent one agreement between the parties.

16. Captions. The headings or captions used in this Agreement are inserted for convenience and reference purposes only and shall not constitute a part hereof nor effect the interpretation of any provision of this Agreement.

17. Interpretation. Within this Agreement, the singular shall include the plural and the plural shall include the singular, and any gender shall include the other gender, all as the meaning in the context of this Agreement shall require. In the event of any conflict or inconsistency between the terms of this Agreement and any description or terms set forth in the Memorandum, the terms of this Agreement shall control. This Agreement shall not be construed more strictly against the Company or any other party by virtue of the Rule of Construction that ambiguities are to be construed against the preparer of an agreement.

18. Severability. In the event any clause or provision of this Agreement or its application to any person or circumstance is invalid or unenforceable, then the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby. The parties intend that a Court of competent jurisdiction may modify the terms of this Agreement from time to time and shall enforce this Agreement to the fullest extent permitted by law.

[NEXT PAGE IS SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT]

SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT

The undersigned, in consideration of the premises and advantages to be obtained from the purchase of Share(s) in GLG Partners, LLC, a Georgia limited liability company, hereby subscribes for and agrees to purchase for his own account the number of Shares set forth herein for the purchase price per Share of: Five Hundred Dollars ($500.00) plus the undersigned's unconditional Guaranty in the amount of Nine Thousand Five Hundred Dollars ($9,500.00). Said Guaranty is to be used by the Company to secure debt financing as provided in this Agreement.

(1) Number of Shares (One Share minimum) _____ (__).

(2) Total Cash tendered with this Agreement ($500.00 x number of Shares) $_____ (by check payable to "GLG Partners, LLC").

(3) An executed form of Guaranty accompanies this Agreement.

(4) A completed and executed Personal Financial Statement accompanies this Agreement.

(5) For the account of:

_____
Print Name of "Limited Partner"

Executed this _____ day of _____, 2002, at _____, _____.

x _____(SEAL)
Signature/Authorized Party

Sworn to and subscribed before me
this _____ day of _____, 2002.

_____
Print or Type Name of Subscriber

_____
Notary Public
[NOTARY SEAL]

_____
Social Security Number or other
Taxpayer I.D. Number

_____
Relationship to Subscriber(s)

Residence Address:

_____

_____

_____
Telephone Number

Citizenship: United States_____
(or) Other _____
(country)

[ACCEPTANCE ON FOLLOWING PAGE]

Accepted this ____ day of _____, 2002, by:

GLG PARTNERS, LLC

By:_____
Authorized Officer, Integrated
Lithotripsy of Georgia, Inc., Manager

Number of Shares accepted:

_____ (__)

Number of Shares rejected:

_____ (__)

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SIGNATURE PAGE COUNTERPART TO
OPERATING AGREEMENT OF
GLG PARTNERS, LLC

IN WITNESS WHEREOF, the undersigned has executed this Signature Page Counterpart to the Operating Agreement of GLG Partners, LLC (the "Company"), dated June __, 2002, with the intent and purpose of being bound by and subject to said Agreement, as amended, upon the undersigned becoming a Member of the Company.

GLG Partners, LLC

By: _____
Authorized Officer, Integrated
Lithotripsy of Georgia, Inc., Manager

_____
Date Signed

MEMBER:

_____(SEAL)
Signature

_____
Print Your Name

_____
Date Signed

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STATE OF _____
COUNTY OF _____

GUARANTY

FOR AND IN CONSIDERATION of the sum of $10.00 and other good and valuable consideration paid or delivered the undersigned (individually and jointly, the "Guarantor"), who is subscribing for and purchasing share(s) of Membership Interest(s) in GLG Partners, LLC, a Georgia limited liability company (the "Company"), the receipt and sufficiency of which are hereby conclusively acknowledged, and for the purpose of inducing the assignees and intended beneficiaries of this Guaranty (as expressly designated by the Manager of the Company) (individually and jointly, the "Secured Party"), to provide loans, debt financing, credit facilities, credit enhancements, lines of credit, leases or other benefits, directly or indirectly, to or for the benefit of the Company, which action by Secured Party will be to the direct interest and advantage of Guarantor, Guarantor does hereby unconditionally guarantee to Secured Party the full and prompt payment when due, whether by acceleration or otherwise, with such interest and charges, if any, as may accrue thereon, either before or after maturity thereof, of all obligations of the Company to Secured Party (such obligations being individually and collectively hereinafter sometimes referred to as the "Obligations"). Guarantor does hereby agree that if any of the Obligations is not paid by Debtor in accordance with its terms, Guarantor will immediately make such payment and pay to Secured Party all expenses (including reasonable attorneys' fees) paid or incurred by Secured Party in endeavoring to collect the Obligations, to enforce any of the agreements between Secured Party and Company and a third party, if any, or to enforce this Guaranty, up to the maximum total aggregate payment and liability of the Guarantor to Secured Party or otherwise under this Guaranty in the total amount of Nine Thousand Five Hundred Dollars ($9,500.00) multiplied by the number of Shares acquired by the Guarantor in the Company.

Guarantor hereby consents and agrees that Secured Party may at any time, and from time to time, without notice to or further consent from Guarantor, either with or without consideration, take or fail to take any action of any type whatsoever. No such action which Secured Party shall take or fail to take in connection with the Obligations, nor any course of dealing with the Company, Secured Party or any other person, shall release Guarantor's obligations hereunder, affect this Guaranty in any way or afford Guarantor any recourse against Secured Party.

Guarantor hereby waives and agrees not to assert or take advantage of any defense based upon: (a) any incapacity, lack of authority, death or disability of Guarantor or any other person or entity; (b) any failure of Secured Party to commence an action against the Company, any other person or entity; (c) any lack of acceptance or notice of acceptance of this Guaranty by Secured Party; (d) any lack of presentment, demand, protest, or notice of demand, protest or non-payment with respect to any of the Obligations or performance of any of the agreements between Secured Party and the Company and a third party, if any; (e) any lack of other notices to which Guarantor might otherwise be entitled; (f) any lack of due diligence by Secured Party in obtaining reimbursement or performance from any person or entity now or hereafter liable for the Obligations or the agreements between Secured Party and the Company and a third party, if any; or (g) any deficiency in the ability of Secured Party to collect or obtain performance from any persons or

entities now or hereafter liable for the payment of the Obligations or the performance of the agreements between Secured Party and the Company and a third party, if any.

This is a guaranty of payment and performance and not of collection. The liability of Guarantor under this Guaranty shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against the Company or any other person. Guarantor waives any right to require that an action be brought against the Company or any other person. Upon any Event of Default under any of the agreements between Secured Party and the Company, which is not timely cured within any applicable cure period, Secured Party shall have the right to enforce its rights, powers and remedies thereunder or hereunder, in any order, and all rights, powers and remedies available to Secured Party in such event shall be nonexclusive and cumulative of all other rights, powers and remedies provided thereunder or hereunder or by law or in equity. If any Obligation is partially paid or is partially performed by reason of any election of Secured Party to pursue any of the remedies available to Secured Party, or if any Obligation is otherwise partially paid or any agreements between Secured Party and the Company is otherwise partially performed, this Guaranty shall nevertheless remain in full force and effect, and Guarantor shall remain liable for the entire unpaid balance of the Obligations and for the full performance of each agreement between Secured Party and the Company and a third party, if any, even though any rights which Guarantor may have against the Company, any other party may be destroyed or diminished by the exercise of any such remedy.

Guarantor waives, for himself and family, any and all homestead and exemption rights which Guarantor or Guarantor's family may have under or by virtue of the Constitution or the laws of the United States of America or of any state as against this Guaranty, any renewal hereof, or any indebtedness represented hereby, and does transfer, convey and assign to Secured Party a sufficient amount of such homestead or exemption as may be allowed, including such homestead or exemption as may be set apart in bankruptcy, to pay all amounts due hereunder in full, with all costs of collection, and does hereby direct any trustee in bankruptcy having possession of such homestead or exemption to deliver to Secured Party a sufficient amount of property or money set apart as exempt to pay the Obligations, and does hereby appoint Secured Party the attorney-in-fact for Guarantor to claim any and all homestead exemptions allowed by law.

This Guaranty may not be changed orally and no obligation of Guarantor can be released or waived by Secured Party or any officer or agent of Secured Party except by a writing signed by Secured Party. This Guaranty shall be irrevocable by Guarantor until all of the Obligations have been completely repaid and all obligations and undertakings of the Company relating to the Obligations have been completely performed. This Guaranty shall be revived and reinstated in the event that any payment received by Secured Party on any of the Obligations is returned or rescinded due to any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief of debtors. This Guaranty shall in no event be impaired by any change which may arise by reason of the dissolution of the Company. Guarantor has executed this Guaranty individually and not as a partner or member of the Company.

The provisions of this Guaranty shall be binding upon Guarantor and Guarantor's successors, successors-in-title, heirs, legal representatives and assigns and shall inure to the benefit of Secured Party, its successors, successors-in-title, endorsees and assigns. This Guaranty is assignable by Secured Party and any such full or partial assignment shall operate to vest in the assignee all rights and powers herein conferred upon and granted to Secured Party so assigned.

In the event any clause, provision, or part thereof of this Guaranty or its application to any person or circumstance is invalid or unenforceable, the remainder of this Guaranty and the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Guarantor further covenants and agrees, as an additional and material inducement to Secured Party, that: (a) Guarantor shall not voluntarily transfer, convey or abandon for less than full consideration and money's worth any material assets held by Guarantor on the date of this Agreement; and (b) Guarantor shall not pledge, hypothecate, mortgage nor grant a security interest in and to the assets of Guarantor which would materially impair, hinder or limit Guarantor's ability to perform his obligations under this Guaranty or Secured Party's ability to recover from Guarantor under this Guaranty.

The Guarantor hereby irrevocably constitutes and appoints the Manager of the Company and each of the officers of the Manager, and each of them, with full power of substitution, his true and lawful attorney-in-fact, in his name, place and stead, to assign, transfer, agree to, make, execute, sign, acknowledge, swear to, deliver, record, and file on behalf of Guarantor and the Company:

(a) this Guaranty, or a copy or facsimile hereof, or any other form, guaranty, agreement, pledge or otherwise pledging the guaranty of Guarantor consistent with the general purposes and intents of this Guaranty;

(b) amendments to this Guaranty;

(c) an assignment or transfer of this Guaranty to a person providing loans, debt financing, credit facilities, credit enhancements, lines of credit, leases or other benefits, directly or indirectly, to or for the benefit of the Company;

(d) any document to clarify and limit the maximum liability and obligation of the Guarantor under this Guaranty, including but not limited to specifying the number of Shares acquired by Guarantor and the maximum amount of this Guaranty;

(e) any and all other instruments as Manager of the Company may deem reasonable or necessary to carry out fully the provisions of this Guaranty in accordance with its terms; and

(f) such documents and agreements, including a form of guarantee or pledge, that the Manager of the Company deems reasonable or necessary to use, pledge, assign or transfer this Guaranty and the obligations of Guarantor hereunder to a third-party lender and provider to facilitate

loans, lines of credit, leases, credit facilities, credit enhancements, and the like for the Company and/or for the direct or indirect benefit of the Company, including without limitation with respect to the financing and business of Georgia Litho Group, LLLP, a Georgia limited liability limited partnership.

The foregoing grant of authority is a Special Power of Attorney coupled with an interest, is irrevocable, and shall survive the death or incapacity of Guarantor, may be exercised by facsimile signature, and shall survive the delivery, assignment or a transfer of Shares of Membership Interest in the Company and this Guaranty.

Third parties may rely conclusively on this Guaranty and the written action of the Manager and its officers. The Guarantor agrees not to contest the validity or authority of such written action as to any third party.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS GUARANTY, THE LIABILITY AND OBLIGATION OF THE GUARANTOR IS EXPRESSLY LIMITED TO AND SHALL UNDER NO CIRCUMSTANCES EXCEED NINE THOUSAND FIVE HUNDRED DOLLARS ($9,500) PER SHARE OF MEMBERSHIP INTERSET THAT GUARANTOR IS OBTAINING IN THE COMPANY AND DIRECTLY RELATING TO THE EXECUTION AND DELIVERY OF THIS GUARANTY BY GUARANTOR TO THE COMPANY AS PART OF THE CONSIDERATION FOR GUARANTOR'S SUBSCRIPTION FOR AND PURCHASE OF SHARES OF MEMBERSHIP INTEREST IN THE COMPANY.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty before a Notary and under seal to be effective for all purposes on the 18th day of June, 2002.

Sworn to and subscribed before me this
_____ day of _____, 2002.

GUARANTOR:

_____ _____(SEAL)

Notary Public

_____
(Print Name)

[NOTARY SEAL]

_____

Unofficial Witness

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Personal Financial Statement

If you are applying for individual credit in your own name and are relying on your own income or assets, and not the income or assets of another person as the basis for repayment of the credit requested, you do not need to complete section II or lines 13-24 on the section entitled "Jointly Owned Assets".

Statement as of ,20

Section I – Borrower Information

Section II – Co-Borrower/Other Party Information

NAME:			NAME:		
Address:			Address:		
City:	State:	Zip:	City:	State:	Zip:
Social Security No.:	Date of Birth:		Social Security No.:	Date of Birth:	
Position / Occupation:			Position / Occupation:		
Business Name:			Business Name:		
Business Address:			Business Address:		
City:	State:	Zip:	City:	State:	Zip:
Res. Phone:	Bus. Phone:		Res. Phone:	Bus. Phone:	
			Relationship to individual listed in Section I:		

SECTION III – STATEMENT OF FINANCIAL CONDITION

ASSETS SOLELY OWNED (List here only those assets not jointly owned and which individual in Section I has sole legal title).	In Dollars (Omit Cents)	ALL LIABILITIES & NET WORTH (List all liabilities, joint or otherwise: include all liabilities as Co-maker).	In Dollars (Omit Cents)
1. Cash on Hand and in Banks – See Sched. A		26. Notes Payable to Banks - Secured	
2. U.S. Gov't and Marketable Securities – See Sched. B		27. Notes Payable to Banks – Unsecured	
3. Non-Marketable Securities – See Sched. C		28. Due to Brokers	
4. Securities Held By Broker in Margin Accounts		29. Amounts Payable to Others - Secured	
5. Restricted or Control Stocks		30. Amounts Payable to Others – Unsecured	
6. Real Estate – See Sched. D		31. Accounts and Bills Due	
7. Loans Receivable		32. Unpaid Income Tax	
8. Automobiles		33. Other Unpaid Interest and Taxes	
9. Cash Value – Life Insurance – See Sched. G		34. Real Estate Mortgage Payable – See Sched. D & E	
10. Other Personal Property		35. Other Debts	
11. Other Assets: (Itemize)			
		36. TOTAL LIABILITIES (Add lines 26 – 35)	
		37. NET WORTH (Line 25 minus line 36	
12. TOTAL ASSETS SOLELY OWNED (Add lines 1-11)		38.TOTAL LIABILITIES & NET WORTH (Add Lines 36 & 37)	

JOINTLY OWNED ASSETS (List here assets in which legal title and right to pledge is joint).	Individual Listed in Section II	Other Individual(s)	CONTINGENT LIABILITIES Do you have any contingent liabilities? If so, describe. (Add add'l sheet if necessary.)	
13. Cash on Hand and in Banks			Liabilities as endorser or guarantor?	
14. U.S. Gov't & Marketable Securities			Liabilities on leases or contracts?	
15. Non-Marketable Securities			Legal Claims?	
16. Securities Held by Broker in Margin Accounts			Other special debts?	
17. Restricted or Control Stocks			Amount of contested income tax liens	
18. Real Estate – See Schedule E				

Personal Financial Statement

Regions Bank

19. Loans Receivable			Source of Income for Year Ended . (Include other party income if you are applying for joint credit.)	
20. Automobiles			Salary	
21. Cash Value – Life Insurance			Bonuses & Commissions	
22. Other Personal Property			Dividends & Interest	
23. Other Assets: (Itemize)			Real Estate Income	
			Other income (Alimony, child support, or separate maintenance need not be revealed if you do not desire the bank to consider such income in determining your credit worthiness.)	
24. TOTAL JOINTLY OWNED ASSETS (Add lines 13-23)				
25. TOTAL OF ALL ASSETS (Add lines 12 &24)			TOTAL INCOME	

The information contained in this statement is provided for the purpose of procuring, establishing, and maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. The undersigned understands that you are relying on the information provided herein in deciding to grant or continue credit.

The undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

Signature (Borrower) Date Signature (Co-Borrower/Other) Date

PLEASE COMPLETE SECOND PAGE

EXHIBIT "B"

Articles of Organization and
Operating Agreement of GLG Partners, LLC

Secretary of State

Corporations Division
315 West Tower
#2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

CONTROL NUMBER: 0230529
EFFECTIVE DATE: 06/18/2002
JURISDICTION : GEORGIA
REFERENCE : 0045
PRINT DATE : 06/18/2002
FORM NUMBER : 356

JON G. BLAUSTEIN
127 PEACHTREE ST., NE
SUITE A
ATLANTA, GA 30303

CERTIFICATE OF ORGANIZATION

I, Cathy Cox, the Secretary of State of the State of Georgia, do hereby certify under the seal of my office that

GLG PARTNERS, LLC
A GEORGIA LIMITED LIABILITY COMPANY

has been duly organized under the laws of the State of Georgia on the effective date stated above by the filing of articles of organization in the Office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth above.

Cathy Cox
Secretary of State

ARTICLES OF ORGANIZATION
OF
GLG PARTNERS, LLC

ARTICLE I

NAME

The name of the limited liability company is GLG Partners, LLC (hereinafter referred to as the "Company").

ARTICLE II

ORGANIZATION

The Company is organized pursuant to the provisions of the Georgia Limited Liability Company Act, O.C.G.A. Section 14-11-100, et. seq., as amended.

ARTICLE III

PURPOSE AND AUTHORITY

The purpose of the Company is pecuniary gain and profit. The Company is authorized to engage in any lawful business or activity for which limited liability companies may be organized under the Georgia Limited Liability Company Act. The Company shall have all the rights, powers, privileges and immunities which are now or hereafter may be allowed to limited liability companies under the laws of the State of Georgia.

ARTICLE IV

MANAGEMENT

Management of the limited liability company is exclusively vested in its Manager(s). The name and address of the sole initial Manager of the limited liability company is as follows:

Integrated Lithotripsy of Georgia, Inc.
1841 West Oak Parkway, Suite A
Marietta, Georgia 30062

The initial Manager may only be removed or replaced upon its Bankruptcy (as defined in any written Operating Agreement of the Company) or upon dissolution of the initial Manager, or upon final adjudication that the Manager has (i) committed gross negligence or willful misconduct or fraud in the Company's affairs, or (ii) materially breached its obligations under a written Operating Agreement of the Company.

ARTICLE V

AUTHORITY OF MANAGERS

The Manager(s) shall have full charge of the management, conduct and operation of the Company's business, and the decisions of the Manager(s) shall be binding on the Company. The execution and delivery of any such document by any one of the Manager(s) on behalf of the Company shall be conclusive evidence of its authorization, and any third party shall be authorized to rely thereon.

The act of the Manager shall be sufficient to bind the Company for any and all purposes, except for certain matters which shall require the consent of a Majority Interest of the Members, as follows:

1. to approve the sale, exchange or other disposition of all, or substantially all, of the Company's assets which is to occur as part of a single transaction or plan;

2. to approve the merger, consolidation, reorganization, dissolution or recapitalization of the Company;

3. to approve an amendment to the Articles of Organization of the Company; and

4. to approve the sale of Member interests by the Company under terms and conditions more favorable than the terms offered to the original Members of the Company.

ARTICLE VI

LIABILITIES

In carrying out all duties hereunder, the Manager(s) shall not be liable to the Company or to any Member for any actions taken in good faith and reasonably believed to be in the best interest of the Company, or for errors of judgment, but shall only be liable for willful misconduct or gross negligence.

ARTICLE VII

MATTERS REQUIRING A VOTE OF MEMBERS

The provisions of O.C.G.A. Section 14-11-304(b) and Section 14-11-308(b) shall not apply to the Company.

ARTICLE VIII

LATEST DATE OF DISSOLUTION

The Company shall be dissolved no later than December 31, 2027, which term may not be extended without the written consent of the Manager and seventy-five percent (75%) of the outstanding Member Interests.

ARTICLE IX

INDEMNIFICATION

The Company shall indemnify and save harmless the Manager(s) and, if applicable, the Liquidating Manager(s) from any claims, demands, loss, damage, costs and expenses, including but not limited to reasonable attorneys' fees, arising or incurred by them by reason of any act performed by them for and on behalf of the Company and such claims, demands, loss, damage, costs or

expenses were not due to gross negligence or willful misconduct. Such indemnification shall be made to the fullest extent permitted under applicable law and shall be made from assets of the Company, and no Member shall be personally liable to any indemnitee.

ARTICLE X

REGISTERED OFFICE

The address of the initial registered office of the Company shall be at 1841 West Oak Parkway, Suite A, Marietta, Cobb County, Georgia 30062. The initial registered agent of the Company at such address shall be Healthtronics Surgical Services, Inc. The registered office and registered agent of the Company may be changed by the Company from time to time.

ARTICLE XI

PRINCIPAL OFFICE

The mailing address of the initial principal office of the Company is: 1841 West Oak Parkway, Suite A, Marietta, Georgia 30062.

ARTICLE XII

ORGANIZER

The name and address of the organizer are as follows:

Jon G. Blaustein, Esq.
ANDRE & BLAUSTEIN, LLP
The Candler Building
127 Peachtree Street, N.E., Suite 700
Atlanta, Georgia 30303-1800

IN WITNESS WHEREOF, the undersigned has executed these Articles of Organization.

Jon G. Blaustein, Organizer

CORPORATIONS DIVISION
2002 JUN 18 A 11:20
SECRETARY OF STATE

Filed by:
ANDRE & BLAUSTEIN, LLP
127 Peachtree Street, N.E.
Suite 700
Atlanta, Georgia 30303
(404) 653-0300

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THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE GEORGIA SECURITIES ACT OF 1973, AS AMENDED, IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION SET FORTH IN SECTION 10-5-9(16) OF SUCH ACT. IN ADDITION, THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON AN EXEMPTION FROM SUCH REGISTRATION SET FORTH IN THE SECURITIES ACT OF 1933 PROVIDED BY SECTION 4(2) THEREOF AND REGULATION D THEREUNDER, NOR HAVE THEY BEEN REGISTERED UNDER ANY STATES SECURITIES ACTS NOR WITH THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON CERTAIN EXEMPTIONS FROM REGISTRATION. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD OR TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT AND IN A TRANSACTION WHICH IS EITHER EXEMPT FROM REGISTRATION UNDER SUCH ACTS OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACTS.

