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Jesse R. Orman
 Direct: 612.359.7637
 jorman@fwhtlaw.com

August 4, 2010

Charles K. Schultz
 37 Timberline Drive
 Sparta, NJ 077871

Allied Health Care Services, Inc.
 President Charles K. Schultz
 89 Main Street
 Orange, NJ 07051

Re: Allied Health Care Services, Inc., Lease Schedule Nos. 017, 019, and 021
Demand for Immediate Payment
Our File No.: 81810-040

Dear Mr. Schultz:

I represent M&I Marshall & Ilsley Bank ("M&I").

I write regarding the Absolute, Unconditional and Continuing Guaranty Agreement dated February 27, 2007 (the "Guaranty") that you entered into with First Premier Capital, LLC ("First Premier"). Among other things, the Guaranty makes you personally liable for the obligations of Allied Health Care Services, Inc. ("Allied") to First Premier under the Lease Agreement (No. ALL022207) dated as of February 22, 2007 between First Premier and Allied ("Lease Agreement").

First Premier assigned its rights under the Lease Agreement and other loan documents to M&I, including, without limitation, its right to enforce the Guaranty.

Allied is presently in default under the Lease Agreement with respect to Lease Schedule Nos. 017, 019, and 021. Among other things, Allied has failed to make several monthly payments within 15 days after their respective due dates.

M&I has now accelerated and caused to become immediately due and payable all Charges due and likely to become due with respect to Lease Schedule Nos. 017, 019, and 021. As detailed in the table below, the total principal and accrued interest due to M&I as of August 4, 2010 is \$642,969.42, which continues to accrue at a per-diem rate of \$127.68/day.

	Principal	Interest	Total	Per Diem
Lease Schedule No. 017	\$220,660.42	\$4,456.33	\$225,116.75	36.23
Lease Schedule No. 019	\$196,222.91	\$4,418.12	\$200,641.03	35.92
Lease Schedule No. 021	\$210,436.75	\$6,774.89	\$217,211.64	55.53
	\$627,320.08	\$15,649.34	\$642,969.42	127.68



August 4, 2010

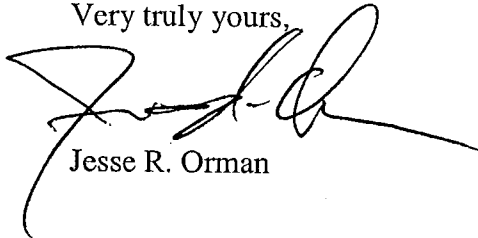
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M&I hereby demands that you honor your obligations under the Guaranty. Specifically, M&I demands payment in full of the amounts due and owing by Allied under the Lease Agreement Schedule Nos. 017, 019, and 021, as set forth above. Including per diem interest, the amount due as of today's date is **\$642,969.42**.

If you fail to pay these amounts by August 11, 2010, M&I reserves the right to proceed with all of its legal rights and remedies against you and Allied. Among other things, M&I will be entitled to recover its attorney's fees and other costs of collection, so your liability will only increase.

No agreement or promise shall be binding on M&I unless it is incorporated into a document which is signed by M&I. This notice is not and shall not be deemed to be a waiver of any rights M&I has pursuant to the Loan Agreement, Guaranty, and other Loan Documents and applicable law, all of which rights are hereby expressly reserved. This notice is not and shall not be deemed a waiver of any defaults under the Loan Agreement, Guaranty, and other Loan Documents or of the parties' obligations to timely perform pursuant to the terms of those documents. Finally, this notice is not and shall not be deemed a waiver of M&I's right to take immediate legal action under the Loan Agreement, Guaranty, and other Loan Documents and applicable law in pursuit of its rights and remedies.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jesse R. Orman', is written over the typed name.

Jesse R. Orman

JRO/

cc: Ryan McKinney, M&I Marshall & Ilsley Bank (Minneapolis)