

Original

11-028

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

MAY 27 2011

Facility/Project Identification

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Facility Name: DSI Buffalo Grove Renal Center		
Street Address: 1291 West Dundee Road		
City and Zip Code: Buffalo Grove, Illinois 60089		
County: Cook	Health Service Area 7	Health Planning Area:

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: DaVita, Inc.
Address: 601 Hawaii Street, El Segundo, California 90245
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Kent Thiry
CEO Address: 601 Hawaii Street, El Segundo, California 90245
Telephone Number: (310) 536-2500

Type of Ownership of Applicant/Co-Applicant

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive all correspondence or inquiries during the review period]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli Shughart PC
Address: 161 North Clark Street, Suite 4200, Chicago, Illinois 60601
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number: 312-873-2939

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: Heather F.H. Haworth
Title: Assistant General Counsel
Company Name: DaVita, Inc.
Address: 15253 Bake Parkway, Irvine, California 92618
Telephone Number: 949-930-6843
E-mail Address: heather.haworth@davita.com
Fax Number: 855-895-2707

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: DSI Buffalo Grove Renal Center		
Street Address: 1291 West Dundee Road		
City and Zip Code: Buffalo Grove, Illinois 60089		
County: Cook	Health Service Area 7	Health Planning Area:

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: DSI Buffalo Grove, LLC
Address: 424 Church Street, Suite 1900, Nashville, Tennessee 37219
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Leif Murphy
CEO Address: 424 Church Street, Suite 1900, Nashville, Tennessee 37219
Telephone Number: 615-777-8200

Type of Ownership of Applicant/Co-Applicant

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other

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Telephone Number: 949-930-6843
E-mail Address: heather.haworth@davita.com
Fax Number: 855-895-2707

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960

Name: Heather F.H. Haworth
Title: Assistant General Counsel
Company Name: DaVita, Inc.
Address: 15253 Bake Parkway, Irvine, California 92618
Telephone Number: 949-930-6843
E-mail Address: heather.haworth@davita.com
Fax Number: 855-895-2707

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Amalgamated Bank of Chicago
Address of Site Owner: 333 West Wacker Drive, Suite 2750, Chicago, IL 60606
Street Address or Legal Description of Site: 1291 West Dundee Road, Buffalo Grove, IL 60089 Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: DSI Buffalo Grove, LLC
Address: 424 Church Street, Suite 1900, Nashville, Tennessee 37219
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements – NOT APPLICABLE

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements – NOT APPLICABLE

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Substantive
 Non-substantive

Part 1120 Applicability or Classification:
[Check one only.]

- Part 1120 Not Applicable
 Category A Project
 Category B Project
 DHS or DVA Project

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The proposed project contemplates a change in control of the ultimate parent of DSI Buffalo Grove, LLC, CDSI I Holding Company, Inc. By way of merger, DaVita, Inc. ("DaVita") will acquire 100% of the outstanding stock of CDSI I Holding Company, Inc. for approximately \$690 million. Pre-merger and post-merger organizational charts are attached at Attachment 4. The proposed transaction includes the transfer of up to 106 in-center hemodialysis facilities, to DaVita, including 10 facilities within Illinois, subject to adjustment following Federal Trade Commission Review.

DSI Buffalo Grove, LLC d/b/a DSI Buffalo Grove Renal Center is a 16 station in-center hemodialysis facility located at 1291 West Dundee Road, Buffalo Grove, Illinois 60089. There will be no change in the operating entity, DSI Buffalo Grove, LLC, in the scope of services offered, or the number of stations as a result of the merger.

The merger is projected to be complete by July 31, 2011.

This project has been classified as non-substantive because it proposes a change of ownership, which constitutes a facility conversion under 77 Ill. Admin. Code. 1110.40(b).

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	\$9,813,647		\$9,813,647
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$9,813,647		\$9,813,647
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$9,813,647		\$9,813,647
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$9,813,647		\$9,813,647
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project Yes No
 Purchase Price: \$ _____
 Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
 Yes No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ _____.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140): July 31, 2011

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
 Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

- Cancer Registry **NOT APPLICABLE**
 APORS **NOT APPLICABLE**
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MR							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization NOT APPLICABLE

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the inventory will result in the application being deemed **incomplete**.