OPERATING AGREEMENT
OF
GLG PARTNERS, LLC

THIS OPERATING AGREEMENT is made as of this 18th day of June, 2002, between and among those Persons whose names are set forth on Exhibit "A" attached hereto who are admitted as Members of the Company.

WITNESSETH:

WHEREAS, the parties hereto desire to join together to form a limited liability company known as "GLG PARTNERS, LLC" under and pursuant to the Georgia Limited Liability Company Act;

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree and certify as follows:

ARTICLE 1

DEFINITIONS

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

"Articles of Organization" or "Articles." The Articles of Organization of GLG Partners, LLC, as filed with the Secretary of State of Georgia, as the same may be amended from time to time.

"Affiliate." (i) In the case of an individual, any relative or the spouse and children of a relative of such Person, (ii) any officer, director, trustee, partner, manager, employee or holder of five percent

(5%) or more of any class of the voting securities of or equity interest in such Person; (iii) any corporation, partnership, limited liability company, trust or other entity controlling, controlled by or under common control with such Person; or (iv) any officer, director, trustee, partner, manager, employee or holder of five percent (5%) or more of the outstanding voting securities of any corporation, partnership, limited liability company, trust or other entity controlling, controlled by or under common control with such Person.

"Capital Account." A capital account maintained in accordance with the rules contained in Treas. Reg. §1.704-1(b)(2) as maintained in accordance with applicable rules under the Code and as set forth in Treas. Reg. §1.704-1(b)(2)(4) as amended from time to time. A single capital account shall be maintained for each respective Member and/or Economic Interest Owner.

"Capital Contribution." Any contribution, as defined in O.C.G.A. §14-11-101(4), to the capital of the Company in cash or property by a Member or Economic Interest Owner whenever made.

"Code." The Internal Revenue Code of 1986, as amended from time to time.

"Common Shares" or "Shares." That part of a Member's or an Economic Interest Owner's Ownership Interest in the Company that holds the rights to be allocated and to receive a pro rata share of the Net Profits and Net Losses of the Company and Distributable Cash and other distributions by the Company (including without limitation, returns of capital, distributions of profits and liquidating distributions), and that part of a Member's Membership Interest that holds the rights to vote, consent to or otherwise participate in the decision of Members as to Company affairs (as provided in this Agreement and the Act). The Company is authorized (but not required) to issue nine hundred (900) common shares.

"Company." GLG Partners, LLC.

"Distributable Cash." All cash and funds of the Company on hand from Company operations, less the sum of the following to the extent set aside by the Company; (i) all principal and interest payments on indebtedness of the Company and all other sums payable to creditors and to lenders within three (3) months; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; (iii) such Reserves as the Manager deems reasonably necessary to the proper operation of the Company's business.

"Economic Interest." A Member's or Economic Interest Owner's share of one or more of the Company's Net Profits, Net Losses and distributions of the Company's assets as represented by the common shares pursuant to this Operating Agreement and the Georgia Act. An economic interest shall not include any right to vote on, consent to or otherwise participate in any decision of the Members or Managers, including with respect to common shares, unless held by a Member.

"Economic Interest Owner." The owner of an Economic Interest who is not a Member, by virtue of a permitted assignment of a Member Interest to a Person who is not admitted as a Member pursuant to the provisions of Section 12.02.

"Entity." Any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

"Fiscal Year." The Company's fiscal year, which shall be the calendar year.

"Georgia Act." The Georgia Limited Liability Company Act at O.C.G.A. §14-11-100, et seq, as amended from time to time.

"GLG." Georgia Litho Group, LLLP, a Georgia limited liability limited partnership. The business of the Company is to acquire limited partner interests in GLG. GLG's business is to acquire the assets and operate the business of four (4) operating lithotripsy services businesses, and such other lawful businesses as may be duly approved.

"Initial Capital Contribution." The initial contribution to the capital of the Company made by a Member pursuant to this Operating Agreement.

"ILG." Integrated Lithotripsy of Georgia, Inc., a Georgia corporation that is serving as the Manager of the Company and as the General Partner of GLG.

"Majority Interest." Ownership Interests of Members which, taken together, exceed fifty percent (50%) of the aggregate of all common shares entitled to vote on, consent to or otherwise participate in any decision of the Members. Majority Interest shall be determined without regard to outstanding common shares held by Economic Interest Owners, if any.

"Manager." One or more managers designated pursuant to this Agreement. Specifically, the Initial Manager who is the sole initial Manager shall mean Integrated Lithotripsy of Georgia, Inc., an affiliate of HealthTronics Surgical Services, Inc., and Manager shall also mean any other person(s) that succeed such person(s) in the capacity as Manager.

"Member." Each of the parties who executes a counterpart of this Operating Agreement as a Member and makes the required Initial Capital Contribution and each of the parties who may hereafter become Members as provided in this Agreement. To the extent a Manager has purchased a Membership Interest in the Company, he will have all the rights of a Member with respect to such Membership Interest, and the term "Member" as used herein shall include a Manager to the extent he has purchased such Membership Interest in the Company. If a Person is a Member immediately prior to the purchase or other acquisition by such Person of an Economic Interest, such Person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.

"Member Interest" or "Membership Interest." A Member's entire interest in the Company including such Member's Economic Interest and the right to vote the common shares where so authorized to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement or the Georgia Act.

"Net Losses." The Company's taxable loss computed pursuant to the Code and Regulations and allocated as set forth in Section 10.02.

"Net Profits." The Company's taxable income computed pursuant to the Code and Regulations and allocated as set forth in Section 10.02.

"Operating Agreement." This Operating Agreement as originally executed and as amended from time to time.

"Ownership Interest." A Member's or Economic Interest Owner's Economic Interest at any time from time to time and the right and privilege to vote the common shares, where held by a Member. Initially, all Ownership Interests shall be part of Membership Interests. The Ownership Interest of each Member shall be the proportion that a Member's common shares bears to the aggregate total of all issued and outstanding common shares of all Members, from time to time. The initial list of Ownership Interests is as set forth on Exhibit "A", hereto, which is incorporated herein by this reference. The Company shall maintain Exhibit "A" and keep it updated to reflect the respective Ownership Interests of all Members and Economic Interest Owners.

"Person." Any individual (i.e., natural person) or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

"Reserves." With respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Manager for working capital, to pay taxes and to pay other costs and expenses incident to the ownership of the Company's business reasonably anticipated to be incurred within three (3) months, and for known contingent liabilities.

"Transferring Member." A Member or Economic Interest Owner who sells, assigns, pledges, hypothecates or otherwise transfers for consideration or gratuitously all or any portion of its Membership Interest or Economic Interest.

"Treasury Regulations" or "Regulations." The Federal Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

ARTICLE 2

FORMATION OF COMPANY

2.01 Formation; Name. On or about June 18, 2002, the Company was formed as a Georgia limited liability company by execution and delivery of Articles of Organization to the Secretary of State of Georgia in accordance with the provisions of the Georgia Act. The name of the Company is GLG Partners, LLC.

2.02 Initial Capitalization of the Company.

(a) The Manager is authorized to conduct the offer and sale of common shares and to admit Members to the Company as part of its initial capitalization ("Initial Capitalization"). The purchase price for each common share (or share) of Membership Interest in the Initial Capitalization of the Company will be $500.00 plus the "Guaranty" per share of Nine Thousand Five Hundred Dollars ($9,500.00) for use by or for the benefit of the Company in undertaking its intended business. Provided, the Manager shall not have authority to and shall not accept subscriptions for and sell shares unless and

until (or contemporaneously with such time that) GLG shall have attained its "Initial Capitalization" as defined in the Agreement of Limited Partnership of GLG.

(b) The guaranties or credit facilities or enhancements which form part of the Initial Capitalization (a "Guaranty" or the "Guaranties") of the Company may take any reasonable form acceptable to the Manager and shall facilitate debt financing (or funds in lieu thereof) or otherwise shall be used to secure debt financing and funding for the Company to fund the objects and purposes of the Company, as set forth in Section 3.1. The Guaranties may be used to secure debt financing or to obtain funding for the benefit of Company as determined by the Manager, in its sole discretion.

(c) In the event any Member suffers actual liability and transfers property to a creditor of the Company pursuant to a Guaranty, (1) that Member's capital account shall be increased by the amount of the Asset Value of property actually transferred to a creditor of the Company on account of or with respect to that Member's Guaranty, and (2) if the Guaranty is with respect to a Member Interest, that Member shall have a right of contribution from the other Members, such that each Member shall sustain a pro rata amount of actual liability and payment under the Guaranties. The Manager is authorized to withhold and transfer distributions by the Company and take other actions to facilitate collection and payment of said right of contribution among the Members, where the Manager deems such actions to be equitable and reasonable under the circumstances known to it, acting in good faith. The Manager shall have no liability for acting (or failing to act) under this Section in good faith and may condition its action as it determines to be reasonable and appropriate. The Members' capital accounts shall be equitably adjusted to reflect any such collection and payment.

2.03 Principal Place of Business. The initial principal place of business of the Company within the State of Georgia is 1841 West Oak Parkway, Suite A, Marietta, Georgia 30062. The Company may locate its places of business at any other place or places as the Manager or Managers may from time to time deem advisable.

2.04 Registered Office and Registered Agent. The Company's initial registered office is at the office of its registered agent at 127 Peachtree Street, N.W., Suite 700, Atlanta, Fulton County, Georgia 30303. The name of the Company's initial registered agent is Jon G. Blaustein. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Secretary of State of Georgia pursuant to the Georgia Act and the applicable rules promulgated thereunder.

2.05 Term. The term of the Company shall commence on the date the Articles of Organization were filed with the Secretary of State of Georgia and shall continue thereafter until December 31, 2027, or unless earlier dissolved in accordance with the provisions of this Operating Agreement or the Georgia Act. Notwithstanding anything to the contrary, the term of the Company may not be extended without the written consent of the Manager and seventy-five percent (75.0%) of the outstanding common shares.

2.06 Termination of the Company. The Company shall be dissolved and its affairs wound up as provided in Article 14, on or before December 31, 2007 (or any successor date certain duly adopted), unless the Manager and a majority of the outstanding common shares consent in writing to extend the date for dissolution of the Company to a later specified date.

ARTICLE 3

BUSINESS OF COMPANY

3.01 Permitted Businesses. The business of the Company shall be:

(a) To invest in, own and hold limited partner interests in Georgia Litho Group, LLLP, a Georgia limited liability limited partnership ("GLG"), which has been formed: to acquire, own and operate one or more lithotripsy services businesses within the State of Georgia and certain areas in Alabama (and other areas as the General Partner of GLG may determine), to own, lease or otherwise provide lithotripsy equipment, technical support and related incidental services to hospitals and medical facilities, and to undertake the other business activities duly authorized by GLG.

(b) To accomplish any lawful actions whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets, and the promotion of its business and the business of GLG.

(c) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Georgia Act.

(d) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

ARTICLE 4

CONFLICTING INTEREST TRANSACTIONS

4.01 Definitions. As used in this Agreement, "conflicting interest" shall have the meaning set forth in O.C.G.A. § 14-11-101(3), as amended from time to time. Provided, other than as expressly may be otherwise set forth in this Agreement, O.C.G.A. § 14-11-307 shall not apply to the Company or its Members and Managers.

4.02 Validity of Conflicting Interest Transactions. A transaction effected or proposed to be effected by the Company (or by a person in which the Company has a controlling interest) that is a Member's or a Manager's conflicting interest transaction or which otherwise involves a conflict of interests may not be enjoined, set aside or give rise to a valid cause of action by the Company, a Manager, a Member or by or in the right of the Company, on the grounds that there was a conflict of interests or a conflicting interest in the transactions with respect to a Member or Manager, as the case may be, or with respect to any persons with whom or which he or she has a personal, economic or other association if:

(a) The Member's or Manager's actions respecting the transactions was approved or authorized by a Majority Interest of Members after disclosure to them of the material terms and conditions of the transaction; or

(b) The transaction effected or proposed to be effected is specifically authorized by this Agreement or is reasonably inferable as being consistent with the best interests of the Company regarding the business of the Company and GLG, as authorized under Section 3.01, above; or

(c) The transaction, judged in the circumstances at the time of commitment, is established to have been fair to the Company.

4.03 Right of Interested Member or Manager to Vote. A Member or Manager who has a conflict of interests or conflicting interest respecting a transaction may vote on, consent to, authorize or otherwise participate in the decision with respect to such transactions without liability or other obligations arising from any such conflict, but only after such Member or Manager has made full disclosure to the other Members or Managers of the conflict and all material terms and conditions of the transaction.

4.04 Duty of Good Faith. Nothing in this Agreement shall be construed as a waiver by the Company or Members of any of their rights arising out of or relating to the duty of the Managers and Members to act in good faith with respect to the Company and its Members, which duty of good faith shall apply, without limitation, to the interests of the Company as it may relate to:

(a) Self dealing by a Member or Manager; provided, the "business opportunity doctrine" shall apply with respect to the development of projects then within the scope of the Company's actual or planned undertakings, ancillary services or the like; provided, notwithstanding anything to the contrary in this Agreement or otherwise, the Manager, HealthTronics Surgical Services, Inc. ("HealthTronics") and their affiliates may continue any businesses in operation or planned as of the date of this Agreement; provided, the Manager, for itself and its Affiliates agrees that none of them shall engage in or possess an interest in other business ventures, independently or with others, including, but not limited to, the ownership, operation, and management of businesses the same as, or substantially similar to, that of GLG, which other business competes directly with the business of GLG, without providing a right of first refusal to GLG. However, the Members recognize that the Manager and its Affiliates are engaged in the providing of medical equipment and other businesses, and neither the Company nor the Members shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived therefrom, nor shall the Manager or any Affiliate be required to divest itself of any interest it holds as of the date of this Agreement. No Member nor any Affiliate of a Member shall be obligated to present any particular opportunity to the Company, unless such opportunity arises after the date of this Agreement and is of a character which falls within the purposes of the Company as set forth in Section 3.01 or is directly competitive with the business of the Company or GLG, as it may then exist.

(b) The use of any confidential or proprietary information or trade secrets of the Company by a Member or Manager for his personal benefit or to the detriment of the Company, as provided in Section 6.07;

(c) The solicitation of any employee, agent or contractor employed by or under contract with the Company, GLG or any Affiliate, as provided in Section 6.08;

(d) The solicitation of any customers, clients or referral sources of the Company or GLG, as provided in Section 6.07;

(e) With respect to a Member investing in, owning or providing assistance to any firm, entity, person or company that intends to compete with or is in competition with the business of the Company, as provided in Section 6.07.

ARTICLE 5

RIGHTS AND DUTIES OF MANAGERS

5.01 Management. The management and control of the business and affairs of the Company shall be vested exclusively in its Manager. Except for situations in which the approval of the Members is expressly required by this Operating Agreement (including without limitation under Section 6.04, below) or by non-waivable provisions of applicable law, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business and affairs.

5.02 Number, Tenure and Qualifications.

(a) The Company shall initially have one Manager. The initial Manager shall serve until it resigns, it is removed as provided in the Articles and this Agreement or it dissolves or otherwise ceases to exist.

(b) Upon the resignation, removal or dissolution of the initial Manager, the number of Managers of the Company shall be fixed by the affirmative vote of Members holding at least a Majority Interest, but in no instance shall there be less than one Manager. Each Manager shall hold office until his successor shall have been elected and qualified. Managers need not be residents of the State of Georgia or Members of the Company. Without limiting the generality of the foregoing provisions, the Members intend that the successor Managers shall act as and shall comprise the Board of Directors of the Company and shall exercise their authority as Managers by acting through and pursuant to the authorization of a Board of Directors (or "Board") and not separately as individual Managers. Each successor Manager shall serve as a Director of the Company on its Board of Directors.

(c) The vote or consent (written or oral) of a majority of Managers then serving on the Board of Directors shall constitute the valid actions of the Board of Directors on behalf of and binding on the Company. In the event of a deadlock, the vote of the Chairman of the Board shall carry the vote of the Board; provided, nothing herein will limit the vote of the Chairman of the Board to situations where there is a deadlock.

(d) The Board of Directors may adopt such rules, procedures, by-laws, protocols or otherwise as it may deem reasonable or appropriate, from time to time, to govern its internal affairs, as well as with respect to any and all other Company matters within the scope of its authority. Provided, the Chairman of the Board shall be appointed by a majority (or if no majority is obtained, then by the largest plurality) of the Members. The Chairman may be removed as Chairman (but not as a Director or Manager) by a majority of the Board of Directors. The Board of Directors by majority vote or consent may appoint such officers as it may deem to be in the best interests of the Company. Each officer shall

exercise his respective authority subject to the directions, if any, of the Board of Directors, and if none, then subject to the directions of senior officers.

5.03 Certain Powers of Manager. Without limiting the generality of Section 5.01, the Manager shall have power and authority, on behalf of the Company:

(a) To acquire limited partner interests in GLG, and otherwise to acquire property from any Person as the Manager may determine. The fact that a Manager or a Member is directly or indirectly affiliated or connected with or an affiliate of any such Person shall not prohibit the Managers from dealing with that Person.

(b) To use, pledge and employ the "Guaranties" (as defined in Section 2.02) to obtain and provide credit, credit facilities and/or credit enhancements with, for, and for the benefit of the Company, GLG and the Company's investment in GLG, to borrow money from banks, other lending institutions, the Manager, Members, or affiliates of the Manager or Members on such terms as the Manager deems appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt shall be contracted or liability incurred by or on behalf of the Company except by the Manager, or to the extent permitted under the Georgia Act, by agents or employees of the Company expressly authorized in writing to contract such debt or incur such liability by the Manager.

(c) To purchase liability and other insurance to protect the Company's property and business, including but not limited to key person life insurance.

(d) To hold and own any Company real and/or personal properties in the name of the Company.

(e) To invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper or other investments.

(f) Upon the affirmative vote of the Members, to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as such disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound.

(g) To execute on behalf of the Company all agreements, instruments and documents, including, without limitation, checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; leases; partnership agreements, operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company.

(h) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds.

(i) To enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Manager may approve.

(j) To do and perform all other acts as the Manager deems to be necessary or appropriate for the conduct of the Company's business and affairs.

At any time when there is more than one Manager, a majority of the Manager may take any action permitted to be taken by the Managers, unless the approval of the Members is expressly required pursuant to this Operating Agreement. Third parties shall be entitled to rely on this provision.

Unless authorized to do so by this Operating Agreement or by the Manager of the Company, in writing, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniary for any purpose. No Member shall have any power or authority to bind the Company unless the Member has been authorized by the Manager to act as an agent of the Company in accordance with the previous sentence.

5.04 Liability for Certain Acts. Each Manager shall act in a manner he or she believes in good faith to be in the best interest of the Company and its Members and in the absence of intentional or willful misconduct, gross negligence or the knowing violation of law. A Manager is not liable to the Company, its Members, or other Managers for any action taken in managing the business or affairs of the Company, or for errors in judgment, or omissions, if he or she performs the duty of his or her office in compliance with the standard contained in this Section, or in reliance on the provisions of this Agreement. No Manager has guaranteed nor shall have any obligation with respect to the return of a Member's Capital Contributions or profits from the operation of the Company. No Manager shall be liable to the Company or to any member for any loss or damage sustained by the Company or any Member except loss or damage resulting from intentional or willful misconduct or gross negligence or knowing violation of law or a transaction for which such Manager received a personal benefit in violation or breach of the provisions of this Operating Agreement. Each Manager shall be entitled to rely on information, opinions, reports or statements, including but not limited to financial statements or other financial data prepared or presented in accordance with the provisions of O.C.G.A. §14-11-305.

5.05 Managers Have No Exclusive Duty to Company. A Manager shall not be required to manage the Company as his sole and exclusive function and he (or any Member) may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other investments or activities of the Manager or to the income or proceeds derived therefrom. The Manager shall incur no liability to the Company or to any of the Members as a result of engaging in any other business or venture, unless otherwise in violation of another provision of this Agreement.

5.06 Bank Accounts. The Managers may from time to time open bank accounts in the name of the Company, and the Manager(s) shall be the sole signatories thereon, unless the Manager determines otherwise.

5.07 Indemnity of the Managers, Employees and Other Agents. To the fullest extent permitted under O.C.G.A. §14-11-306, the Company shall indemnify the Manager and make advances for expenses to it with respect to such matters to the maximum extent permitted under applicable law. The Company shall indemnify its employees and other agents who are not Managers to the fullest extent permitted by law, provided, nothing herein shall authorize or permit indemnification of the Manager or employees for actions, costs or expenses arising from or with respect to such Manager's or employee's

intentional or willful misconduct, gross negligence, a knowing violation of law or for any transaction for which the person received a personal benefit in violation of the terms of this Agreement.

5.08 Resignation. Any Manager of the Company may resign at any time by giving written notice to the Members of the Company. The resignation of any person shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a person who is also a Member shall not affect the person's rights as a Member and shall not constitute a withdrawal of a Member.

5.09 Removal.

(a) ILG may not be removed or replaced as the initial Manager other than as provided in the Articles of Organization, and only upon the occurrence of:

(i) The Bankruptcy or dissolution of the Manager or the issuance of a judgment by a court of competent jurisdiction (which judgment has not been appealed by the Manager within the time permitted by applicable law or reversed within two years after such judgment is rendered) that the Manager (i) committed gross negligence or willful misconduct or fraud in the handling of the Company's affairs, or (ii) materially breached its obligations hereunder after the delivery of written notice to the Manager from not less than five percent (5.0%) of the outstanding Member Interests stating specifically the acts which are alleged to constitute such material breach and affording the Manager a period of not less than thirty (30) days after receipt of such notice to cure such material breach, the Manager shall be immediately divested from all authority as the "Manager" under this Agreement and otherwise, but shall retain all ownership and other rights. The Members shall select a new person to serve as "Manager" who shall have all of the former authority and obligations of (but none of the Interest of) the Manager. A Manager shall not obtain any ownership interest in the Company or be entitled to compensation from the Company unless approved in writing by seventy-five percent (75%) of the Partner Interests, and any such ownership interest must be agreed in writing with the Manager and shall dilute all Partner Interests pro rata.

(ii) The "Bankruptcy" of the Manager shall be deemed to have occurred upon the happening by or against the Manager of any of the following:

(iii) making of a general assignment for the benefit of creditors;

(iv) filing of a voluntary petition in bankruptcy;

(v) the entry of an order of relief under the Federal Bankruptcy Code;

(vi) filing by the Manager of a petition or answer seeking for the Manager any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief from creditors under any statute, law or regulation; or filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in any proceeding of such nature;

(vii) seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator of the Manager or of all or any substantial part of the Manager's properties; or

(viii) The passage of one hundred twenty (120) days following commencement of any proceedings against the Manager seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, without such proceeding being dismissed; or the passage of ninety (90) days after the appointment, without the Manager's consent or acquiescence, of a trustee, receiver or liquidator of the Manager or of all or any substantial part of the Manager's properties, unless the appointment is vacated or stayed, or the passage of ninety (90) days following the expiration of such a stay unless the appointment is vacated.

(b) Other than with respect to ILG, all or any lesser number of Managers may be removed at any time, with or without cause, by the affirmative vote of Members pursuant to Section 6.04. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.10 Vacancies. Any vacancy occurring for any reason in the number of Managers of the Company may be filled by the affirmative vote of Members holding such interest set forth in Section 6.04. Any Manager's position to be filled by reason of an increase in the number of Managers shall be filled by an election at an annual meeting or at a special meeting of Members called for that purpose or by the Members' written consent. A Manager elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office and shall hold office until the expiration of such term and until his successor shall be elected and shall qualify or until his earlier death, resignation or removal. A Manager chosen to fill a position resulting from an increase in the number of Managers shall hold office until the next meeting of Members and until his successor shall be elected and shall qualify, or until his earlier death, resignation or removal.

5.11 Salaries. The salaries and other compensation of the Managers shall be fixed from time to time by an affirmative vote of Members holding at least a Majority Interest, and no Manager shall be prevented from receiving such salary by reason of the fact that he is also a Member of the Company. However, the Manager may engage a management company and compensate that company to provide for administration of the Company's affairs.

ARTICLE 6

RIGHTS AND OBLIGATIONS OF MEMBERS

6.01 Limitation on Liability. Each Member's liability shall be limited to the fullest extent as set forth in this Operating Agreement, the Georgia Act and other applicable law.

6.02 No Liability for Company Obligations. No Member will have any personal liability for any debts or losses of the Company beyond his respective contribution, except as provided by law.

6.03 List of Members. The Company shall maintain at all times a current and accurate list of all Members and Economic Interest Owners, substantially in the form and content of Exhibit "A" attached hereto, incorporated herein, and which forms the initial List of Ownership Interests. Said List of Ownership Interests shall include the number of common shares held from time to time by the Company's Members and Economic Interest Owners (designated as such). Upon written request of any Member, the Managers shall provide a list showing the names, addresses and Membership Interest and Economic Interest of all Members and Economic Interest Owners, a separate list of the Managers and

the other information required by O.C.G.A. Section 14-11-313 and maintained pursuant to Section 11.02.

6.04 Transactions Requiring Member Approval. Notwithstanding anything to the contrary, the approval of the Members to authorize the transactions set forth in this Section 6.04 is required, and the Manager shall have no authority absent Member approval by Majority Interest to undertake any of the following:

(a) to approve the sale, exchange or other disposition of all, or substantially all, of the Company's assets which is to occur as part of a single transaction or plan;

(b) to approve the merger, consolidation, reorganization, dissolution or recapitalization of the Company;

(c) to approve an amendment to this Operating Agreement or the Articles of Organization of the Company;

(d) to approve the sale of shares of Member interests by the Company under terms and conditions more favorable than the terms offered to the original Members of the Company for Initial Capitalization.

6.05 Priority and Return of Capital. No Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions. This Section shall not apply to loans (as distinguished from Capital Contributions) which a Member or Economic Interest Owner has made to the Company.

6.06 Rights of Economic Interest Owners. Notwithstanding anything to the contrary in this Agreement, Economic Interest Owners shall have no rights to vote on, consent to, or otherwise participate in any decisions of Members or Managers, and shall not be counted toward the requirements of a quorum or requisite vote, regardless of whether they are holding common shares.

6.07 Confidentiality and Restriction on Investments.

(a) During the existence of the Company and GLG and for a period of three (3) years from the termination of the latter thereof, each Member agrees that he shall not, directly or indirectly, on his own behalf or in the service or on behalf of others, as a director, trustee, owner (except as an owner of less than five percent (5%) of the outstanding stock of a publicly traded corporation), employee, consultant, advisor, independent contractor or in any other capacity, invest in, engage in or assist a Competing Business (as defined below) within a fifty (50) mile radius of any facility or location where GLG conducts business, intends to conduct business or has reasonably potential prospects to conduct business as of the date hereof as set forth in Exhibit "B" hereto, and shall not solicit or induce or attempt to solicit or induce any person employed by or under contract with GLG or the manager of GLG's business to leave or terminate such employment or agreement, whether or not such employment or agreement is full-time or temporary, pursuant to a written or oral agreement, or for a determined period or at will, for employment or contract with a business in the business of providing lithotripsy services that are the same or essentially the same as the services offered by the business of the Company (a "Competing Business") (provided, the preceding prohibition shall not apply to any former employee or contractor of GLG or its manager who has not provided services to either of them for six (6) months).

(b) During the existence of the Company and for a period of three (3) years from the termination thereof, the Members shall not either directly or indirectly, on his own behalf or in the service or on behalf of others, (a) solicit, divert or appropriate to a Competing Business in which the undersigned has an ownership interest or with which the undersigned has a compensation arrangement, or attempt to solicit, divert or appropriate to such Competing Business any patient or referrals for lithotripsy services from physicians, individuals, medical providers or other entities that have referred patients to the Company within the twelve (12) months immediately preceding such solicitation, diversion or appropriation, or (b) receive any direct or indirect remuneration or compensation as a result of any such activities.

(c) The parties acknowledge that a patient's treatments shall be dictated by such patient's needs, medical ethics and the ethical guidelines of the American Medical Association with respect to physician self-referrals. Further, the parties acknowledge and agree that nothing in this Agreement shall preclude any Member from providing professional services as a physician. The Agreement does not require a Member to send patients to the Company or GLG or otherwise preclude, impede or restrict a Member's right to send patients to any facility he and the patient desire; provided, a Member shall be liable for referral of a patient to or treatment at a Competing Business in violation of the provisions of this Section 6.07.

(d) All information of any Member or of the Company (or GLG) which is disclosed to any other Member (all of which shall be referred to in this Agreement as the "Confidential Information"), shall be treated as confidential and not used or disclosed by such Member, and the Members shall protect any Confidential Information received from other Members or from the Company or GLG from use by and disclosure to third parties, using reasonable care.

(e) Each Member shall restrict access to the Confidential Information to those of its employees and agents who have a need to know such information for the purpose of effectuating the transactions contemplated by this Agreement and who have signed non-disclosure agreements protecting the confidentiality of the Confidential Information.

(f) The obligations set forth in this Section 6.07 shall not extend to any Confidential Information which:

(i) is now or which hereafter through no act on the part of the receiving party becomes generally known or available to the public, provided that the disclosure of any Confidential Information to the Company or GLG by a Member shall not be deemed to mean that such information has become generally known or available to the public,

(ii) is hereafter furnished to the receiving party by a third party (other than the Company or GLG) with no duty of nondisclosure to disclosing party and without breach of this Agreement,

(iii) is permitted to be disclosed by the prior written consent of the party whose Confidential Information is proposed to be disclosed,

(iv) is required to be disclosed by any applicable governmental authority, provided that each party will notify the other party as soon as possible prior to such disclosure and will, if possible, provide such party with a reasonable opportunity to prevent such disclosure (provided, further, the Members acknowledge that the Manager or its Affiliates may be publicly traded companies, and may use or disclose Confidential Information as required by governmental regulations, and its applicable agreements), or

(v) if reasonable or necessary, is disclosed by a Member, the Company or GLG to its banks, financial advisors, creditors, attorneys, accountants or others subject to a duty of confidentiality or a confidentiality agreement.

(g) Each Member acknowledges and agrees that, by virtue of his relationship with the Company and his knowledge of the affairs, business, referring physicians, patients and operations of the Company and GLG, irreparable loss, damage and injury will be suffered by the Company and GLG if the undersigned should breach or violate any of the terms or provisions of the covenants and agreements contained in this Section; that such covenants and agreements are made in consequence of and as an inducement to the Members to consummate the transactions contemplated in this Agreement and to protect and preserve to the Company and GLG the benefit of the Business of the Company and GLG, including the assets, properties, business and good will of the Company and GLG and that each of such covenants and agreements is reasonable and necessary to protect and preserve the benefits to the Company and GLG. In addition to all of the remedies provided at law, in equity or in this Agreement, the Company and GLG shall be entitled to temporary, preliminary and permanent injunctions against a Member to prevent a breach or contemplated breach by a Member of any of such covenants and agreements. The existence of any claim, demand, action or cause of action of the undersigned against the Company, GLG, Manager or a Member, or the failure or delay by the Company or GLG to enforce or to uniformly enforce any provision, shall not constitute a defense to the enforcement by the Company or GLG of any such covenants or agreements. The Company and GLG shall not be required to post a bond or other surety as a condition to obtaining equitable relief.

(h) Each Member acknowledges and agrees that the covenants, and each part thereof, set forth in this Section 6.07 are reasonable in all respects, are enforceable as to that Member (and his successors and assigns), and are necessary to protect the legitimate business interests of the Company and GLG. However, to the extent that any of the covenants and agreements in this section should be found unreasonable or unenforceable, each covenant in this Section 6.07 shall be modified to the extent necessary to make it enforceable to the fullest extent permitted under applicable law and the intent of the parties. Provided, these covenants in Section 6.07 are agreed to be material consideration for the Operating Agreement and investment by the Members and the acquisition of the business of the Company by the Company and GLG, and Section 6.07 shall be construed as including restrictive covenants made incident to the purchase and sale of a business with adequate separate consideration.

(i) The provisions of Section 6.07 shall not apply to the Manager or its Affiliates to the extent it or its Affiliates may own a Member Interest. GLG and its Affiliates are express third party beneficiaries of this Section 6.07 with standing to enforce its provisions.

(j) In the event a Member breaches or violates any provision of this Section 6.07, said Member shall be in material breach and default under this Agreement. Upon such breach or default, the Manager shall have the authority in its reasonable discretion to cause the breaching or defaulting

Member to sell to the Company and the Company to buy from the defaulting or breaching Member, all of that Member's Member Interest in the Company. The purchase price for such Interest shall be the greater of: (i) the amount of the original Capital Contribution made by that Member (or his predecessor) to the Company for that Member's Member Interest, minus the amount of actual distributions paid by the Company with respect to such Interest, or (ii) $100.00, payable by the Company's check for the full amount. The repurchase price shall not include the Guaranty or any amounts paid or payable with respect thereto, but the Company shall agree to hold such former Member harmless from and against any and all actual liability, costs and the like actually incurred by and paid by the former Member on account of such Guaranty. The Company, Manager and Members shall have no liability to a Member for actions taken or failures to act in good faith under this Section 6.07, or to a former Member whose Interest is repurchased under this Section 6.07 in the absence of fraud, gross negligence or bad faith.

Each Member hereby irrevocably constitutes and appoints the Manager and each officer of the Manager, and each of them, with full power of substitution, his true and lawful attorney-in-fact, in his name, place and stead to consent to, agree to, make, sign, deliver, and record on behalf of him, any and all instruments reasonable, necessary or desirable pursuant to this Section 6.07 This grant of authority is a Special Power of Attorney coupled with an interest, is irrevocable, shall survive the death or incapacity of a Member, and shall survive the transfer of an Interest and otherwise.

ARTICLE 7

MEETINGS OF MEMBERS

7.01 Annual Meeting. An annual meeting of the Members may be held at such time as shall be determined by the Manager, commencing with the year 2003, for the purpose of the transaction of such business as may come before the meeting.

7.02 Special Meetings. Special meetings of the Members, for any purpose or purposes may be called by any Manager or by a Member or Members holding at least 25% of the Member Interests of the Company.

7.03 Place of Meeting. The Managers may designate any place, either within or outside the State of Georgia, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Company in the State of Georgia.

7.04 Notice of Meeting. Written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail or facsimile, by or at the direction of the Managers or person calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two calendar days after being deposited in the United States mail, addressed to the Member at its address as it appears on the books of the Company, with first-class postage thereon prepaid.

7.05 Meeting of all Members. If all of the Members shall meet at any time and place, either within or outside the State of Georgia, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any lawful action may be taken.

7.06 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of members of any adjournment thereof, or Members (and Economic Interest Owners) entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

7.07 Quorum. Members holding at least a Majority Interest of all Member Interests, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Membership Interests so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if at the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Membership Interests whose absence would cause less than a quorum to be present.

7.08 Manner of Acting. If a quorum is present, the affirmative vote of Members present holding a Majority Interest as to the Members then present shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by this Operating Agreement. Unless otherwise expressly provided under this Agreement, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their Ownership Interest, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter was approved by the Members, as provided in Article IV.

7.09 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly-authorized attorney-in-fact. Such proxy shall be filed with the Managers of the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

7.10 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by Members entitled to vote and holding such Member Interests required to approve such action and delivered to the Managers of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section is effective when the Members required to approve such action have signed the consent, unless the consent specifies a different effective date. The Company shall provide written notice of such actions to all Members and Economic Interest Owners who did not participate in and consent to such actions within ten (10) days of the adoption of such actions, provided, failure to provide such notice shall not void or otherwise adversely effect such actions or resolutions. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

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

ARTICLE 8

CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.01 Members' Initial Capital Contributions. Each initial Member has contributed such amount as is set forth in Exhibit "A" hereto as his share of the Initial Capital Contribution in exchange for the respective Membership Interest set forth in Exhibit "A". The initial Members have executed a Subscription Agreement or Investment Letter as part of their acquisition of their Membership Interest in form and content required by the Managers.

8.02 Additional Contributions. No Member shall be required to make any additional capital contributions, absent his consent.

8.03 Withdrawal or Reduction of Members' Contributions to Capital.

(a) A Member or Economic Interest Owner shall not receive out of the Company's property any part of such Member's Capital Contribution until all liabilities of the Company, except liabilities to Members, have been paid or there remains property of the Company sufficient to pay them.

(b) A Member, irrespective of the nature of such Member's Capital Contribution, has only the right to demand and receive cash in return for such Capital Contribution.

ARTICLE 9

DISTRIBUTIONS BY COMPANY

9.01 Distributions. All distributions of cash or other property by the Company shall be made to the Members and Economic Interest Owners in pro rata amounts in proportion to their respective percentage Ownership Interests as they may appear at the record date specified for each such distribution.

9.02 Mandatory Distributions. All Distributable Cash shall be distributed by the Company not less frequently than quarterly, unless approved a Majority Interest, if not otherwise prohibited by O.C.G.A. §14-11-407.

9.03 Interest On and Return of Capital Contributions. No Member or Economic Interest Owner shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein, including without limitation, with respect to the preferred shares.

9.04 Loans to Company. Nothing in this Operating Agreement shall prevent any Member or Economic Interest Owner from making secured or unsecured loans to the Company by agreement with the Company.

ARTICLE 10

ALLOCATIONS FOR TAX PURPOSES

10.01 Allocation of Net Profits and Net Losses. Except as otherwise provided in this Article X, Net Profits and Net Losses, tax credits, and any other allocable items (including all tax attributes) pursuant to Section 702(a) of the Code shall be determined and allocated among the Members and Economic Interest Owners with respect to each fiscal year as of the end of such year.

10.02 Member's Allocable Share. With respect to Section 10.1 above, the portion of Net Profits and Net Losses and tax credits allocated to Members and Economic Interest Owners shall be apportioned among all Persons who were Members and Economic Interest Owners during the year, in the ratio which the sum of the percentage Ownership Interests owned by each Member and Economic Interest Owner at the end of each calendar month during the fiscal year bears to the sum of all percentage of Ownership Interests outstanding at the end of each such calendar months.

10.03 Power of Managers to Vary Allocations of Net Profits and Net Losses. It is the intent of the Members that each Member's distributive share of Net Profits and Net Losses and tax credits shall be determined and allocated in accordance with Section 10.1 to the fullest extent permitted by Section 704(b) of the Code, or its statutory successor. However, if the Company is advised that the allocations provided in Section 10.1 of this Agreement will not be respected for Federal income tax purposes, the Managers are hereby granted the power to amend the allocation provisions of this Agreement, on advice of accountants or legal counsel, in the manner and to the extent the Managers, in their sole discretion, deem in the best interests of the Company and the Members, consistent with the Managers' duties pursuant to this Agreement, but in no event shall such reallocation be greater than the minimum reallocation necessary so that the allocations in Section 10.1 will be respected for Federal income tax purposes.

10.04 Consent of Members. The methods of allocating distributions in Section 9.01 and the allocations of Net Profits and Net Losses in Section 10.01 of this Agreement are hereby expressly consented to by each Member as a condition of becoming and remaining a Member.

ARTICLE 11

BOOKS AND RECORDS

11.01 Accounting Period. The Company's accounting period shall be the calendar year.

11.02 Records, Audits and Reports. At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company. The Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last-known address of each Member, Economic Interest Owner and Manager;

(b) Copies of records to enable a Member to determine the relative voting rights, if any;

(c) A copy of the Articles of Organization of the Company and all amendments thereto;

(d) Copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;

(e) Copies of the Company's written Operating Agreement, together with any amendments thereto;

(f) Copies of any financial statements of the Company for the three most recent years;

(g) A minute book which shall include all material and relevant notices, minutes, and consents of the Company.

11.03 Tax Returns. The Managers shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year, but not later than March 15 of each year following each respective calendar year.

11.04 Non-Certificated Membership Interests. The Membership Interests of the Company shall not be evidenced by certificates. The Membership Interests shall be maintained as Schedule "A" to this Agreement, as Schedule is amended by the Manager to reflect changes in the Members and Interests.

ARTICLE 12

TRANSFERABILITY

12.01 General. Except as otherwise specifically provided in this Agreement, neither a Member nor an Economic Interest Owner shall have the right, power, or authority to:

(a) sell, assign, pledge, hypothecate, transfer, exchange or otherwise transfer for consideration (collectively, "sell"), or

(b) gift or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) or death), all or any part of his Membership Interest or Economic Interest. The Company, its Members, Economic Interest Owners and its Managers shall not be required to recognize, honor or be bound by any such attempted transfer absent the approval of the Manager, which may be granted or withheld in the Manager's sole discretion. Any person attempting or purporting to complete any such transfer shall indemnify and hold harmless the Company, Members, Economic Interest Owners and Managers from and with respect to any and all claims, demands, actions,

costs and expenses, including without limitation, attorneys' fees, arising out of or relating to any such attempted or purported transfer.

12.02 Transferee Not Member in Absence of Manager Consent.

(a) If the Manager does not approve by written consent the proposed sale or transfer of the Transferring Member's Membership Interest or Economic Interest to a transferee or donee who is not a Member immediately prior to the sale or gift, then the proposed transferee or donee shall have no right to become a Member. The transferee or donee shall be merely an Economic Interest Owner. No transfer of a Member's interest in the Company (including any transfer of the Economic Interest or any other transfer which has not been approved by written consent of the Manager) shall be effective unless and until written notice (including the name, address and federal taxpayer identification number of the proposed transferee or donee and the date of such transfer) has been provided to the Company and the nontransferring Member(s), and such transfer is approved by the Manager in writing.

(b) Upon and contemporaneously with any approved sale or transfer of a Transferring Member's Economic Interest in the Company which does at the same time transfer the balance of the rights associated with the Economic Interest transferred by the Transferring Member (including, without limitation, the rights of the Transferring Member to vote), the Company shall purchase from the Transferring Member, and the Transferring Member shall sell to the Company for a purchase price of $100.00, all remaining rights and interest retained by the Transferring Member which immediately prior to such sale or gift were associated with the transferred Economic Interest.

(c) Any transferee or assignee of a Membership Interest or Economic Interest shall be subject to all of the terms and conditions of this Agreement. Absent the written consent of the rights of a judgment creditor shall be limited to those of an Economic Interest Owner.

12.03 No Member Right of Withdrawal. No Member or Economic Interest Owner shall have the right to withdraw from the Company without the prior written consent of the Manager, which may be granted or withheld in its sole discretion.

12.04 Elimination of Dissenter's Rights. No Member or Economic Interest Owner or other party shall be entitled to or have any rights to dissent from actions of the Company under O.C.G.A. § 14-11-1001, et. seq., or other than as expressly provided under this Agreement.

ARTICLE 13

ADDITIONAL MEMBERS

Subject to Section 6.04(d), any individual acceptable to the Manager may become a Member of this Company, either by the issuance of the Company of Membership Interests for such consideration as the Manager shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement. No new Members shall be entitled to any retroactive allocation of distributable cash, losses, income or expense deductions incurred by the Company. The Manager may, at his option, at the time a Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a

Member was admitted in accordance with the provisions of 706(d) of the Code and the Treasury Regulations promulgated thereunder.

ARTICLE 14

DISSOLUTION AND TERMINATION

14.01 Dissolution.

(a) The Company shall be dissolved upon the occurrence of any of the following events:

(i) When the period fixed for the duration of the Company shall expire pursuant to Section 2.05 hereof; or

(ii) as provided in Section 2.06 for termination of the Company; or

(iii) by the written consent of a Majority Interest of all Membership Interests as provided in Section 6.04(a)(2) and the Manager;

(b) Notwithstanding anything to the contrary in this Operating Agreement, if the Manager and Members owning Membership Interests which in the aggregate constitute not less than a Majority Interest consent to dissolve the Company, then all of the Members agree and shall agree in writing to dissolve the Company as soon as reasonably possible thereafter.

(c) If a Member who is an individual dies or a court of competent jurisdiction adjudges him to be incompetent to manage his person or his property, the Member's executor, administrator, guardian, conservator or other legal representative may exercise all of the Member's rights solely for the purpose of settling his estate or administering his property but may not exercise any other Member rights.