FACILITY NAME:		CITY:			
REPORTING PERIOD DATES:		From:		to:	
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of DaVita, Inc. *
 in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Kent Thiry
 SIGNATURE

Kent Thiry
 PRINTED NAME

Chief Executive Officer
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 23 day of May, 2011

Theresa Moran
 Signature of Notary
 Seal My Commission Expires 9-4-13

Dennis Lee Kogod
 SIGNATURE

Dennis Lee Kogod
 PRINTED NAME

Chief Operating Officer
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 30 day of May 2011

D. Murray
 Signature of Notary
 Seal My Commission Expires
 July 28, 2014

*Insert EXACT legal name of the applicant

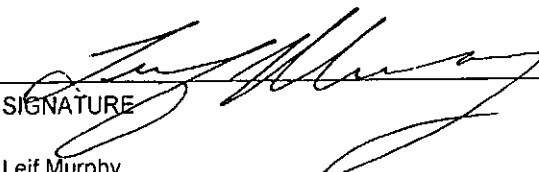


CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
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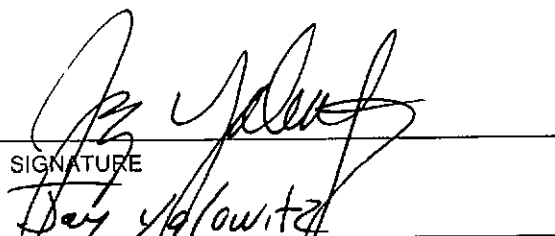
SIGNATURE

Leif Murphy

PRINTED NAME

Manager

PRINTED TITLE



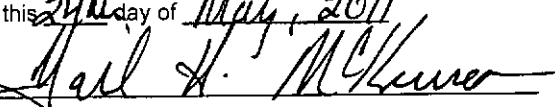
SIGNATURE

Euphemia

PRINTED NAME

Sup-Secretary

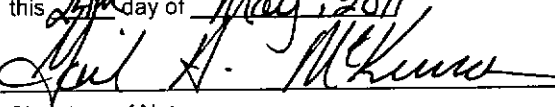
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 24th day of May, 2011


Signature of Notary

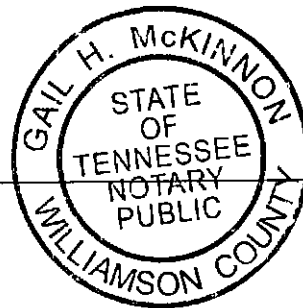
Seal



Notarization:
Subscribed and sworn to before me
this 24th day of May, 2011


Signature of Notary

Seal



*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership THE TRANSACTION DOCUMENT must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
 - a. the location (town and street address);
 - b. the number of beds;
 - c. a list of services; and
 - d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

\$9,813,647	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$9,813,647	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS **ATTACHMENT-39**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. All of the projects capital expenditures are completely funded through internal sources
2. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
3. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE											
Department (list below)	A	B	C		D	E		F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)			
Contingency											
TOTALS											

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for DaVita, Inc. and DSI Buffalo Grove, LLC are attached at Attachment – 1. DaVita will acquire all of the outstanding stock of CDSI I Holdings Company, Inc., the ultimate parent of the operator, DSI Buffalo Grove, LLC. As the entity acquiring final control over the operator, DaVita, Inc. is named as an applicant for this CON application. DaVita, Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita, Inc. from the state of its incorporation, Delaware is attached.