(d) Except as expressly permitted in this Operating Agreement, a Member shall not voluntarily withdraw or take any other voluntary action which directly causes a Withdrawal Event. Unless otherwise approved by the Manager, a Member who withdraws (a "Withdrawing Member") or whose Membership Interest is otherwise terminated regardless of whether such event was the result of a voluntary act by such Member, shall not be entitled to receive any distributions to which such Member would have been entitled had such member remained a Member.

14.02 Effect of Dissolution. Upon dissolution, the Company shall cease to carry on its business, except as permitted by O.C.G.A. §14-11-605. Upon dissolution, the Managers shall file a statement of commencement of winding up pursuant to O.C.G.A. §14-11-606 and publish the notice permitted by O.C.G.A. §14-11-608.

14.03 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, the Manager(s) shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Manager(s) shall:

(1) Sell or otherwise liquidate all of the Company's business and assets as promptly as practicable consistent with commercially reasonable practices (except to the extent the Manager(s) may unanimously determine to distribute any assets to the Members and Economic Interest Owners in kind).

(2) Discharge all liabilities of the Company, including liabilities to Members and Economic Interest Owners who are creditors, to the extent otherwise permitted by law, (other than liabilities to Members and Economic Interest Owners for distributions unrelated to preferred shares), and establish such Reserves as may be reasonably necessary to provide for contingent or other liabilities of the Company.

(3) Allocate any profit or loss resulting from such sales to the Members' and Economic Interest Owners' in accordance with Article X hereof.

(4) Distribute the remaining assets in the following order:

(i) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of a Majority Interest of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their net fair market value, and the Capital Accounts of the Members and Economic Interest Owners shall be adjusted pursuant to the provisions of this Operating Agreement to reflect such deemed sale.

(ii) The positive balance (if any) of each Member's and Economic Interest Owner's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members and Economic Interest Owners, either in cash or in kind, as determined by the Manager(s), with any assets distributed in kind being valued for this purpose at their net fair market value. Any such distributions to the Members and Economic Interest Owners in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.

(iii) If any assets of the Company remain for distribution, such assets shall be distributed to the Members and Economic Interest Owners in pro rata amounts based on the respective percentage Ownership Interests of the Members and Economic Interest Owners, based on outstanding common shares.

(c) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such

liquidation occurs), such Member or Economic Interest Owner shall have no obligation to make any Capital Contribution, and the negative balance of such Member's or Economic Interest Owner's Capital Account shall not be considered a debt owed by such Member or Economic Interest Owner to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets the Company shall be deemed terminated.

(e) The Manager(s) shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

14.04 Certificate of Termination. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, a Certificate of Termination may be executed and filed with the Secretary of State of Georgia in accordance with O.C.G.A. §14-11-610.

14.05 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Member and Economic Interest Owner shall look solely to the assets of the Company for the return of its Capital Contribution and any other distributions, payments and the like. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Members or Economic Interest Owners, such Member or Members and Economic Interest Owners shall have no recourse against any other Member, Economic Interest Owner, the Manager(s) or the Company.

ARTICLE 15

MISCELLANEOUS PROVISIONS

15.01 Books of Account and Records. Proper and complete records and books of account shall be kept or shall be caused to be kept by the Managers in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. The books and records shall at all times be maintained at the principal executive office of the Company and shall be open to the reasonable inspection and examination of the Members, Economic Interest Owners or their duly authorized representatives during reasonable business hours.

15.02 Application of Georgia Law. This Operating Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Georgia, and specifically the Georgia Act.

15.03 No Action for Partition. No Member or Economic Interest Owner has any right to maintain any action for partition with respect to the property of the Company.

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

15.05 Construction. Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

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

15.07 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation. All waivers must be in writing and signed by the Person to be charged with any such waiver.

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

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

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

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

15.12 Counterparts. This Operating Agreement may be executed in counterparts or by signature page counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

15.13 Federal Income Tax Elections. All elections required or permitted to be made by the Company under the Code shall be made by the Managers as determined in their sole discretion. For all purposes permitted or required by the Code, a Tax Matters Partner shall be designated by the Members by Majority Interest.

15.14 Certification of Non-Foreign Status. In order to comply with §1445 of the Code and the applicable Treasury Regulations thereunder, in the event of the disposition of the Company of a United States real property interest as defined in the Code and Treasury Regulations, each Member and Economic Interest Owner shall provide to the Company, an affidavit stating, under penalties of perjury, (i) his address, (ii) United States taxpayer identification number, and (iii) that he is not a foreign person as that term is defined in the Code and Treasury Regulations. Failure by any Member or Economic

Interest Owner to provide such affidavit by the date of such disposition shall authorize the Managers to withhold ten percent (10%) of each such Member's or Economic Interest Owner's distributive share of the amount realized by the Company on the disposition.

15.15 Notices. Any and all notices, offers, demands or elections required or permitted to be made under this Agreement ("Notices") shall be in writing, signed by the party giving such Notice, and shall be deemed given and effective (i) when hand-delivered (either in person by the party giving such notice, or by its designated agent, or by commercial courier), or (ii) when delivered by facsimile transmission with written confirmation of delivery, (iii) on the third (3rd) business day (which term means a day when the United States Postal Service, or its legal successor ("Postal Service") is making regular deliveries of mail on all of its regularly appointed week-day rounds in Atlanta, Georgia) following the day (as evidenced by proof of mailing) upon which notice is deposited, postage prepaid, certified mail, return receipt requested, with the Postal Service, and addressed to the other party at such party's respective address as set forth below, or at such other address as the other party may hereafter designate by Notice.

15.16 Amendments. Any amendment to this Operating Agreement or the Articles of Organization shall be made in writing and signed by the Manager and Members holding not less than seventy-five percent (75%) of the then outstanding Member Interests.

15.17 Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted. If any particular provision herein is construed to be in conflict with the provisions of the Georgia Act, the Georgia Act shall control and such invalid or unenforceable provisions shall not affect or invalidate the other provisions hereof, and this Agreement shall be construed in all respects as if such conflicting provision were omitted.

15.18 Captions. Titles and captions are inserted for convenience only and in no way define, limit, extend or describe the scope or intent of this Agreement or any of its provisions and in no way are to be construed to affect the meaning or construction of this Agreement or any of its provisions.

15.19 Banking. All funds of the Company shall be deposited in its name in an account or accounts as shall be designated from time to time by the Manager. All funds of the Company shall be used solely for the business of the Company. All withdrawals from the Company bank account shall be made only upon check signed by the Manager or by such other persons as the Managers may designate from time to time.

15.20 Dispute Resolution. Any controversy, claim or dispute arising out of or relating to this Agreement shall be settled if possible through good faith negotiations among the parties. Only if such efforts are not successful shall such dispute be resolved by arbitration. In the event of arbitration, it shall take place in Atlanta, Georgia and shall proceed in accordance with the rules for Expedited Commercial Arbitration of the American Arbitration Association. The arbitration award shall be final and binding regardless of whether any party fails or refuses to participate in the arbitration and shall be enforceable by any court of competent jurisdiction. The costs of arbitration shall be borne by the Persons and in the percentages determined by the arbitrators. No dispute based on the alleged failure of any party to adhere to the terms of this Agreement shall be submitted to arbitration until such party has been given notice and at least 30 days to cure such alleged violation, or unless the party believes in good faith that either

the Company or he will suffer irreparable harm from such violation prior thereto. This agreement to submit disputes to arbitration shall not preclude either party from seeking injunctive relief if necessary to avoid irreparable harm to the Company, GLG, or the Members or Managers, to preserve the status quo pending arbitration. The authority of the Arbitrator is expressly limited to the interpretation and enforcement of this Agreement under Georgia law applicable to the construction of contracts; provided, however, the Arbitrator shall have authority to enforce the restrictive covenants set forth in Section 6.07, and each part thereof, without limitation by Georgia law applicable to enforcement of restrictive covenants, and the Members waive such rights to contest the authority of the Arbitrator to enforce the restrictive covenants set forth in Section 6.07. The Arbitrator shall order a Member to disgorge and pay to the Company all profits and distributions a Partner may receive from or with respect to a breach of Section 6.07, as part of the remedy ordered by an Arbitrator upon finding of a breach of Section 6.07.

15.21 Determination of Matters Not Provided For In This Agreement. The Manager shall decide any questions arising with respect to the Company and this Agreement which are not specifically or expressly provided for in this Agreement.

15.22 Further Assurances. The Members each agree to cooperate, and to execute and deliver in a timely fashion any and all additional documents necessary to effectuate the purposes of the Company and this Agreement.

GLG PARTNERS, LLC

By: _____
Authorized Officer, Integrated
Lithotripsy of Georgia, Inc., Manager

MEMBERS:

[See Signature Page Counterparts to this Operating Agreement]

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SIGNATURE PAGE COUNTERPART TO
OPERATING AGREEMENT OF
GLG PARTNERS, LLC

IN WITNESS WHEREOF, the undersigned has executed this Signature Page Counterpart to the Operating Agreement of GLG Partners, LLC (the "Company"), dated June 18, 2002, with the intent and purpose of being bound by and subject to said Agreement, as amended, upon the undersigned becoming a Member of the Company.

GLG Partners, LLC

By: _____
Authorized Officer, Integrated
Lithotripsy of Georgia, Inc., Manager

_____
Date Signed

MEMBER:

_____(SEAL)
Signature

_____
Print Your Name

_____
Date Signed

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EXHIBIT "A"
TO OPERATING AGREEMENT OF
GLG PARTNERS, LLC

OWNERSHIP INTERESTS – JUNE 18, 2002

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE GEORGIA SECURITIES ACT OF 1973, AS AMENDED, IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION SET FORTH IN SECTION 10-5-9(16) OF SUCH ACT. IN ADDITION, THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON AN EXEMPTION FROM SUCH REGISTRATION SET FORTH IN THE SECURITIES ACT OF 1933 PROVIDED BY SECTION 4(2) THEREOF, AND REGULATION D THEREUNDER, NOR HAVE THEY BEEN REGISTERED UNDER ANY STATE'S SECURITIES ACTS NOR WITH THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON CERTAIN EXEMPTIONS FROM REGISTRATION. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD OR TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT AND IN A TRANSACTION WHICH IS EITHER EXEMPT FROM REGISTRATION UNDER SUCH ACTS OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACTS.

Name	Address	Taxpayer ID Number	Initial Capital Contribution (1)	Interest (Shares)	Member or Economic Interest Owner
Treasury	N/A	N/A	N/A	N/A	N/A
TOTALS					

NOTES:

(1) Each initial capital contribution includes the Guaranty by the Member of Company obligations in the amount of Nine Thousand Five Hundred Dollars ($9,500.00) per Share times the number of shares of Membership Interests purchased by that Member.

EXHIBIT "B"

Identity and Location of Facilities Serviced (or Intended to be Serviced) by Georgia Litho Group, LLLP

CONTACT NAME	LOCATION OF FACILITY
ATLANTA	
Northside Hospital	Atlanta
Southern Regional	Riverdale
Gwinnett Medical Center	Lawrenceville
Baptist Medical Center	Cumming (Pending)
VA Medical Center	Atlanta (Prospect)
Piedmont Hospital	Atlanta (Prospect)
AUGUSTA	
Augusta Urol Surgicenter	Augusta
Doctors Hosp of Augusta	Augusta
Gainesville Surg Center	Gainesville
NE GA MED CTR/Lanier Park	Gainesville
North Fulton Reg Hosp	Roswell
St. Joseph Hospital	Augusta
University Hospital	Augusta
Gainesville Urology, ASC [sic]	Gainesville (Pending)
COASTAL	
Andalusia Regional Med Center	Andalusia, AL
Athens Regional Med Center	Athens
Flowers Hospital	Dothan, AL
Memorial Health	Savannah
Mizell Memorial	Opp, AL
Southeast Alabama	Dothan, AL
St. Mary's	Athens
Enterprise Medical Center	Enterprise, AL (Pending)
Candler/St. Joseph's	Savannah (Prospect)
COBB	
Windy Hill Hospital	Marietta
SOUTH GEORGIA	
Coliseum Med Centers	Macon
Doctors Hospital of Columbus	Columbus
Fairview Park Hospital	Dublin
Palmyra Med Center	Albany
Medical Center of Central GA	Macon
Medical Center Columbus	Columbus (Prospect)
VA Medical Center	Dublin (Prospect)
Oconee Regional Medical Center	Milledgeville (Prospect)
Colquitt Regional Medical Center	Moultrie (Prospect)
Upson Regional Medical Center	Thomaston (Prospect)
Wayne Memorial Hospital	Jesup (Prospect)
Houston Medical Center	Warner Robins (Prospect)

State is Georgia unless otherwise noted.

EXHIBIT "C"

Certificate of Limited Partnership and
Partnership Agreement of Georgia Litho Group, LLLP

Secretary of State

Corporations Division
315 West Tower
#2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

CONTROL NUMBER : 0230530
EFFECTIVE DATE : 06/18/2002
JURISDICTION : GEORGIA
REFERENCE : 0045
PRINT DATE : 06/18/2002
FORM NUMBER : 327

JON G. BLAUSTEIN
127 PEACHTREE ST., NE
SUITE A
ATLANTA, GA 30303

CERTIFICATE OF LIMITED PARTNERSHIP FILING

I, Cathy Cox, the Secretary of State of the State of Georgia, do hereby certify under the seal of my office that the domestic limited partnership

GEORGIA LITHO GROUP, LLLP
A DOMESTIC LIMITED PARTNERSHIP

has filed, as of the effective date stated above, its Certificate of Limited Partnership with the Secretary of State and has paid all fees as required by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth above.

Cathy Cox
Secretary of State

CERTIFICATE OF LIMITED PARTNERSHIP
OF
GEORGIA LITHO GROUP, LLLP

The Certificate of Limited Partnership of Georgia Litho Group, LLLP is as follows.

1. The name of the limited partnership is Georgia Litho Group, LLLP.

2. The address of the registered office and the name and address of the initial Registered Agent for service of process are:

Healthtronics Surgical Services, Inc.
1841 West Oak Parkway, Suite A
Marietta, Cobb County, Georgia 30062

3. The name and business address of the General Partner of the partnership are:

Integrated Lithotripsy of Georgia, Inc.
1841 West Oak Parkway
Suite A
Marietta, Georgia 30062

4. The partnership elects to be a "limited liability partnership" pursuant to O.C.G.A. Section 14-8-62, and shall be a limited liability limited partnership for all purposes.

5. The partnership is authorized to engage in all lawful activities permitted to be undertaken by partnerships, generally. The initial business of the partnership is to provide lithotripsy services and related and ancillary services to hospitals, medical facilities and others, to engage in all acts, actions and transactions related to or in furtherance of its business, and to engage in any other business authorized pursuant to a written Partnership Agreement adopted by all partners of the partnership.

6. The partnership shall be dissolved on December 31, 2027, unless this Certificate is amended to extend the term of existence, which shall require the written consent of the General Partner and seventy-five percent (75%) of the then outstanding Limited Partner Interests, voting by percentage interest.

IN WITNESS WHEREOF, the undersigned being duly authorized has executed this Certificate of Limited Partnership as the sole General Partner of the partnership, this 13th day of June, 2002.

By: Tracy M. Stolarski
Authorized Officer, Integrated
Lithotripsy of Georgia, Inc.,
General Partner

SECRETARY OF STATE
2002 JUN 18 A 11:20
CORPORATIONS DIVISION

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PARTNERSHIP AGREEMENT

OF

GEORGIA LITHO GROUP, LLLP

PARTNERSHIP AGREEMENT
OF
GEORGIA LITHO GROUP, LLLP

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THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE GEORGIA SECURITIES ACT OF 1973, AS AMENDED, IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION SET FORTH IN SECTION 10-5-9(16) OF SUCH ACT. IN ADDITION, THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON AN EXEMPTION FROM SUCH REGISTRATION SET FORTH IN THE SECURITIES ACT OF 1933 PROVIDED BY SECTION 4(2) THEREOF AND REGULATION D THEREUNDER, NOR HAVE THEY BEEN REGISTERED WITH THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON CERTAIN EXEMPTIONS FROM REGISTRATION. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD OR TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT AND IN A TRANSACTION WHICH IS EITHER EXEMPT FROM REGISTRATION UNDER SUCH ACTS OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACTS.

PARTNERSHIP AGREEMENT

OF

GEORGIA LITHO GROUP, LLLP

THIS PARTNERSHIP AGREEMENT is made as of this 18th day of June, 2002, by and between Integrated Lithotripsy of Georgia, Inc., a Georgia corporation (the "General Partner"), and the Persons whose names are set forth on Schedule "A" attached hereto (individually, a "Limited Partner" and collectively, the "Limited Partners").

W I T N E S S E T H:

WHEREAS, the parties hereto desire to join together to form a limited liability limited partnership known as "GEORGIA LITHO GROUP, LLLP" under and pursuant to the Georgia Revised Uniform Limited Partnership Act;

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree and certify as follows:

ARTICLE 1

DEFINITIONS

1.1 "Affiliate" shall mean with respect to any Person, (i) any Person directly or indirectly controlling, controlled by, or under common control with such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such

Person, (iii) any officer, director, manager or general partner of such Person, (iv) any Person who is an officer, general partner, manager, trustee or holder of ten percent (10%) or more of the voting securities of any Person described in clauses (i) through (iii) of this Section 1.1, or (v) any members of the immediate family of any such Person who is an individual, and any member of the immediate family of any such immediate family member.

1.2 "Agreement" shall mean this Partnership Agreement, as amended from time to time.

1.3 "Asset Value" shall mean:

(i) the fair market value when contributed of any asset contributed to the Partnership by any Partner;

(ii) the fair market value on the date of distribution of any asset distributed by the Partnership to any Partner as consideration for an interest in the Partnership;

(iii) the fair market value of all Partnership Property at the happening of any of the following events: (A) the admission of a Partner to, or the increase of an interest of an existing Partner in, the Partnership in exchange for a Capital Contribution; or (B) the liquidation of the Partnership pursuant to Treas. Reg. § 1.704-1(b) (2) (ii) (g).

1.4 "Capital Account" shall mean the account established and maintained for each Partner in accordance with Section 6.1 of the Partnership Agreement.

1.5 "Capital Contribution" shall mean the capital contributions to the Partnership pursuant to ARTICLE 5 hereof.

1.6 "Cash Available for Distribution" shall mean the Partnership's cash and cash equivalents on hand, minus: (i) accrued expenses and payables, (ii) loans and obligations payable within three (3) months, and (iii) such reserves for any known contingent liabilities, capital expenditures, and expenses that the General Partner in good faith believes it would be prudent to set up, taking into account the interests of all Partners.

1.7 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

1.8 "Fiscal Year" shall mean the Partnership fiscal year, which shall be the twelve-month period ending on December 31 of each year.

1.9 "Management Company" shall mean Lithotripsy Management Associates, an unincorporated division of Litho Group, Inc., a Delaware corporation, or any other company appointed pursuant to Section 7.3 hereof to provide management services to the Partnership.

1.10 "General Partner" shall mean Integrated Lithotripsy of Georgia, Inc., or any successor to the General Partner Interests.

1.11 "Management Agreement" shall mean that certain Management Agreement by and between the Management Company and the Partnership.

1.12 "1940 Act" shall mean the Investment Company Act of 1940, as amended and in effect from time to time.

1.13 "1933 Act" shall mean the Securities Act of 1933, as amended and in effect from time to time.

1.14 "Partners" shall mean the General Partner and the Limited Partners, collectively; "Partner" shall mean either of them in its or their capacity as a general partner or limited partner in the Partnership.

1.15 "Partnership" shall mean Georgia Litho Group, LLLP, a Georgia limited liability limited partnership formed pursuant to the Georgia Revised Uniform Limited Partnership Act.

1.16 "Partnership Interest" or "Partner Interest" shall mean the ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement. Partnership Interests are described as either a General Partner Interest or a Limited Partner Interest and are allocated as "Percentage Interests" (defined below), reflecting the relative percentage ownership interest in the Partnership.

1.17 "Partnership Profit" and "Partnership Loss" shall mean, 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 § 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately shall be included in taxable income or loss); provided, however, that (a) income exempt from federal income tax shall be treated as taxable income, (b) expenditures described in § 705(a)(2)(B) of the Code or treated as such expenditures under Treas. Reg. § 1.704-1(b)(2)(iv)(i) shall be subtracted from taxable income, (c) the difference between the adjusted basis for federal income tax purposes and Asset Value of Partnership Property shall be treated as gain or loss upon the happening of an event described in Section 1.3(iii), (d) gain or loss resulting from the 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 Asset Value of such Partnership Property and (e) items specially allocated under Sections 6.2.3, 6.2.4 and 6.2.5 shall not be taken into account.

1.18 "Partnership Property" shall mean all tangible and intangible property owned by the Partnership.

1.19 "Percentage Interests" shall, initially, mean with respect to each Partner the Percentage Interests set forth on Schedule "A" and represent the pro rata ownership held by each Partner Interest stated as a percentage of the ownership interests of the Partnership. The Partner's Percentage Interests shall be modified to reflect any transfer of Partnership Interests permitted by this Agreement. Percentage Interests may be described as "Units" with there being a total of One Thousand (1,000) Units of Partnership Interests outstanding and each "Unit" representing a one-tenth of one percent (0.10%) Partnership Interest.

1.20 "Permitted Liquid Investments" shall mean (i) United States Treasury obligations, and (ii) certificates of deposit, time deposits and other obligations of domestic banks having combined capital and surplus in excess of $100,000,000, all having a maturity date of one (1) year or less.

1.21 "Person" shall mean any corporation, partnership, limited liability company, joint venture, individual, business trust, limited liability company, or any other legal entity, whether or not a party to the Agreement. "Persons" shall mean two or more of such entities.

1.22 "Pro Rata" shall mean proportionately among the Partners, based upon their respective Percentage Interests.

1.23 "Reserves" shall mean all Partnership reserves established by the General Partner, in its sole discretion, for Partnership purposes, including, but not limited to, debt service, lease payments, accrued or deferred expenses, and other working capital needs, contingent liabilities, taxes, and purchases.

1.24 "Treas. Reg." shall mean the Treasury Regulations, including Temporary Regulations, promulgated under the Code.

1.25 "Uniform Act" shall mean the Georgia Revised Uniform Limited Partnership Act, O.C.G.A. § 14-9-100 et seq., as amended from time to time and any successor to such Act.

1.26 "Unit" shall have the meaning ascribed in Section 1.19, "Percentage Interests."

ARTICLE 2

NAME AND PRINCIPAL OFFICE

2.1 Name of the Partnership. The name of the Partnership is "Georgia Litho Group, LLLP."

2.2 Principal Office. The principal office and place of business of the Partnership shall be located at 1841 West Oak Parkway, Suite A, Marietta, Georgia 30062, or such other location as the General Partner may designate from time to time.

ARTICLE 3

PURPOSE AND POWERS

3.1 Purpose. The object of the Partnership is pecuniary gain and profit, and the purposes for which the Partnership is formed are to acquire, own and operate one or more lithotripsy services businesses within the State of Georgia and certain areas of Alabama, (and other areas as the General Partner may determine in its sole discretion), to own, lease or otherwise obtain the equipment and employ or engage the persons reasonable or necessary to provide lithotripsy equipment, technical support and related incidental services to hospitals and medical facilities, to operate the intended business, and to undertake such other business activities authorized under this Agreement. In relation to the foregoing, the Partnership may make any expenditures or investments, take any and all action and engage in any and all activity which is incidental or reasonably related to any purposes of the Partnership.

3.2 Powers. Subject to all the terms and provisions hereof, the Partnership shall have the power to make and perform all contracts and engage in all activities and transactions necessary or advisable to carry out the purposes of the Partnership, including, without limitation, the purchase, sale, transfer, pledge and exercise of all rights, privileges and incidents of ownership or possession with respect to any Partnership obligation by hypothecation or pledge of Partnership Property, together with all other powers available to it as a limited partnership under the laws of the State of Georgia.

ARTICLE 4

TERM OF PARTNERSHIP

4.1 Initial Term of Partnership. The initial term of the Partnership commenced upon the filing and acceptance of the Certificate of Limited Partnership of the Partnership on or about June 18, 2002, and shall continue through and including December 31, 2027. Notwithstanding anything to the contrary, the term of the Partnership may not be extended without the written consent of the General Partner and seventy-five percent (75.0%) of the outstanding Limited Partner Interests.

4.2 Termination of the Partnership. The Partnership shall be dissolved and its affairs wound up as provided in Article 11, on or before December 31, 2007 (or any successor date certain duly adopted), unless the General Partner and a majority of the Limited Partner Interests consent in writing to extend the date for dissolution of the Partnership to a later specified date.

ARTICLE 5

CAPITALIZATION

5.1 Initial Capital Contributions. The General Partner has contributed One Hundred Dollars ($100.00) for the Initial General Partner Interest and the Initial Limited Partner has contributed One Hundred Dollars ($100.00) for the Initial Limited Partner Interest. Contemporaneously with the "Initial Capitalization" of the Partnership, as provided in Section 5.2, below, the Partnership shall redeem and cancel the Initial General Partner Interest from the General Partner for $100.00 and the Initial Limited Partner Interest from the Initial Limited Partner for $100.00, and shall issue the Partnership Interests as provided in this Agreement.

5.2 Initial Capitalization of the Partnership.

5.2.1 The Partnership shall be deemed adequately capitalized and ready to undertake its intended purposes upon the Partnership's receipt of Five Hundred Thousand Dollars ($500,000.00) in total capital contributions, plus the guaranties and other credit facilities provided by the Partners in the aggregate amount of Nine Million Five Hundred Thousand Dollars ($9,500,000.00) for use by or for the benefit of the Partnership to secure debt financing (the "Initial Capitalization"). The General Partner is authorized to conduct the offer and sale of Units of Partner Interests to attain Initial Capitalization and to admit the General Partner and Limited Partners to the Partnership upon Initial Capitalization, and may exercise reasonable discretion in determining that Initial Capitalization has been attained.

5.2.2 Upon Initial Capitalization, the General Partner shall hold a ten percent (10.0%) Partner Interest in the Partnership as the general partner for the total capital contribution of $50,000.00 plus the guaranty in the amount of $950,000.00 to secure debt financing for the Partnership. The General Partner may accept cash, secured lines of credit, other credit facilities or combination thereof in satisfaction of Initial Capitalization. The General Partner Interest shall consist of an aggregate of one hundred (100) Units, with each General Partner Unit representing a one-tenth of one percent (0.10%) Percentage Interest in the Partnership as a general partner.

5.2.3 Upon Initial Capitalization, the Limited Partners in the aggregate shall hold a total of ninety percent (90.0%) of Partner Interests in the Partnership as limited partners for the total capital contribution of $450,000.00 plus the aggregate guaranties in the amount of $8,550,000 to secure debt financing to secure funds for the Partnership. The General Partner may accept cash, secured lines of credit, other credit facilities or combination thereof in satisfaction of Initial Capitalization. The Limited Partner Interests shall consist of an aggregate total of nine hundred (900) Units, with each Limited Partner Unit representing a one-tenth of one percent (0.10%) Percentage Interest in the Partnership as a limited partner. The General Partner may acquire and hold Limited Partner Interests, which shall remain Limited Partner Interests for all purposes and with all rights, benefits, and obligations as a Limited Partner, except as otherwise expressly set forth in this Agreement. Upon Initial Capitalization, the General Partner shall

prepare and substitute an updated Schedule "A" to reflect the identity of the Partners and their respective Percentage Interests.

5.2.4 The Partner guaranties or credit facilities or enhancements which form part of the Initial Capitalization (a "Guaranty" or the "Guaranties") may take any reasonable form acceptable to the General Partner and shall provide debt financing (or funds in lieu thereof) or otherwise shall be used to secure debt financing and funding for the Partnership to fund the objects and purposes of the Partnership, as set forth in Section 3.1. The Guaranties may be used to secure debt financing or to obtain funding for the Partnership as determined by the General Partner, in its sole discretion.

5.2.5 In the event any Partner suffers actual liability and transfers property to a creditor of the Partnership pursuant to a Guaranty, (1) that Partner's capital account shall be increased by the amount of the Asset Value of property actually transferred to a creditor of the Partnership on account of or with respect to that Partner's Guaranty, and (2) if the Guaranty is with respect to a Limited Partner Interest, that Limited Partner shall have a right of contribution from the other Limited Partners, such that each Limited Partner shall sustain a pro rata amount of actual liability and payment under the Guaranties. The General Partner is authorized to withhold and transfer distributions by the Partnership and take other actions to facilitate collection and payment of said right of contribution among the Limited Partners, where the General Partner deems such actions to be equitable and reasonable under the circumstances known to it, acting in good faith. The General Partner shall have no liability for acting (or failing to act) under this Section in good faith and may condition its action as it determines to be reasonable and appropriate. The Partners' capital accounts shall be equitably adjusted to reflect any such collection and payment.

5.3 Loans to Partnership from a Partner. A Partner may, from time to time, loan money to the Partnership. Except as may be otherwise agreed to by the Partners, all loans made by a Partner or any Affiliate of a Partner, shall be repayable in a series of scheduled installments (appropriate to the interests of the Partnership) and shall bear interest at a rate equal to the prime rate of interest charged from time to time by the principal bank of the General Partner.

5.4 Repayment of Partner's Capital Contributions. No specific time has been agreed upon for the repayment of the Partners' Capital Contributions, and no Partner or any successor in interest shall have any right to withdraw or reduce its Capital Contribution. The Partners shall receive no interest on account of their respective Capital Contributions. The Partners shall have no personal liability for the repayment of the other Partners' Capital Contributions and/or Capital Account or any returns thereon.

5.5 Additional Capital Contributions. Neither the Partners nor the Partnership shall have any right to demand additional Capital Contributions.

ARTICLE 6

ALLOCATIONS AND DISTRIBUTIONS

6.1 Maintenance of Capital Accounts. Capital Accounts shall be determined and maintained in accordance with the provisions of Treas. Reg. § 1.704-1(b) or, if such regulations are amended, replaced, or superseded, in accordance with any applicable successor rules or regulations. Thus, each Partner's Capital Account will be increased by (i) the amount of money and the Asset Value of property contributed to the Partnership by each Partner, (ii) allocations to the Partner of Partnership Profit and amounts which are specially allocated pursuant to Sections 6.2.3 and 6.2.5 and (iii) the amount of any Partnership liabilities assumed by such Partner or which are secured by any Partnership Property distributed to such Partner, and decreased by (iv) the amount of money distributed to the Partner by the Partnership, (v) the Asset Value of Partnership Property distributed to the Partner, (vi) allocations of Partnership Loss, items in the nature of expenses or losses which are specially allocated pursuant to Sections 6.2.3 and 6.2.5 hereof, and (vii) the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any Partnership Property contributed by such Partner to the Partnership.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treas. Reg. § 1.704-1 (b), and shall be interpreted and applied in a manner consistent with such Regulations. The initial Capital Account of each Partner is set forth on Schedule "A".

6.2 General Rules for Allocation. Except as otherwise provided in this ARTICLE 6, for purposes of determining Partners' Capital Accounts and Partners' distributive shares for federal income tax purposes, income, gain, loss, and deductions (and items of each of the foregoing including income exempt from federal income taxation) shall be allocated in the manner provided in this Section.

6.2.1 Partnership Profit. After giving effect to the special allocations in Sections 6.2.3, 6.2.4 and 6.2.5, with respect to each Fiscal Year, Partnership Profit shall be allocated each Fiscal Year in accordance with each Partner's respective Percentage Interest.

6.2.2 Partnership Loss. After giving effect to the special allocations in Sections 6.2.3, 6.2.4 and 6.2.5, Partnership Loss shall be allocated each Fiscal Year in accordance with each Partner's respective Percentage Interest.

6.2.3 Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code § 734(b) or Code § 743(b) is required pursuant to Treas. Reg. § 1.704-1(b) (2) (iv) (m) to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Partners in a manner consistent with the

manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treas. Reg.

6.2.4 704(c) of the Code. Notwithstanding the foregoing, (i) in the event § 704(c) of the Code or § 704(c) principles applicable under Treas. Regs. promulgated under § 704(b) of the Code, require allocations of Partnership Profit or Partnership Loss in a manner different than set forth above, the provisions of § 704 (c) and the applicable Treas. Regs. promulgated under § 704(c) of the Code shall control such allocations. Allocations pursuant to § 704(c) shall be made for tax purposes only and shall not affect any Partner's Capital Account.

6.2.5 Regulatory Allocations. It is the intention of the Partners that the allocations hereunder comply with the provisions of Section 704(b) of the Code and the Treasury Regulations promulgated from time to time thereunder so that the allocations made hereunder will be deemed to have "substantial economic effect" as provided herein. To the extent special allocations of Partnership Profit or Loss are required to be made to comply with the requirements thereof, and which are not otherwise provided for herein, such special allocations shall be made in the manner set forth in the Code and Regulations, as determined in good faith by the General Partner. To the extent any such special allocations are made, subsequent allocations of Partnership Profit and Partnership Loss may be made to offset any economic distortion caused by such special allocations, as determined by the General Partner in good faith and where consistent with the first sentence of this Section 6.2.5.

6.3 Distributions. All distributions of Partnership property to the Partners shall be made Pro Rata to the Partners based on their respective Percentage Interests, from time to time. The Partnership may make distributions to the Partners, in cash or in-kind, by any reasonable means, including, without limitation, wire transfer of funds to an account designated by the Partner receiving such distribution or by delivery of a cashier's check or check drawn on the account of the Partnership by hand delivery or U.S. mail at such times as the General Partner shall determine, in its sole discretion, but not less frequently than annually by March 15 for distributions attributable to the prior calendar year, in an amount not less than the Cash Available for Distribution. Notwithstanding the foregoing, no distribution shall be made unless all liabilities of the Partnership then due, to Persons other than Partners, have been paid or, in the good faith judgment of the General Partner, there remains Partnership Property sufficient to pay such liabilities. The General Partner will not be liable on account of or with respect to distributions to the Partners by the Partnership made in good faith by the General Partner.

6.3.1 The General Partner may withhold the payment of distributions to any Partner that it has reason to suspect is violating any of the provisions of Section 12.11. The Partnership may continue to hold such distributions until the question of breach under Section 12.11 is resolved to the satisfaction of the General Partner, as an offset against damages to the Partnership.

ARTICLE 7

MANAGEMENT OF THE PARTNERSHIP AND INDEMNIFICATIONS

7.1 Authority of General Partner. Except as otherwise provided in this Agreement, all decisions respecting any matter set forth herein or otherwise affecting or arising out of the conduct of the Partnership business shall be made by the General Partner in its sole and absolute discretion, and the General Partner shall have the exclusive right and full authority to manage, conduct and operate the Partnership (and shall conduct such business consistent with the exercise of reasonable business judgment and otherwise in the ordinary course of business of the Partnership), including, without limitation, the power and authority: (i) to expend the capital and profits of the Partnership in furtherance of the Partnership's business; (ii) to borrow money from banks and other lending institutions for any Partnership purpose, and to pledge the assets of the Partnership and the Guaranties to secure repayment of the borrowed sums; (iii) to lend money to the Partnership and charge the Partnership interest on the same in accordance with Section 5.3; (iv) to retain or employ and coordinate the services of all employees, accountants, attorneys, consultants and other Persons necessary or appropriate to carry out the business and purposes of the Partnership; (v) to cause the Partnership to undertake the Initial Capitalization of the Partnership consistently with the provision of Section 5.2, and (vi) to execute, acknowledge, and deliver any and all documents and instruments and to undertake any and all acts, actions and transactions necessary or desirable to effectuate the foregoing.

7.2 Limits on Authority of General Partner.

Without the express prior written consent of a majority of Limited Partner Interests, the General Partner shall have no authority to:

7.2.1 Do any act in contravention of this Agreement;

7.2.2 Do any act which would make it impossible to carry on the ordinary business of the Partnership or to change or alter the business of the Partnership;

7.2.3 Commingle Partnership funds with funds of the General Partner or lend Partnership funds to the General Partner;

7.2.4 Confess a judgment against the Partnership;

7.2.5 Possess property of the Partnership or assign rights in such property, in either case, other than in the ordinary course of business (provided, the assignment and/or pledge of the assets of the Partnership and the Guaranties to obtain debt financing for the Partnership shall not require approval of the Limited Partners);

7.2.6 Change or reorganize the Partnership into any other legal form;

7.2.7 Dissolve the Partnership, except as otherwise provided in the Agreement;

7.2.8 Execute or deliver any general assignment for the benefit of creditors of the Partnership or permit the entry of an order of relief against the Partnership under the Federal Bankruptcy Code or any equivalent state statute;

7.2.9 Pledge the credit of the Partnership for any purpose except for Partnership purposes;

7.2.10 Cause the Partnership to guaranty the debt obligations of any Person other than the Partnership; or

7.2.11 Prepay any Partnership loan or lease or refinance any Partnership loan or lease prior to its respective stated maturity on terms less favorable than those of the then current loan or lease.

7.3 Management Company. The Partners understand and agree that the Partnership has engaged the services of a Management Company pursuant to the Management Agreement to provide ongoing, day-to-day management and supervision of the Partnership's business. In the event that the Management Agreement expires or terminates, the General Partner shall enter into a management agreement to replace the Management Agreement, which agreement shall be upon terms acceptable to the General Partner.

7.4 Designated Representative. Each non-individual Partner shall designate one or more Persons, each of which shall have authority to act on behalf of such Partner on Partnership matters. Any action taken by such designated representative(s) shall be binding on the Partner for whom such representative(s) acts and the Partnership shall be justified in relying upon the acts of such designated representative(s). The designated representative(s) of a Partner may be changed at any time by such Partner by delivering written notice thereof to the General Partner. The Partnership and General Partner may rely on copies or facsimiles, shall have the authority to rule conclusively on any conflicts of apparent authority and shall suffer no liability for any such actions undertaken in good faith.

7.5 Insurance. The General Partner will maintain, and will cause the Partnership to maintain, general liability, and products and related liability insurance coverage with financially sound and reputable insurance companies or associations in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a substantially similar business.

7.6 Liability and Indemnification of the General Partner.

7.6.1 Liability of General Partner. The General Partner, its Affiliates and their respective employees, officers and directors (collectively referred to herein as "Indemnified

Parties" and individually referred to as the "Indemnified Party") shall not be liable to any Partner or the Partnership for any action taken or omitted to be taken in connection with the business or affairs of the Partnership so long as the Indemnified Party is not found to be guilty of gross negligence, bad faith or willful misconduct with respect thereto. The General Partner may consult with legal counsel, accountants, and other independent professionals in respect of Partnership affairs, and it shall be fully protected and justified in any action or inaction which is taken or omitted reasonably and in good faith, in reliance upon and in accordance with the opinion or advice of such counsel, accountant, or other professional, provided that it shall have been selected with reasonable care.

7.6.2 Indemnification of General Partner. The Partnership shall indemnify and hold harmless the Indemnified Parties and shall pay any and all costs, expenses, damages, claims (including judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees) resulting from or relating in any way to any action taken or omitted to be taken by any Indemnified Party in connection with the Partnership, except that it shall not be indemnified in respect of any cost, expense, damage, claim or liability incurred by reason of gross negligence, bad faith or willful misconduct on the part of any Indemnified Party. Expenses (including attorneys' fees through all trials, appeals, and administrative proceedings) actually and reasonably incurred by any Indemnified Party in defending any action, suit, or proceeding instituted or threatened against such Indemnified Party shall be paid by the Partnership in advance of the final disposition of such action, suit, or proceeding, upon a preliminary determination, which determination shall not be unreasonably withheld, by the General Partner that such Indemnified Party will be entitled to indemnification pursuant hereto and upon receipt by the Partnership of a written undertaking by, or on behalf of such Indemnified Party, to repay such amounts unless it shall ultimately be determined that such Indemnified Party is entitled to be indemnified by the Partnership pursuant to this Section 7.6.2. Indemnification as provided for above shall continue as to the Indemnified Party after such Indemnified Party has ceased to be an employee, officer or director of the General Partner or any of its Affiliates.

7.6.3 Satisfaction of Liabilities Against the Partnership. The Partnership shall satisfy any judgment, decree, decisions, or settlement: (i) first, out of insurance proceeds available therefor; (ii) next, out of Partnership income or Partnership Property; and (iii) finally, out of the separate income, distributions, or property of the Partners, in possession of the Partnership, in proportion to their respective Percentage Interests.

7.6.4 Gross Negligence, Bad Faith and Willful Misconduct. For purposes of this Section 7.6, the determination that any Person has acted with gross negligence, bad faith or willful misconduct shall be made by the court or other body before which the relevant action, proceeding or investigation is pending or if none, by the General Partner acting in good faith. Provided, the General Partner shall not make a determination as to its own conduct.

7.7 Medical Advisory Board. The Partnership will establish and maintain a panel of qualified urologists affiliated with the Limited Partners to serve as informal, ad hoc advisers to and informal representatives of the Partnership (the "Medical Advisory Board"). The General

Partner shall appoint the members to the Medical Advisory Board from time to time, and establish the rules, duties and protocols for the Medical Advisory Board from time to time. Persons shall serve on the Medical Advisory Board at the sole discretion of the General Partner and may be compensated, and have such roles as determined by the General Partner, from time to time, in its sole discretion. Without limiting the foregoing, the General Partner may appoint Regional Medical Directors to serve as Executive Directors to and Members of the Medical Advisory Board, and the General Partner may also appoint Local Medical Advisors to serve as Members of the Medical Advisory Board. The Medical Advisory Board shall lack standing and authority to bind the Partnership to any matter and its Members are intended to serve in an advisory capacity and as ambassadors and informal representatives of the Partnership.

ARTICLE 8

ASSIGNABILITY OF INTERESTS

8.1 Limitation on Transfer of Partners' Interests. No Partner shall have the right to sell, transfer, pledge, assign or otherwise dispose of all or any part of its interest in the Partnership (including, without limitation, its interest in Partnership profits, cash distributions, capital and liquidation proceeds) or merge, reorganize or combine with or into another corporation or other entity, without the prior written consent of the General Partner, and any such attempt at assignment, transfer, sale, pledge, encumbrance or disposition without such consent shall be void and of absolutely no force or effect. The General Partner shall not have the right to sell, transfer, pledge, assign or otherwise dispose of its General Partner Interest in the Partnership without the prior written consent of fifty percent (50.0%) of the outstanding Limited Partner Interests and any such attempt shall be void and of absolutely no force or effect. The foregoing prohibitions shall include, without limitation, any disposition by sale, assignment, gift and exchange, and disposition by judicial order, legal process, execution, attachment, enforcement of a pledge, or sale under any of them, it being the intent of the Partners that the term "sale, transfer, pledge, assign, or otherwise dispose" be given the broadest meaning possible.

8.2 Special Limitations. Notwithstanding anything to the contrary, no proposed sale, assignment or transfer of a Partner Interest, or any part thereof, will be permitted or effective:

8.2.1 if such sale, assignment or transfer would cause the Partnership to be treated as an association taxable as a corporation for Federal income tax purposes or, when added to the total of all other sales or exchanges of Partner Interests within the preceding 12 months, would result in the Partnership being considered to have terminated within the meaning of Section 708 of the Code; or

8.2.2 if such transfer or assignment would violate any Federal or any state securities or "blue sky" laws applicable to the Partnership or to the Partner Interest to be transferred or assigned.

8.3 Certain Transfers Permitted. Subject to the provisions of Sections 8.1, 8.2 and 8.4:

8.3.1 a Limited Partner may sell all or any portion of its Partner Interest to any other Partner with the prior written consent of the General Partner;

8.3.2 a Limited Partner may transfer all of its Partnership Interest to a corporation or any other entity of which 100% of the voting securities or other voting interests is and remains controlled by the transferring Partner and the transferring Partner remains subject to all terms of this Agreement with the consent of the General Partner;

8.3.3 the General Partner may transfer any Limited Partner Interests it may hold under such terms and conditions as it may determine in its sole discretion where it deems such transfer to be in the best interests of the Partnership; and

8.3.4 The General Partner may collaterally pledge, assign or convey as security the Interests it holds in the Partnership, under such terms and conditions as it may determine in its sole discretion, to such persons that are providing loans, credit and/or credit facilities to the General Partner and/or its parent companies, including without limitation, HealthTronics Surgical Services, Inc.; and

8.3.5 The General Partner and Limited Partners may collaterally pledge, assign or convey as security the Interests they may hold in the Partnership, under such terms and conditions as the General Partner may determine in its sole discretion, to such persons that are providing loans, credit and/or audit facilities to or for the benefit of the Partnership.

8.4 Admission of Additional Partners. The General Partner may admit additional Partners only as may be expressly permitted by this Agreement. Transferees of a Limited Partner Interest may be admitted as a Limited Partner upon compliance with this Agreement and consent of the General Partner. The General Partner may establish the terms and conditions pursuant to which any person may be admitted to the Partnership, and such terms shall include the Percentage Interests each Partner shall hold in the Partnership. Additional persons admitted as Partners shall be admitted effective as of 11:59 p.m. on the last day of the calendar month in which calendar month the new Partners complete all conditions as may be imposed by the General Partner and execute a counterpart to this Partnership Agreement, as it may be amended from time to time, as well as any and all other documentation as may be required by the General Partner.

8.5 Additional Partners and Transferees Bound. Prior to the admission of an additional Partner or transfer of a Partner's Partnership Interest, any such additional Partner or transferee shall be required to join in and execute this Agreement and shall become an additional party hereto.

8.6 Resignation of the General Partner. The General Partner may resign as the General Partner by written notice mailed or delivered to the Limited Partners not less than ninety (90) days prior to the effective date of such resignation. Such resignation shall become effective upon the date specified in the notification.

8.7 Bankruptcy, Dissolution and Removal of General Partner.

8.7.1 Upon the Bankruptcy or dissolution of the General Partner or the issuance of a judgment by a court of competent jurisdiction (which judgment has not been appealed by the General Partner within the time permitted by applicable law or reversed within two years after such judgment is rendered) that the General Partner (i) committed gross negligence or willful misconduct or fraud in the handling of the Partnership's affairs, or (ii) materially breached its obligations hereunder after the delivery of written notice to the General Partner from not less than five percent (5.0%) of the outstanding Limited Partner Interests stating specifically the acts which are alleged to constitute such material breach and affording the General Partner a period of not less than thirty (30) days after receipt of such notice to cure such material breach, the General Partner shall be immediately divested from all authority as the "General Partner" under this Agreement and otherwise, but shall retain all ownership and other rights, including the right to vote the Partner Interest as a Limited Partner Interest. The Limited Partners shall select a new person to serve as "Managing Partner" who shall have all of the former authority and obligations of (but none of the Partner Interest of) the General Partner. A Managing Partner shall not obtain any ownership interest in the Partnership or be entitled to compensation from the Partnership unless approved in writing by seventy-five percent (75%) of the Partner Interests, and any such ownership interest must be agreed in writing with the Managing Partner and shall dilute all Partner Interests pro rata.

8.7.2 The "Bankruptcy" of the General Partner shall be deemed to have occurred upon the happening by or against the General Partner of any of the following:

(i) making of a general assignment for the benefit of creditors;

(ii) filing of a voluntary petition in bankruptcy;

(iii) the entry of an order of relief under the Federal Bankruptcy Code;

(iv) filing by the General Partner of a petition or answer seeking for the General Partner any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief from creditors under any statute, law or regulation; or filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in any proceeding of such nature;

(v) seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator of the General Partner or of all or any substantial part of the General Partner's properties; or

(vi) The passage of one hundred twenty (120) days following commencement of any proceedings against the General Partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, without such proceeding being dismissed; or the passage of ninety (90) days after the appointment, without the General Partner's consent or acquiescence, of a trustee, receiver or liquidator of the General Partner or of all or any substantial part of the General Partner's properties, unless the appointment is vacated or stayed, or the passage of ninety (90) days following the expiration of such a stay unless the appointment is vacated.

8.8 Distributions and Allocations in Respect to Transferred Interests.

8.8.1 If any Partnership Interest is sold, assigned, or transferred during any accounting period in compliance with this Agreement, Partnership Profit and Partnership Loss, and each item thereof, and all other items attributable to the transferred interest for such period shall be divided and allocated between the transferor and transferee by taking into account their varying interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the General Partner. Solely for purposes of making such allocations, the Partnership shall recognize such transfer not later than the end of the calendar month during which it is given written notice of such transfer in form and content reasonably satisfactory to the General Partner; provided, that if the Partnership does not receive a notice stating the date such Partnership Interest was transferred and such other information as the General Partner may reasonably require within 30 days after the end of the accounting period during which the transfer occurs, then all of such items of income, loss and attributes shall be allocated to the Person who, according to the books and records of the Partnership, on the last day of the accounting period during which the transfer occurs, was the owner of the Partnership Interest.

8.8.2 All distributions on or before the date of such transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Notwithstanding the foregoing, the Partnership and General Partner are authorized to make distributions as agreed in writing between the transferor and transferee or to make distributions in the ordinary course if the Partnership has not received satisfactory and timely prior written notice.

8.8.3 Neither the Partnership nor any Partner shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 8.8 or refusing to act in good faith, whether or not any Partner or the Partnership has knowledge of any transfer of ownership of any interest.

ARTICLE 9

TAX STATUS AND RETURNS

9.1 Tax Status and Returns.

9.1.1 Each of the Partners hereby recognizes that the Partnership will be subject to all provisions of Subchapter K of Chapter 1 of Subtitle A of the Code.

9.1.2 The General Partner: (i) shall cause to be prepared by the accountants retained by the Partnership, at the cost and expense of the Partnership, all tax returns and statements, if any, which must be filed on behalf of the Partnership with any taxing authority; (ii) shall make timely filings thereof and provide K-1 forms timely to the Partners; and (iii) shall maintain a copy of the Federal and state partnership tax returns.

ARTICLE 10

BOOKS, BANKING, SECURITIES, TAX WITHHOLDING

10.1 Books of Account. Complete and accurate books of account, in which shall be entered, fully and accurately, each and every transaction of the Partnership, shall be kept by, or at the direction of, the General Partner at the principal office of the Partnership or the Management Company and shall be open for inspection by the duly authorized representatives of the Partners, at a reasonable time pursuant to reasonable notice. All such books and records shall be maintained in the name of the Partnership and shall not be commingled with any books and records of any other entity. For all purposes of this Agreement, the Partnership's books of account shall be kept on the accrual basis of accounting unless otherwise required by law or determined by the General Partner.

10.2 Bank Accounts. The funds of the Partnership may be deposited in the name of the Partnership, in one or more bank accounts in one or more national banking associations (and all funds so deposited shall be deposited in the name of the Partnership) or state banks each with an unrestricted surplus of at least one hundred million dollars ($100,000,000). No funds not belonging to the Partnership shall be commingled with funds of the Partnership. The funds in the Partnership bank accounts shall be used solely for the business of the Partnership.

10.3 Securities. All securities owned by the Partnership shall be retained under appropriate security by the General Partner. All such securities shall be held in the name of the Partnership.

10.4 Tax Withholding. Any Partner and any assignee thereof, prior to any occasion on which any payment is to be made to such Partner or assignee thereof which may be subject to the withholding requirements applicable under the Code or any other tax statute and any regulations

promulgated pursuant or with respect thereto, shall furnish to the Partnership upon request the taxpayer identification number of the Partner or assignee to which such payment is to be made and any other information reasonably requested by the Partnership and shall provide to the Partnership satisfactory evidence pursuant to the Code or any other tax statute or such regulations that no tax withholding requirements are applicable with respect to such payment or that such payment is subject to a reduced rate of withholding. The Partnership may withhold such amounts from any such payment as shall be required by the Code or any other federal or state statute, rules or regulations to preclude the imposition of, and each Partner hereby indemnifies and agrees to defend and hold the other Partners and the Partnership harmless from and against, any loss, expense (including, without limitation, auditors' and attorneys' fees), penalty or other liability on the part of the Partnership or the other Partners by virtue of failure to effect such withholding and shall provide to the Partners, as required by law, all returns and reports required with respect thereto. Any amount required to be withheld shall be treated as a deemed distribution to the affected Partner and shall be deducted from any contemporaneous or future actual distributions to such Partner until the amount so deducted equals the amount withheld.

ARTICLE 11

DISSOLUTION OF PARTNERSHIP

11.1 Events Causing Dissolution. The Partnership shall be dissolved prior to expiration of its term only upon the occurrence of any one of the following events:

11.1.1 December 31, 2007, unless the General Partner and a majority of the Limited Partner Interests consent in writing to extend said date as provided in Section 4.2 (which consent may be granted or withheld in the sole discretion of the Partners);

11.1.2 the prior-written consent of the General Partner and Limited Partners holding not less than fifty percent (50.0%) of the Limited Partner Interests (which consent may be granted or withheld in the sole discretion of the Partners);

11.1.3 the sale or disposition of all the Partnership's Property; or

11.1.4 the resignation, Bankruptcy, or removal of the General Partner, the filing of a certificate of dissolution or its equivalent or the revocation of the charter (and the expiration of ninety (90) days after the date of notice to it of revocation without a reinstatement of its charter), of the General Partner or the occurrence of any other event which causes the General Partner or any General Partner to cease to be a partner of the Partnership under the Uniform Act, unless a "Managing Partner" is appointed pursuant to Section 8.7 and a majority of the Partner Interests consent to the continuation of the Partnership.

11.2 Winding Up. The winding up of the affairs of the Partnership and the distribution of its assets shall be conducted exclusively by the General Partner. The General Partner is hereby

authorized to do any and all acts and things authorized by law for these purposes. Liquidating distributions to the Partners shall only be in cash, not in kind. In the event of dissolution, insolvency, incapacity, Bankruptcy, or resignation of the General Partner, the winding up of the affairs of the Partnership and the distribution of its assets shall be conducted by a Person selected by the majority of Limited Partner Interests, which person is hereby authorized to do any and all acts and things authorized by law for such purposes.

11.3 Final Accounting. Upon dissolution of the Partnership, the accountants then retained by the Partnership shall prepare a statement setting forth the assets and liabilities of the Partnership as of the date of dissolution, and such statement shall be furnished to all Partners.

11.4 Liquidation, Allocations and Distributions. In the final Fiscal Year of the Partnership, Partnership Profit and Partnership Loss shall be credited or charged to the Capital Accounts of the Partners in accordance with the provisions of Article 6. Thereupon, all the assets of the Partnership, or the proceeds therefrom, shall be distributed or used as follows in the following order or priority:

11.4.1 for the payment of the debts and liabilities of the Partnership and the expenses of liquidation;

11.4.2 for making reasonable provisions for the payment of contingent liabilities or obligations of the Partnership, which provisions may include the setting up of any reserve which the General Partner may deem reasonably necessary for such purpose. Said reserves shall be held by the General Partner for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies, and as the General Partner shall deem advisable, to distribute the balance thereafter remaining in the manner hereinafter provided (any funds so held to be invested, until disbursed or distributed, in Permitted Liquid Investments); and

11.4.3 all amounts remaining shall be distributed to the Partners in proportion to and to the extent of the positive balances in their Capital Accounts.

11.5 Termination. The Partnership shall terminate when all Partnership Property shall have been disposed of and the assets shall have been distributed as provided in this Agreement.

ARTICLE 12

MISCELLANEOUS

12.1 Compliance with Laws. Each Partner hereby agrees and represents that it will, at all times during the term of this Agreement, use its best efforts to comply with all applicable laws, statutes, treaties and regulations of the United States with respect to the subject matter of this Agreement.

12.2 Notices. Unless stated otherwise herein, any notice under this Agreement shall be in writing and deemed to have been sufficiently given and delivered by hand or sent by registered or certified mail, postage prepaid, return receipt requested, or sent by recognized national courier or by confirmed telecopier to a party at the address of the recipient set forth on Schedule "A". The effective date of a notice shall be deemed to be the date on which such notice has been received by the party to whom it is addressed. Failure or refusal to accept notice shall be deemed delivery and receipt. Each party shall promptly give written notice of any change of its address and such address shall replace the address listed in Schedule "A" as the address for notice pursuant to this Agreement.

12.3 Meetings of the Partners; Voting.

12.3.1 The General Partner may, in its discretion, convene a meeting for any purpose; provided, however, that no action taken at any such meeting shall be binding on the Partners or the Partnership except to the extent specifically provided for herein. All consents, actions and votes required or permitted under this Agreement shall be taken by written consent.

12.3.2 In any matter described in this Agreement, the Limited Partner Interests may grant (or deny) consent in their sole discretion, may accomplish the same by granting to any person a special or general power of attorney to consent for it or it may grant or deny its consent in writing. Such written consent may be utilized at a meeting of the Partners or it may be utilized, without a meeting, in obtaining the consent of Partners to a matter submitted to all Partners entitled to grant or deny consent on such matter.

12.4 Headings. The section headings to this Agreement do not form a part of it, but are for convenience only and shall not limit or affect the meaning of the paragraphs.

12.5 Waivers and Amendments . No waiver by a Partner of any default hereunder shall operate as a waiver of any other default or of a similar default on a future occasion. No waiver of any term or condition hereof by a Partner shall be effective unless the same shall be in writing and signed by such Partner. No amendments, modifications or changes to this Agreement shall be effective unless reduced to writing and signed by the General Partner and Limited Partners holding not less than seventy-five percent (75.0%) of outstanding Limited Partner Interests.

12.6 Severability. In the event that any provision of this Agreement (other than a provision which goes to the essence of the consideration for this Agreement) is declared invalid, unenforceable or void to any extent by a court of competent jurisdiction, such provision shall be modified, if possible, by reducing its duration and scope to allow enforcement of the maximum permissible duration and scope. In any event, such declaration shall not affect the remaining provisions and this Agreement shall be enforced as modified, or if no modification is enforceable, as if such invalid clause had not been included.

12.7 Governing Law. Notwithstanding the place where this Agreement may be executed by either of the parties, this Agreement, the rights and obligations of the parties, and any claims and disputes relating thereto shall be subject to and governed by the Uniform Act and the other laws of the State of Georgia as applied to agreements among Georgia residents to be entered into and performed entirely within the State of Georgia, and such laws shall govern all aspects of this Agreement. Each Partner agrees to submit to the jurisdiction of the courts of the United States of America sitting in the State of Georgia for the resolution of any disputes under this Agreement which are not settled by arbitration pursuant to the provisions of Section 12.15 and agrees that process in any such action shall be deemed sufficiently served if sent to it by Certified Mail – Return Receipt Requested, postage prepaid at its address specified above in Section 12.2.

12.8 Successors; Assignability. This Agreement shall be binding upon and inure to the benefit of the Partners and their respective permitted successors and permitted assigns. This Agreement may not be assigned by any Partner without the prior written consent of the General Partner.

12.9 Entire Agreement. This Agreement represents the entire understanding of the Partners and shall supersede all prior agreements, communications, representations and understandings, either oral or written, among the Partners with respect to the subject matter hereof.

12.10 Public Announcements. Any announcements or similar publicity with respect to this Agreement or the transactions contemplated herein shall be at such time and in such manner as the General Partner shall agree, except that any Partner shall have the right without the consent of the others to make such public announcements as shall be legally required after disclosing the content of any such public announcement to the General Partner and, if possible, providing a reasonable opportunity for the General Partner to comment on such public announcement.

12.11 [Intentionally Omitted.]

12.12 Medical Records. The General Partner shall cause the Partnership to maintain such medical records and patient information, if any, as may be required by applicable laws and medical standards and shall maintain such records for a minimum of four years after the date of service or as required by law, whichever is longer.

12.13 Authority; No Conflict; Brokers. Each Partner represents that the execution, delivery and performance of this Agreement has been duly authorized by all necessary action on the part of such Partner and that the execution, delivery and performance of this Agreement by such Partner will not violate any contract, agreement, judgment or order to which such Partner is a Partner or by which it is bound. Each Partner represents that it has retained no broker or other similar intermediary, and no Person or firm is entitled to any fee, payment or other compensation as a result of this Agreement or other transactions contemplated herein, by reason of any actions of such Partner.

12.14 Use of Name. Except in connection with the business of the Partnership, no Partner shall use the name "Georgia Litho Group" in its business.

12.15 Dispute Resolution. Any controversy, claim or dispute arising out of or relating to this Agreement shall be settled if possible through good faith negotiations among the Partners. Only if such efforts are not successful shall such dispute be resolved by arbitration. In the event of arbitration, it shall take place in Atlanta, Georgia and shall proceed in accordance with the rules for Expedited Commercial Arbitration of the American Arbitration Association. The arbitration award shall be final and binding regardless of whether any Partner fails or refuses to participate in the arbitration and shall be enforceable by any court of competent jurisdiction. The costs of arbitration shall be borne by the Persons and in the percentages determined by the arbitrators. No dispute based on the alleged failure of any Partner to adhere to the terms of this Agreement shall be submitted to arbitration until such Partner has been given notice and at least 30 days to cure such alleged violation, or unless the other Partner believes in good faith that either the Partnership or it will suffer irreparable harm from such violation prior thereto. This agreement to submit disputes to arbitration shall not preclude either party from seeking injunctive relief if necessary to avoid irreparable harm to the Partnership or the Partners, to preserve the status quo pending arbitration. The authority of the Arbitrator is expressly limited to the interpretation and enforcement of this Agreement under Georgia law applicable to the construction of contracts.

12.16 Tax Matters Partner. The General Partner shall be the "Tax Matters Partner," as defined in Section 6231(a) (7) of the Code. The Tax Matters Partner shall keep the other Partners informed of all administrative and judicial proceedings for the adjustment at the partnership level of partnership items. The Tax Matters Partner shall have all the powers of a tax matters partner under Code Section 6221 et seq. and regulations thereunder. Each Partner hereby (i) expressly authorizes the Tax Matters Partner to enter into any settlement with the Internal Revenue Service with respect to any tax matter, tax item, tax issue, tax audit, or judicial proceeding, which settlement shall be binding on all Partners; (ii) waives the right to participate in any administrative or judicial proceeding in which the tax treatment of any Partnership item is to be determined; and (iii) agrees to execute such consents, waivers or other documents as the Tax Matters Partner may determine are necessary to accomplish the provisions of this Section. The Tax Matters Partner shall be entitled to reimbursement from the Partnership for all reasonable costs and expenses incurred by him or it in complying with and carrying out its responsibilities as the Tax Matters Partner, including the costs of bringing any petition and proceedings in the United States Tax Court or other courts of jurisdiction having jurisdiction over partnership tax matters.

12.17 Restrictions on Investment. The Partnership shall not acquire any shares of stock, stock purchase warrants, stock options, limited partnership interests, and/or other securities if the acquisition and/or holding thereof would require registration of the Partnership under the 1940 Act, unless a registration statement relating to the Partnership (or an exemption from such registration) shall have become effective under the 1940 Act.

12.18 Waiver of Action for Partition. Each Partner irrevocably waives during the term of the Partnership any right that it may have to maintain any action for partition with respect to the Partnership Property.

12.19 Interpretation. Words in the singular number shall include the plural and vice versa, and words in the masculine gender shall include the feminine and neuter genders and vice versa. No presumption shall apply that the provisions of this Agreement shall not be construed against the General Partner as preparer, because all Partners have had the opportunity to review this Agreement with their advisors.

12.20 Counterparts. This Agreement may be executed in any number of counterparts and all so executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

12.21 Partnership Business Opportunities. The General Partner, for itself and its Affiliates under its control, agrees that it shall not engage in or possess an interest in other business ventures, independently or with others, including, but not limited to, the ownership, operation, and management of businesses the same as, or substantially similar to, that of the Partnership, which competes directly with the business of the Partnership, without providing a right of first refusal to the Partnership. However, the Partners recognize that the General Partner and its Affiliates are engaged in the providing of medical equipment and other businesses, and neither the Partnership nor the Partners shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived therefrom, nor shall the General Partner or any Affiliate be required to divest itself of any interest it holds as of the date of this Agreement. No Partner nor any Affiliate of a Partner shall be obligated to present any particular opportunity to the Partnership, unless such opportunity arises after the date of this Agreement and is of a character which falls within the purposes of the Partnership as set forth in Section 3.1.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date hereinabove set forth.

INITIAL GENERAL PARTNER:

By: _____

Title: _____

INITIAL LIMITED PARTNER:

By: _____

Title: _____

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THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE GEORGIA SECURITIES ACT OF 1973, AS AMENDED, IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION SET FORTH IN SECTION 10-5-9(16) OF SUCH ACT. IN ADDITION, THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON AN EXEMPTION FROM SUCH REGISTRATION SET FORTH IN THE SECURITIES ACT OF 1933 PROVIDED BY SECTION 4(2) THEREOF, REGULATION D THEREUNDER, NOR HAVE THEY BEEN REGISTERED WITH THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON CERTAIN EXEMPTIONS FROM REGISTRATION. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD OR TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT AND IN A TRANSACTION WHICH IS EITHER EXEMPT FROM REGISTRATION UNDER SUCH ACTS OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACTS.

Schedule "A"

	Address	Percentage Interest[1]	Capital Contribution
Initial General Partner: Integrated Lithotripsy of Georgia, Inc.	1841 West Oak Parkway Suite A Marietta, Georgia 30062	10.0% (100 Units)	$100.00
	Total General Partner:	10.0%	$100.00
Initial Limited Partner: Integrated Lithotripsy of Georgia, Inc.	1841 West Oak Parkway Suite A Marietta, Georgia 30062	90.0% (900 Units)	$100.00
	Total Limited Partner:	90.0%	$100.00
	GRAND TOTAL	100.0%	$200.00

NOTES:

[1] Each Unit of Percentage Interest includes the Guaranty of the financial obligations of the Partnership in the amount of Nine Thousand Five Hundred Dollars ($9,500.00).

EXHIBIT "D"

Management Agreement

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (the "Agreement") is by and between Georgia Litho Group, LLLP, a Georgia limited liability limited partnership (the "Partnership"), and Litho Group, Inc., a Delaware corporation, d/b/a Lithotripsy Management Associates ("Manager") effective as of June 18, 2002.

RECITALS:

NOW, THEREFORE, in consideration of the premises and obligations undertaken by the parties pursuant hereto, the parties agree as follows:

Section 1. Engagement.

The Partnership hereby engages Manager to provide the management services described herein, and Manager hereby accepts such engagement, all on the terms and conditions set out herein. This Agreement supercedes and replaces any prior negotiations which relate to the subject matter of this Agreement.

Section 2. Management Services to be Provided.

Subject to the direction and approval of the General Partner of the Partnership or of a person designated by it, Manager shall perform the following management duties pursuant to this Agreement:

2.1 Management. Manager shall have the authority and responsibility to conduct, supervise and manage the day-to-day operations of the Business such as billing, scheduling of appointments, collection of revenues, disbursement of funds, coordination with third party payers, obtaining supplies, utilities, and services, and providing such services as are required for the efficient operation of the Business. Manager shall carry out its duties at the direction of the Partnership and keep the Partnership informed as to all major policy matters affecting the Business. Manager shall make no material changes not reflected in the Budget described herein without the prior approval of the General Partner. In this connection, Manager shall have all reasonable discretion in the Partnership's operations and shall exercise its reasonable judgment in the management and operation of the Business in the absence of direction from the Partnership.

2.2 Budget. Manager shall submit an operating budget (the "Budget") to the Partnership for its approval at least thirty (30) days in advance of January 1st of each year. The Budget shall be prepared in reasonable detail and shall include a schedule of operating expenses, a schedule of expected repairs and maintenance expenses and a schedule of proposed capital items to be acquired by the Partnership, if any. After approval by the Partnership, such Budget and schedules shall, in general, form the basis on which expenditures for the operation of the Business shall be made. The Budget may, however, be modified by the Partnership upon reasonable notice to Manager.

Manager makes no guarantee, warranty or representation in connection with any Budget or schedule to be submitted hereunder other than that each Budget represents Manager's reasonable estimate of the matter involved. In case of a dispute with regard to the Budget, pending the settlement thereof, Manager shall be entitled to continue to operate the Business and in connection therewith to make such expenditures as it may reasonably deem necessary for the continued operation of the Business.

2.3 Management Plan. From time to time as the need arises, Manager shall recommend to the Partnership a plan for the operation of the Business (the "Management Plan"). The Partnership shall have the right to approve, modify or reject the Management Plan submitted by Manager. Upon approval of the Management Plan, Manager shall operate the Business in accordance with such Management Plan. The Management Plan shall, in sufficient detail, describe (a) the charges to be assessed by the Partnership for all procedures, excluding the professional component of billed services, and the charges for special supplies and special services; (b) personnel procedures and policies for personnel, including policies and procedures relating to employment, discharge, supervision, management, compensation levels and job description; (c) establishment of administrative procedures, including procedures for collection of accounts receivable, payment of accounts payable and indebtedness, accounting methods to be employed for the Business, patient registration procedures and reimbursement procedures with respect to Medicaid, Medicare, Blue Cross, and other third party payment contracts and programs in which the Business may from time-to-time participate; and (d) an overview of marketing programs and activities designed to promote the Partnership and the Business. The Management Plan's contents are totally within the discretion of the Partnership and no such plan shall be implemented without the Partnership's approval.

2.4 Personnel. Manager shall employ an Area Manager of the Business. The Area Manager of the Business, acting in accordance with the Budget and the Management Plan, shall be directly responsible for the day-to-day operations of the Business. Manager shall supervise, manage and direct the Area Manager, to assure compliance with the Management Plan, and shall provide such other supervision and support as may be necessary for the efficient operation of the Business.

Manager shall not be liable or responsible to the employees of the Partnership for their wages, fringe benefits or other forms of compensation. The Partnership shall be solely responsible for providing funds for the payment of all such compensation, including fringe benefits, payable with respect to such employees. The Partnership shall also be responsible for providing funds to pay the employer's contribution of FICA, unemployment compensation and other employment taxes, worker's compensation, group life and accident and health insurance premiums, retirement plan contributions and expenses, and other benefits which may be payable by the Partnership with respect to its employees.

2.5 Utilities and Services. Manager shall arrange for or obtain contracts in the ordinary course of business and of reasonable duration in the name of and at the expense of the Partnership to provide the Business with all necessary utilities, janitorial and maintenance

services, pest control, telephone service, and such other services and concessions which are reasonably necessary in the operation of the Business.

2.6 Operating Supplies. Manager shall arrange for the purchase of all necessary surgical and administrative supplies and materials in the name of and for the account of the Partnership in accordance with the Budget and Management Plan approved by the Partnership.

2.7 Repairs. Manager shall arrange for all necessary or desirable maintenance contracts, repairs, renovations and replacements to or for the equipment and the Business, furniture and furnishings used by the Partnership.

2.8 Licenses and Permits. Manager shall apply in the name of the Partnership for all licenses and permits required in connection with the operation of the Business.

2.9 Bank Accounts. Manager shall deposit with a bank or other financial institution selected by the Partnership, in an account in the Partnership's name, all monies received by Manager for and on behalf of the Partnership. Manager shall be responsible for writing checks on any Partnership account and Manager shall have signature authority for disbursements of up to $50,000. Checks for disbursements over $50,000 will be required to be cosigned by an authorized representative of the Partnership. There shall be no commingling of Manager's funds with the Partnership's funds.

2.10 Disbursements. Manager shall disburse and pay on behalf of the Partnership, in such amounts and at such times as the same are required in connection with the operation of the Business, the following:

2.10.1 All taxes, assessments, and impositions of every kind imposed by any governmental authority having jurisdiction, unless the payment thereof is contested in good faith by the Partnership;

2.10.2 All costs and expenses of operating the Business, including without limitation:

2.10.2.1 Lease obligations and debt service obligations;

2.10.2.2 The cost of all purchases of operating supplies and Business maintenance contracts;

2.10.2.3 Salaries, fringe benefits and expenses of the Partnership employees;

2.10.2.4 The cost of advertising and promotion of the Business;

2.10.2.5 Expenditures incurred in the ordinary course of business or which have been provided for in the annual Budget and related schedules for the year;

2.10.2.6 Premiums for insurance maintained with respect to the Business;

2.10.2.7 The cost of utilities, services and concessions at the Business;

2.10.2.8 The expenses of the Partnership's membership in any professional or trade associations deemed desirable by Partnership;

2.10.2.9 Application fees and any other expenses associated with obtaining licenses and/or permits required in connection with the Business; and

2.10.2.10 Any other charge, item or expense which the Partnership in writing directs to be paid.

2.11 Insurance. With Manager's administrative assistance, insurance will be obtained and maintained by the Partnership at the Partnership's expense, for such purposes and with such limits of liability as the Partnership shall deem reasonably advisable. At the written request of Manager, all such policies, except workers compensation insurance policies, shall be written or amended to include Manager, its agents, servants, employees, officers, and directors as additional named insureds.

2.12 Accounting. Manager shall arrange for the provision of all accounting functions necessary in the operation of the Business including payroll, taxes, income statements, and balance sheets at the Partnership's expense.

2.13 Financial Reports. Manager shall deliver or cause to be delivered to the General Partner financial statements as follows:

2.13.1 At least thirty (30) days in advance of each fiscal year, an estimated profit and loss statement (a/k/a income statement) and an estimated cash flow projection statement in reasonable detail for the upcoming fiscal year;

2.13.2 On or before the fifteenth (15th) working day of each month, financial statements, including a balance sheet, income statement and cash flow statement prepared on the accrual basis according to generally accepted accounting principles, showing the results of operations of the Business for the preceding month and year-to-date;

2.13.3 Within thirty (30) days after the end of each fiscal year of the Business, an unaudited balance sheet and related statement of profit and loss.

2.14 Narrative Reports. Manager shall, at the reasonable request of the Partnership, deliver to the Partnership written narrative reports discussing the operation of the Business. Manager shall also be available to report to, consult with and advise the Partnership on all matters pertaining to the operation of the Business at such times as the Partnership may reasonably request.

2.15 Agency. In the performance of its duties as the manager of the Business, Manager shall act as the agent of the Partnership. All debts and liabilities to third parties incurred by Manager in the regular course of its management of the Business shall be the debts and liabilities of the Partnership, and Manager shall not be liable for any such debts or liabilities. Nothing contained in this Agreement shall be construed to create a joint venture or partnership between the Partnership and Manager.

2.16 Confidentiality. Manager shall not disclose or otherwise use in an unauthorized manner, while this Agreement is in effect or after it is terminated, any confidential business information, patient records, or documents of the Partnership or the Business without the express prior written consent of the Partnership.

2.17 Quality Control. Manager shall assist the Partnership in the evaluation of all quality control aspects of the Business and its operations, and the implementation, at the Partnership's direction, of quality control programs designed to bring about a high standard of health care in accordance with the Partnership's policies and resources available to the Business.

2.18 Medical and Professional Matters. The Partnership shall be solely responsible for all medical matters in connection with the operation of the Business, including, but not limited to, providing medical services, the employment and the supervision of medical staff, establishing a quality assurance program, advising Manager in regard to obtaining adequate Business, and obtaining accreditation for the Business, if desired.

2.19 Covenant Not to Hire. The Partnership shall not employ the Area Manager or other personnel in the employ of Manager without written permission from Manager until two (2) years after termination of this Agreement; provided, however, that the provisions of this Section shall not apply if this Agreement is terminated by the Partnership pursuant to Section 5.4 hereof.

Section 3. Partnership Management Services.

Subject to the direction and approval of the Partnership or of a person or entity designated by it as the managing partner (the "Managing Partner"), Manager shall perform the following duties for the Partnership pursuant to this Agreement:

3.1 Coordinate the transfer of ownership interest between partners and/or the Partnership.

3.2 Coordinate and supervise the preparation and delivery of financial reports to the Partnership.

3.3 Provide property management services to include, verification of payment of all taxes, confirm adequacy of insurance coverage, verify timely maintenance on Business, and inspect property.

Section 4. Compensation of Manager.

4.1 Reimbursement of Out-of-Pocket Expenses. Manager shall receive reimbursement for necessary out-of-pocket expenses incurred by it in the management of the Business and the Partnership. These expenses, will include, without limitation, direct out-of-pocket expenses incurred in connection with the business of the Partnership, including without limitation, travel expenses.

4.2 Compensation for Management Services. For management services rendered hereunder, Manager shall receive an annual management fee in an amount equal to $480,000.00, such amount to be paid $40,000.00 monthly in advance.

4.3 Accrual of Management Fees. To the extent funds are not available for the payments set out herein during any term of this Agreement, the management fees payable to Manager shall be paid to Manager as funds become available, but in no event more than ninety (90) days following the close of the Business's fiscal year in which such funds become available.

Section 5. Default: Remedies.

5.1 Default by Partnership. It shall constitute an event of default under this Agreement (an "Event of Default") by the Partnership if the Partnership:

5.1.1 To the extent not provided for by Section 4.3., above, fails to pay for services rendered hereunder within ten (10) business days after a written statement for such services is rendered to the Partnership;

5.1.2 Fails to observe, keep or perform any other material provision of this Agreement required to be observed, kept or performed by the Partnership;

5.1.3 Fails to remedy, cure or remove such failure in payment within ten (10) business days after receipt of written notice thereof from Manager or fails to remedy, cure or remove such other failure in observing, keeping or performing the provisions of this Agreement;

5.1.4 Fails to maintain adequate insurance coverage pursuant to the terms of this Agreement; or

5.1.5 Fails timely to indemnify Manager pursuant to terms of this Agreement.

5.2 Right to Cure. Except for a Default under Section 5.1.1 above, the Partnership shall have thirty (30) days from the receipt of written notice of a Default under this Section to remedy such Default before Manager may exercise its remedies provided herein.

5.3 Manager's Remedies. If an Event of Default by Partnership shall occur, Manager shall have the right to exercise any one or more of the following remedies:

5.3.1 Declare the entire amount of fees due hereunder immediately due and payable without notice or demand to Partnership;

5.3.2 Make demand for and recover all fees and other payments then accrued or thereafter accruing through a demand for binding arbitration as provided hereunder;

5.3.3 Terminate this Agreement by and between the Partnership and Manager; or

5.3.4 Pursue any other remedy at law or in equity, subject to the agreement to arbitrate all disputes as provided herein.

Notwithstanding any action which Manager may take, the Partnership shall be and remain liable for the full performance of all obligations on the part of the Partnership to be performed under this Agreement.

5.4 Default by Manager. It shall constitute an Event of Default by Manager under this Agreement if Manager:

5.4.1 Commits fraud, misappropriation, embezzlement, or the like, of Partnership assets or property;

5.4.2 Commits or engages in gross negligence, willful misconduct or any intentional breach of its fiduciary duty to the Partnership;

5.4.3 Engages in competition with Partnership. For purposes of this Agreement, the term "engaging in competition with Partnership" shall mean serving as a director, officer, partner, manager, consultant, agent, independent contractor, advisor, stockholder (except for ownership of less than five percent (5%) of the stock of a publicly-traded company) or otherwise, providing any services for, any business or organization that offers lithotripsy services within a ten (10) mile radius of the location where such business of Partnership is then conducted; provided that management services rendered to HealthTronics Surgical Services, Inc. and its affiliates shall not be deem to be "engaging in competition with Partnership."

5.4.4 Materially fails to provide the services called for hereunder, which material failure continues for a thirty (30) day period after it shall receive

written notice of a Default under this Section, it being agreed that the delivery of the third such notice within any period of twelve (12) consecutive months shall constitute an incurable event of default.

5.5 Right to Cure. The Manager shall have thirty (30) days from the receipt of written notice of Default to remedy such Default before the Partnership may exercise its remedies provided herein.

5.6 Partnership's Remedies. If an Event of Default by Manager shall occur, the Partnership shall have the right to terminate this Agreement upon thirty (30) days' prior written notice thereof setting forth with particularity the Event of Default committed by Manager giving rise to the termination, in which case all of the Partnership's obligations to Manager shall cease as of the effective date of such termination, unless cured as provided above.

Section 6. Term of the Agreement.

6.1 Term. This Agreement shall be effective as of June 18, 2002, and shall continue in effect from such date through December 31, 2007. This Agreement shall renew automatically for successive terms of three (3) years each, unless written notice of non-renewal is delivered by a party hereto to the other not less than one hundred twenty (120) days nor more than one hundred eighty (180) days prior to expiration of any term.

6.2 Termination With Cause. Either Manager or the Partnership may terminate this Agreement at any time for cause upon written notice to the other party of its intent so to do. For purposes of this Agreement, "cause" shall mean the occurrence of an Event of Default which Event of Default have not been cured as provided in Section 5, above.

6.3 Termination Without Cause. In addition to the rights of termination set out elsewhere herein, this Agreement may be terminated at any time by the Partnership without cause upon 180 days' prior written notice to Manager by the Partnership or the General Partner and upon compliance by the Partnership with the application provisions of Section 6.4.2, below.

6.4 Payment of Fees Upon Termination.

6.4.1 Termination with Cause. Upon the termination of this Agreement for cause, all amounts due Manager hereunder shall be paid to Manager by the Partnership within ninety (90) days of such termination. If termination is by Manager due to the default of the Partnership, amounts due to Manager shall bear interest as provided in Section 6.4.2.1 below.

6.4.2 Termination Without Cause. Upon termination of this Agreement by the Partnership without cause:

6.4.2.1 All amounts due Manager hereunder shall be paid to Manager by the Partnership within ninety (90) days of such termination, and shall accrue interest until paid at the prime

interest rate as from time-to-time announced by Sun Trust Bank, N.A., and

6.4.2.2 In addition, the Partnership shall pay to Manager, as liquidated damages, a lump sum equal to all fees due for the remaining term of this Agreement calculated by multiplying the average monthly management fee earned by Manager for the preceding 12 months by the number of months remaining in the term of the Agreement, as amended.

6.5 Delivery of Property Upon Termination. Upon termination of this Agreement for any reason whatsoever, the Partnership shall promptly deliver to Manager all proprietary information, including administrative, accounting and personnel policy and procedure manuals prepared by Manager, and all computer software systems owned by Manager. Manager shall cooperate with the Partnership to effect the termination and transition to another management company if one is appointed by the Partnership to succeed Manager. Upon termination, Manager shall deliver to the Partnership all funds controlled by or in the possession of Manager as agent for the Partnership.

Section 7. Miscellaneous.

7.1 Indemnification by the Partnership. The Partnership shall indemnify Manager and hold harmless from any and all liability, including reasonable attorney's fees, caused by or resulting from any negligent or intentional acts or omissions of the Partnership or any officer, director, agent or employee thereof.

7.2 Indemnification by Manager. Manager shall indemnify the Partnership and hold it harmless from any and all liability, including reasonable attorney's fees, caused by or resulting from the negligent or intentional acts or omissions of Manager or any officer, director, agent or employee thereof.

7.3 Disclaimer of Employment of Medical Employees. No person employed by the Partnership as a physician, surgical or recovery nurse or member of the surgical support staff shall be or be deemed to be an employee of Manager, and Manager shall have no liability for payment of their wages, payroll taxes and other expenses of employment, except that Manager shall have the obligation to exercise reasonable care in its management of the Business and to apply available Business revenues to the payment of such wages, benefits, and payroll taxes.

7.4 Non-Assumption of Liabilities. Manager shall not, solely by the virtue of entering into and performing this Agreement, become liable for, and Partnership shall indemnify Manager against, any of the existing or future obligations, liabilities or debts of the Partnership, and Manager shall, in its role as manager, have only an obligation to exercise reasonable care in the management and handling of the funds generated from the operation of the Business.

7.5 Access to Records; Confidentiality of Records. Manager shall, during the term hereof, be given complete access to the Business, its records, offices and facilities in order to carry out its obligations hereunder, subject to confidentiality requirements of patient medical records as established by the Partnership in consultation with Manager. Manager shall use its best efforts to maintain the confidentiality of all files and records, including patient records, of the Business, disclosing the same only as directed by law or by the Partnership in any particular instance.

7.6 Successors. All the provisions herein contained shall be binding upon and inure to the benefit of the successors (including resulting corporations or partnerships in a merger, consolidation or other reorganization) and assigns of Manager and the Partnership to the same extent as if each such successor and assign were in each case named as a party to this Agreement.

7.7 Restriction on Assignment. Both parties hereto acknowledge that the services to be rendered are unique and personal. Accordingly, neither party may assign its interest in or delegate the performance of its obligations under this Agreement to any person without the prior written consent of the other party, except that: (1) Manager may assign its interest or delegate the performance of its obligations to an affiliated company set up expressly for the purpose of providing management services to the Partnership pursuant to this Agreement so long as Manager remains ultimately responsible for all of its obligations hereunder; and (2) the Partnership may assign its interest and delegate the performance of its obligations to a new owner if changes in applicable statutes, rules, regulations or professional ethical standards prohibit or render impractical physician ownership of mobile lithotripters.

7.8 Rights Cumulative; No Waiver. No right or remedy herein conferred upon or reserved to either of the parties hereto is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter legally existing upon the occurrence of an event of default hereunder. The failure of either party to insist at any time upon the strict observance or performance of any of the provisions of this Agreement or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment thereof with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties hereto may be exercised from time to time and as often as may be deemed expedient by the parties, as the case may be.

7.9 Headings. The section and paragraph captions and headings contained in this Agreement are for included reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

7.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original document and all of which, taken together, shall be deemed to constitute but a single original document.

7.11 Notices. All notices, offers, requests, demands, and other communications pursuant to this Agreement shall be given in writing by personal delivery, by prepaid first class

registered or certified mail properly addressed with appropriate postage paid thereon, telegram, telex, telecopier, facsimile transmission, and shall be deemed to be duly given and received on the date of delivery if delivered personally, on the second day after the deposit in the United States Mail if mailed, upon acknowledgment of receipt of electronic transmission if sent by telecopier or facsimile transmission, or on the first day after delivery to the telegraph office if given by prepaid telegraph. Notices shall be sent to the parties at the following address:

If to the Partnership:	GEORGIA LITHO GROUP, LLLP 1841 West Oak Parkway Suite A Marietta, Georgia 30062
With a copy to:	ANDRE & BLAUSTEIN, LLP The Candler Building, Suite 700 127 Peachtree Street, N.E. Atlanta, Georgia 30303-1800 Attention: Jon G. Blaustein, Esq.
If to Manager:	LITHOTRIPSY MANAGEMENT ASSOCIATES 730 Glen Ferry Trail Atlanta, Georgia 30328 Attention: Ms. Tracy M. Stolarski
With a copy to:	HealthTronics Surgical Services, Inc. Attn: General Counsel 1841 West Oak Parkway Suite A Marietta, Georgia 30062

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

7.12 Entire Agreement. This Agreement, including any exhibits, schedules, lists and other documents and writings referred to herein or delivered pursuant hereto, all of which form a part hereof, contains the entire understanding of the parties with respect to its subject matter. It merges and supersedes all prior and/or contemporaneous agreements and understandings between the parties, written or oral, with respect to its subject matter and there are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter hereof other than those expressly set forth herein. This Agreement may be amended only by a written instrument duly executed by all parties or their respective heirs, successors, assigns or legal personal representatives.

7.13 Severability. In the event that any provision of this Agreement, or the application thereof to any person or circumstance, is held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, or the application of the invalid, illegal or

unenforceable provision to any other persons or circumstance, and this Agreement shall then be construed as if such invalid, illegal or unenforceable provision had not been contained in this Agreement, but only to the extent of such invalidity, illegality or unenforceability.

7.14 Governing Law: Forum: Service of Process: Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia. This Agreement and its subject matter have substantial contacts with Georgia, and all actions, suits, or other proceedings with respect to this Agreement shall be brought only in Fulton County, Georgia and shall be resolved by binding arbitration as provided below. In any such proceeding, such arbitrator shall have personal jurisdiction of all of the parties hereto, to which each signatory hereby consents, and service of process upon them under any applicable statutes, laws, and rules shall be deemed valid and good, including service of process by mail which the parties hereto expressly consent to without regard to any Georgia rule prohibiting such service and without regard to whether or not the recipient signs an acknowledgment of service. To the extent such service fails to provide any party hereunder with adequate notice or time to respond, the arbitrator shall freely grant relief in the form of an extension of time to respond. Each signatory further agrees to be bound by the decision of the arbitrator so selected as to the payment of attorney's fees and expenses relating to such proceedings. The parties hereby waive any right to a jury trial and waive any argument based on lack of capacity to sue and consent to venue in Fulton County, Georgia.

7.15 Corporate Authorization. Each individual executing this Agreement on behalf of a corporation represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of said corporation in accordance with a resolution of the Board of Directors duly adopted in accordance with the Bylaws of said corporation; that this Agreement is binding on said corporation in accordance with its terms; and that this Agreement is not in violation of or inconsistent or contrary to provisions of any other agreement to which such corporation is a party.

7.16 Dispute Resolution. Any controversy, claim or dispute arising out of or relating to this Agreement shall be settled if possible through good faith negotiations between the Partnership and Manager. Only if such efforts are not successful shall such dispute be resolved by arbitration. In the event of arbitration, it shall take place in Atlanta, Georgia and shall proceed in accordance with the rules for expedited commercial arbitration of the American Arbitration Association. **PUNITIVE DAMAGES ARE EXPRESSLY WAIVED.** The arbitration award shall be final and binding regardless of whether one of the parties fails or refuses to participate in the arbitration and shall be enforceable by any court of competent jurisdiction. The costs of arbitration shall be borne by the parties to the proceedings and in the percentages determined by the arbitrators in their sole discretion. No dispute based on the alleged failure of either party to adhere to the terms of this Agreement shall be submitted to arbitration until such party has been given notice and at least 30 days to cure such alleged violation, or unless the other party believes in good faith that either the Partnership or it will suffer irreparable harm from such violation prior thereto. This agreement to submit disputes to arbitration shall not preclude either party from seeking injunctive relief if necessary to avoid irreparable harm to the Partnership or to the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by themselves or their duly authorized representative as of the day and year first written above.

GEORGIA LITHO GROUP, LLLP	LITHO GROUP, INC. d/b/a Lithotripsy Management Associates
By: _____	By: _____
Authorized Officer	Authorized Officer
_____,	
General Partner	
_____	_____
Date Executed	Date Executed

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EXHIBIT "E"

Financial Statements of Selling Partnerships

Balance Sheet

As of May 31, 2002

ASSETS	
Current Assets	
Checking/Savings	
1035 · Checking-SunTrust	87,757.17
Total Checking/Savings	87,757.17
Accounts Receivable	
1110 · Accounts Receivable	136,845.00
Total Accounts Receivable	136,845.00
Other Current Assets	
1209 · Accounts Receivable Other	8,965.77
1515 · Prepaid Expenses	22,681.66
Total Other Current Assets	31,647.43
Total Current Assets	256,249.60
Fixed Assets	
1700 · Property and Equipment	427,476.03
Total Fixed Assets	427,476.03
TOTAL ASSETS	683,725.63
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	79,365.82
Total Accounts Payable	79,365.82
Other Current Liabilities	
2110 · Accrued Expenses	47,855.49
2330 · Car Loan	7,577.82
2331 · Modularis Loan	75,997.11
Total Other Current Liabilities	131,430.42
Total Current Liabilities	210,796.24
Long Term Liabilities	
2430 · Capital Lease Payable-Modularis	241,506.39
2431 · Lease Payable - Car Loan	21,088.25
Total Long Term Liabilities	262,594.64
Total Liabilities	473,390.88
Equity	
3035 · Partners' Draws	(1,498,894.44)
3900 · Partners Capital	1,304,493.59
Net Income	404,735.60
Total Equity	210,334.75
TOTAL LIABILITIES & EQUITY	683,725.63

Unaudited

NORTH GEORGIA LITHOTRIPSY PARTNERS OF ATLANTA

Statement of Income and Expenses

For the Five Months Ended May 31, 2002

	TOTAL
	Jan - May '02
Ordinary Income/Expense	
Income	
4010 · Lithotripsy Fees	671,775.00
4050 · Miscellaneous Income	19,925.00
Total Income	691,700.00
Cost of Goods Sold	
5010 · Salaries & Benefits	60,849.91
6120 · General Clinical Suppli	0.00
6304 · Maintenance	59,920.97
6430 · Equipment Taxes	8,236.28
6431 · Unit Cost	12,600.00
6439 · Travel & Lodging	18,533.60
6690 · Food/Supplies Unit	0.00
Total COGS	160,140.76
Gross Profit	531,559.24
Expense	
6500 · Professional Fee	3,168.67
6550 · Director Fees	12,500.00
6624 · Insurance	10,500.00
6625 · Telephone	385.39
6634 · Office Expense	0.00
6659 · Taxes, Licenses & Dues	1,200.00
6665 · Employee Training	0.00
6670 · Bank Service Charges	0.00
6705 · Miscellaneous Exp	0.00
6767 · Management Fees	52,500.00
Total Expense	80,254.06
Net Ordinary Income	451,305.18
Other Income/Expense	
Other Expense	
5080 · Depreciation	32,421.45
7015 · Interest Capital Lease	13,012.82
7020 · Interest	1,135.31
Total Other Expense	46,569.58
Net Other Income	(46,569.58)
Net Income	404,735.60

Unaudited

Balance Sheet

As of December 31, 2001

ASSETS	
Current Assets	
Checking/Savings	
1035 · Checking-SunTrust	80,015.91
Total Checking/Savings	80,015.91
Accounts Receivable	
1110 · Accounts Receivable	144,395.00
Total Accounts Receivable	144,395.00
Other Current Assets	
1209 · Accounts Receivable Other	4,000.00
1515 · Prepaid Expenses	9,681.66
Total Other Current Assets	13,681.66
Total Current Assets	238,092.57
Fixed Assets	
1700 · Property and Equipment	442,732.93
Total Fixed Assets	442,732.93
TOTAL ASSETS	680,825.50
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	90,312.97
Total Accounts Payable	90,312.97
Other Current Liabilities	
2020 · Accounts Payable Other	
2110 · Accrued Expenses	47,813.23
2330 · Car Loan	31,390.36
Total Other Current Liabilities	79,203.59
Total Current Liabilities	169,516.56
Long Term Liabilities	
2430 · Capital Lease Payable	347,109.78
Total Long Term Liabilities	347,109.78
Total Liabilities	516,626.34
Equity	
3900 · Partners Capital	172,952.10
3035 · Partners' Draws	(1,140,294.43)
Net Income	1,131,541.49
Total Equity	164,199.16
TOTAL LIABILITIES & EQUITY	680,825.50

Unaudited

NORTH GEORGIA LITHOTRIPSY PARTNERS OF ATLANTA

Statement of Income and Expenses

For the Twelve Months Ended December 31, 2001

	TOTAL Jan - Dec '01
Ordinary Income/Expense	
Income	
4010 · Lithotripsy Fees	1,759,195.05
4050 · Miscellaneous Income	8,154.77
Total Income	1,767,349.82
Cost of Goods Sold	
5010 · Salaries & Benefits	163,340.07
6120 · General Clinical Suppli	770.14
6304 · Maintenance	98,247.07
6428 · Equipment Rental	983.20
6430 · Equipment Taxes	16,788.30
6439 · Travel & Lodging	36,298.11
6690 · Food/Supplies Unit	153.62
Total COGS	316,580.51
Gross Profit	1,450,769.31
Expense	
6624 · Insurance	29,492.32
6500 · Professional Fee	16,880.13
6625 · Telephone	931.91
6634 · Office Expense	322.72
6655 · Marketing and Promotion	0.00
6659 · Taxes, Licenses & Dues	12,822.94
6665 · Employee Training	0.00
6670 · Bank Service Charges	41.25
6705 · Miscellaneous Exp	0.00
6715 · Office Rent & Expenses	(982.00)
6550 · Director Fees	30,000.00
6767 · Management Fees	126,000.00
Total Expense	215,509.27
Net Ordinary Income	1,235,260.04
Other Income/Expense	
Other Expense	
5080 · Depreciation	65,122.19
7015 · Interest Capital Lease	35,752.53
7020 · Interest	2,843.83
Total Other Expense	103,718.55
Net Other Income	(103,718.55)
Net Income	1,131,541.49

Unaudited

NORTH GEORGIA LITHOTRIPSY PARTNERS OF AUGUSTA

Balance Sheet

As of May 31, 2002

ASSETS	
Current Assets	
Checking/Savings	
1035 · Checking-SunTrust	105,658.20
Total Checking/Savings	105,658.20
Accounts Receivable	
1110 · Accounts receivable	121,850.00
Total Accounts Receivable	121,850.00
Other Current Assets	
1500 · Prepaid expenses	7,986.52
Total Other Current Assets	7,986.52
Total Current Assets	235,494.72
Fixed Assets	
1700 · Machinery & Equipment	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	**235,494.72**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	64,777.48
Total Accounts Payable	64,777.48
Other Current Liabilities	
2110 · Accrued expenses	39,186.75
Total Other Current Liabilities	39,186.75
Total Current Liabilities	103,964.23
Total Liabilities	103,964.23
Equity	
3035 · Partners' Draws	(1,255,211.45)
3900 · Partners' capital	988,009.53
Net Income	398,732.41
Total Equity	131,530.49
TOTAL LIABILITIES & EQUITY	**235,494.72**

Unaudited

NORTH GEORGIA LITHOTRIPSY PARTNERS OF AUGUSTA

Statement of Income and Expenses

For the Five Months Ended May 31, 2002

	TOTAL
	Jan - May '02
Ordinary Income/Expense	
Income	
4010 · Lithotripsy Fees	657,600.00
4050 · Miscellaneous Income	23,895.06
Total Income	681,495.06
Cost of Goods Sold	
5010 · Salaries & benefits	79,404.11
6120 · General Clinical Suppli	0.00
6304 · Maintenance	47,263.16
6428 · Equipment Rental	25,771.70
6430 · Equipment Taxes	2,540.00
6431 · Unit Cost -	15,000.00
6439 · Travel & Lodging	26,619.54
6690 · Food/Supplies Unit	0.00
Total COGS	196,598.51
Gross Profit	484,896.55
Expense	
6424 · Insurance	9,812.50
6500 · Professional expenses	2,248.92
6550 · Director Fees	12,500.00
6625 · Telephone	370.00
6634 · Office expense	0.00
6659 · Taxes, Licenses and Dues	1,006.78
6665 · Employee Training	0.00
6670 · Bank Service Charges	0.00
6705 · Miscellaneous Exp	0.00
6767 · Management expenses	52,500.00
Total Expense	78,438.20
Net Ordinary Income	406,458.35
Other Income/Expense	
Other Expense	
5080 · Depreciation	7,725.94
Total Other Expense	7,725.94
Net Other Income	(7,725.94)
Net Income	398,732.41

Unaudited

NORTH GEORGIA LITHOTRIPSY PARTNERS OF AUGUSTA

Balance Sheet

As of December 31, 2001

ASSETS	
Current Assets	
Checking/Savings	
1035 · Checking-SunTrust	15,519.88
Total Checking/Savings	15,519.88
Accounts Receivable	
1110 · Accounts receivable	159,100.00
Total Accounts Receivable	159,100.00
Other Current Assets	
1500 · Prepaid expenses	13,319.86
Total Other Current Assets	13,319.86
Total Current Assets	187,939.74
Fixed Assets	
1700 · Machinery & Equipment	7,725.94
Total Fixed Assets	7,725.94
TOTAL ASSETS	195,665.68
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	59,347.66
Total Accounts Payable	59,347.66
Other Current Liabilities	
2110 · Accrued expenses	40,319.94
Total Other Current Liabilities	40,319.94
Total Current Liabilities	99,667.60
Total Liabilities	99,667.60
Equity	
3900 · Partners' capital	143,939.00
3035 · Partners' Draws	(892,011.45)
Net Income	844,070.53
Total Equity	95,998.08
TOTAL LIABILITIES & EQUITY	195,665.68

Unaudited

NORTH GEORGIA LITHOTRIPSY PARTNERS OF AUGUSTA

Statement of Income and Expenses

For the Twelve Months Ended December 31, 2001

	TOTAL Jan - Dec '01
Ordinary Income/Expense	
Income	
4010 · Lithotripsy Fees	1,525,150.00
4050 · Miscellaneous Income	8,154.77
Total Income	1,533,304.77
Cost of Goods Sold	
5010 · Salaries & benefits	179,326.48
6120 · General Clinical Suppli	506.25
6304 · Maintenance	165,712.62
6428 · Equipment Rental	61,852.08
6430 · Equipment Taxes	6,096.00
6439 · Travel & Lodging	59,706.76
6690 · Food/Supplies Unit	19.59
Total COGS	473,219.78
Gross Profit	1,060,084.99
Expense	
6424 · Insurance	25,797.46
6500 · Professional expenses	7,113.80
6625 · Telephone	985.57
6634 · Office expense	570.10
6655 · Marketing and Promotion	0.00
6665 · Employee Training	79.00
6659 · Taxes, Licenses and Dues	6,657.57
6705 · Miscellaneous Exp	0.00
6550 · Director Fees	30,000.00
6767 · Management expenses	126,000.00
6670 · Bank Service Charges	261.00
Total Expense	197,464.50
Net Ordinary Income	862,620.49
Other Income/Expense	
Other Expense	
5080 · Depreciation	18,549.96
Total Other Expense	18,549.96
Net Other Income	(18,549.96)
Net Income	844,070.53

Unaudited

Balance Sheet

As of May 31, 2002

ASSETS	
Current Assets	
Checking/Savings	
1035 · Checking-SunTrust	36,968.82
Total Checking/Savings	36,968.82
Accounts Receivable	
1110 · Accounts receivable	140,089.00
Total Accounts Receivable	140,089.00
Other Current Assets	
Prepaid expenses	7,273.97
Total Other Current Assets	7,273.97
Total Current Assets	184,331.79
Fixed Assets	
1700 · Machinery and equipment	0.00
Total Fixed Assets	0.00
Other Assets	
1905 · Preopening expenses	18,962.81
1910 · Organization Costs	124,953.56
1920 · Accumulated Amortization	(143,916.37)
Total Other Assets	0.00
TOTAL ASSETS	184,331.79
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	65,900.27
Total Accounts Payable	65,900.27
Other Current Liabilities	
2110 · Accrued expenses	27,415.66
Total Other Current Liabilities	27,415.66
Total Current Liabilities	93,315.93
Total Liabilities	93,315.93
Equity	
3035 · Distribution	(1,180,579.94)
3900 · Partners' capital	1,003,093.73
Net Income	268,502.07
Total Equity	91,015.86
TOTAL LIABILITIES & EQUITY	184,331.79

Unaudited

COASTAL LITHOTRIPSY ASSOCIATES, LP
Statement of Income and Expenses
For the Five Months Ended May 31, 2002

	TOTAL Jan - May '02
Ordinary Income/Expense	
Income	
4010 · Lithotripsy fees	546,567.00
4050 · Miscellaneous Income	3,684.39
Total Income	550,251.39
Cost of Goods Sold	
5010 · Salaries and benefits	64,906.25
6120 · General Clinical Suppli	0.00
6304 · Maintenance	60,760.01
6430 · Equipment Taxes	4,500.00
6431 · Unit Cost	10,800.00
6438 · Equipment Rental	25,771.70
6439 · Travel & Lodging	29,082.52
Total COGS	195,820.48
Gross Profit	354,430.91
Expense	
6424 · Insurance	9,000.00
6500 · Professional Fees	5,943.79
6550 · Director Fees	12,500.00
6625 · Telephone	489.09
6634 · Office expenses	0.00
6659 · Taxes, licenses and dues	1,400.00
6665 · Employee Training	0.00
6670 · Bank Service Charges	0.00
6705 · Miscellaneous Exp	0.00
6767 · Management fees	52,500.00
Total Expense	81,832.88
Net Ordinary Income	272,598.03
Other Income/Expense	
Other Expense	
5080 · Depreciation & amortization	4,095.96
Total Other Expense	4,095.96
Net Other Income	(4,095.96)
Net Income	268,502.07

Unaudited

Balance Sheet

As of December 31, 2001

ASSETS	
Current Assets	
Checking/Savings	
1035 · Checking-SunTrust	78,412.57
Total Checking/Savings	78,412.57
Accounts Receivable	
1110 · Accounts receivable	117,300.00
Total Accounts Receivable	117,300.00
Other Current Assets	
1209 · Accounts Receivables	393.78
1499 · Undeposited Funds	0.00
Prepaid expenses	12,982.25
Total Other Current Assets	13,376.03
Total Current Assets	209,088.60
Fixed Assets	
1700 · Machinery and equipment	4,095.96
Total Fixed Assets	4,095.96
Other Assets	
1905 · Preopening expenses	18,962.81
1910 · Organization Costs	124,953.56
1920 · Accumulated Amortization	(143,916.37)
Total Other Assets	0.00
TOTAL ASSETS	213,184.56
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	79,337.19
Total Accounts Payable	79,337.19
Other Current Liabilities	
2110 · Accrued expenses	31,232.29
Total Other Current Liabilities	31,232.29
Total Current Liabilities	110,569.48
Total Liabilities	110,569.48
Equity	
3900 · Partners' capital	133,241.63
3035 · Distribution	(900,478.65)
Net Income	869,852.10
Total Equity	102,615.08
TOTAL LIABILITIES & EQUITY	213,184.56

Unaudited

COASTAL LITHOTRIPSY ASSOCIATES, LP

Statement of Income and Expenses

For the Twelve Months Ended December 31, 2001

	TOTAL Jan - Dec '01
Ordinary Income/Expense	
Income	
4010 · Lithotripsy fees	1,587,284.00
4050 · Miscellaneous Income	11,140.61
Total Income	1,598,424.61
Cost of Goods Sold	
5010 · Salaries and benefits	178,117.73
6120 · General Clinical Suppli	603.71
6304 · Maintenance	188,406.77
6438 · Equipment Rental	61,852.08
6430 · Equipment Taxes	10,800.00
6439 · Travel & Lodging	58,671.07
Total COGS	498,451.36
Gross Profit	1,099,973.25
Expense	
6424 · Insurance	33,166.25
6500 · Professional Fees	9,723.42
6625 · Telephone	1,089.50
6634 · Office expenses	618.59
6655 · Marketing and Promotion	0.00
6665 · Employee Training	769.13
6659 · Taxes, licenses and dues	11,833.13
6705 · Miscellaneous Exp	34.19
6550 · Director Fees	30,000.00
6767 · Management fees	126,000.00
Total Expense	213,234.21
Net Ordinary Income	886,739.04
Other Income/Expense	
Other Expense	
5080 · Depreciation & amortization	16,886.94
Total Other Expense	16,886.94
Net Other Income	(16,886.94)
Net Income	869,852.10

Unaudited

SOUTH GEORGIA LITHOTRIPSY PARTNERS

Balance Sheet

As of May 31, 2002

ASSETS	
Current Assets	
Checking/Savings	
1035 · Checking-SunTrust	8,035.28
Total Checking/Savings	8,035.28
Accounts Receivable	
1110 · Accounts Receivable	180,500.00
Total Accounts Receivable	180,500.00
Other Current Assets	
1519 · Prepaid Expenses	2,673.13
Total Other Current Assets	2,673.13
Total Current Assets	191,208.41
Fixed Assets	
1700 · Machinery and Equipment	62,868.12
Total Fixed Assets	62,868.12
TOTAL ASSETS	254,076.53
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	57,676.91
Total Accounts Payable	57,676.91
Other Current Liabilities	
2110 · Accrued Expenses	43,253.52
Total Other Current Liabilities	43,253.52
Total Current Liabilities	100,930.43
Total Liabilities	100,930.43
Equity	
3035 · Distribution	(1,109,825.87)
3900 · Partners' Capital	920,435.57
Net Income	342,536.40
Total Equity	153,146.10
TOTAL LIABILITIES & EQUITY	254,076.53

Unaudited

SOUTH GEORGIA LITHOTRIPSY PARTNERS

Statement of Income and Expenses

For the Five Months Ended May 31, 2002

	TOTAL Jan - May '02
Ordinary Income/Expense	
Income	
4010 · Lithotripsy Fees	582,850.00
4050 · Miscellaneous Income	1,023.46
Total Income	583,873.46
Cost of Goods Sold	
5010 · Salaries & Benefits	80,468.20
6120 · General Clinical Suppli	0.00
6304 · Maintenance	23,088.62
6428 · Equipment Rental	45,403.40
6430 · Equipment Taxes	4,500.00
6431 · Unit Cost	7,200.00
6439 · Travel & Lodging	7,603.50
Total COGS	168,263.72
Gross Profit	415,609.74
Expense	
6424 · Insurance	9,550.00
6500 · Professional Fee	3,975.07
6550 · Directors fees	12,500.00
6625 · Telephone	446.57
6634 · Office Expense	0.00
6659 · Taxes, licenses & dues	1,000.00
6665 · Employee training	0.00
6670 · Bank service charges	0.00
6705 · Miscellaneous Expenses	0.00
6767 · Management Expenses	40,000.00
Total Expense	67,471.64
Net Ordinary Income	348,138.10
Other Income/Expense	
Other Expense	
5080 · Depreciation	5,601.70
Total Other Expense	5,601.70
Net Other Income	(5,601.70)
Net Income	342,536.40

Unaudited

Balance Sheet

As of December 31, 2001

ASSETS	
Current Assets	
Checking/Savings	
1035 · Checking-SunTrust	30,787.43
Total Checking/Savings	30,787.43
Accounts Receivable	
1110 · Accounts Receivable	121,300.00
Total Accounts Receivable	121,300.00
Other Current Assets	
1519 · Prepaid Expenses	6,134.14
Total Other Current Assets	6,134.14
Total Current Assets	158,221.57
Fixed Assets	
1700 · Machinery and Equipment	68,469.82
Total Fixed Assets	68,469.82
TOTAL ASSETS	226,691.39
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	22,158.92
Total Accounts Payable	22,158.92
Other Current Liabilities	
2110 · Accrued Expenses	53,522.77
Total Other Current Liabilities	53,522.77
Total Current Liabilities	75,681.69
Total Liabilities	75,681.69
Equity	
3900 · Partners' Capital	170,752.10
3035 · Distribution	(769,425.87)
Net Income	749,683.47
Total Equity	151,009.70
TOTAL LIABILITIES & EQUITY	226,691.39

SOUTH GEORGIA LITHOTRIPSY PARTNERS

Statement of Income and Expenses

For the Twelve Months Ended December 31, 2001

	TOTAL Jan - Dec '01
Ordinary Income/Expense	
Income	
4010 · Lithotripsy Fees	1,336,677.37
4050 · Miscellaneous Income	8,154.77
Total Income	1,344,832.14
Cost of Goods Sold	
5010 · Salaries & Benefits	191,731.39
6120 · General Clinical Suppli	362.73
6304 · Maintenance	48,167.62
6428 · Equipment Rental	108,968.07
6430 · Equipment Taxes	10,800.00
6439 · Travel & Lodging	32,778.73
Total COGS	392,808.54
Gross Profit	952,023.60
Expense	
6424 · Insurance	28,269.43
6500 · Professional Fee	31,781.47
6625 · Telephone	943.28
6634 · Office Expense	338.59
6655 · Marketing and promotion	0.00
6659 · Taxes, licenses & dues	1,553.28
6665 · Employee training	0.00
6705 · Miscellaneous Expenses	10.00
6550 · Directors fees	30,000.00
6767 · Management Expenses	96,000.00
Total Expense	188,896.05
Net Ordinary Income	763,127.55
Other Income/Expense	
Other Expense	
5080 · Depreciation Medical Eq	13,444.08
Total Other Expense	13,444.08
Net Other Income	(13,444.08)
Net Income	749,683.47

Unaudited