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DAVITA INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF NOVEMBER, A.D. 2010.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DAVITA INC." WAS INCORPORATED ON THE FOURTH DAY OF APRIL, A.D. 1994.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

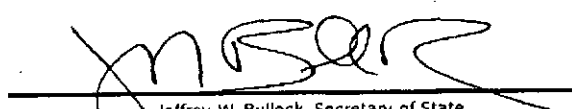
AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

2391269 8300

101133217

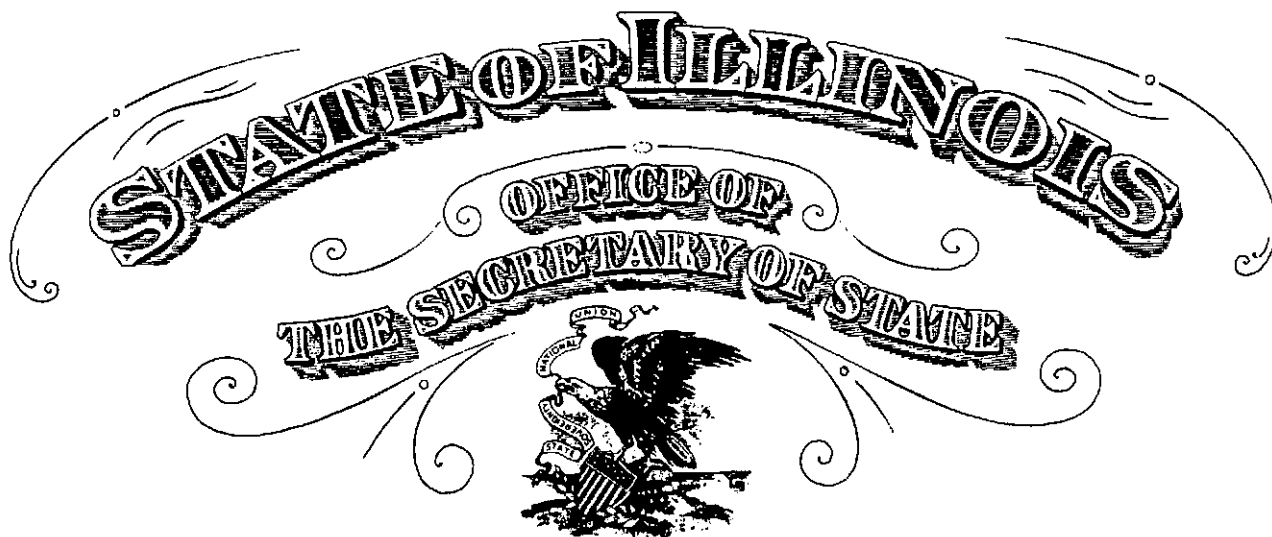
You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 8386715

DATE: 11-30-10

Attachment 1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

DSI BUFFALO GROVE, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON DECEMBER 12, 2002, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1113901652

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 19TH day of MAY A.D. 2011 .

Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Site Ownership

A copy of the lease between Amalgamated Bank of Chicago and Renal Care Group Buffalo Grove, LLC is attached at Attachment – 2.

Buffalo Grove, Illinois
Dialysis Treatment Space
Suite/Unit No "1291A"

LEASE AGREEMENT

between

AMALGAMATED BANK OF CHICAGO,
AS TRUSTEE UNDER TRUST AGREEMENT DATED AUGUST 6, 1999
AND KNOWN AS TRUST NUMBER 5835

("Landlord")

and

RENAL CARE GROUP BUFFALO GROVE, L.L.C.
("Tenant")

Dated. March 25, 2003

Property:

Plaza Verde Shopping Center
Buffalo Grove, Illinois 60606

N J R 410746 (7
13700R-100079 03/11/2003

01/002/072

RENAL CARE GROUP

01/14/2005 11 08 FAX 615 345 5503

Table of Contents

		<u>Page</u>
ARTICLE 1	DEFINITIONS	1
	1.1 Certain Definitions	1
ARTICLE 2	LEASE, PERMITTED USES AND PARKING	5
	2.1 Lease of Leased Premises	5
	2.2 Use of Leased Premises	5
	2.3 Parking and Access Privileges	5
	2.4 Deliveries Access	6
ARTICLE 3	TERM	6
	3.1 Term	6
	3.2 Commencement Date	6
	3.3 Renewal Options	7
	3.4 Right of First Offer	7
	3.5 Contingencies	8
ARTICLE 4	RENT	9
	4.1 Base Rent	9
	4.2 Additional Rent	10
	4.3 Late Payment of Rent	11
	4.4 Payment Location	11
ARTICLE 5	IMPROVEMENTS	11
	5.1 Delivery of Leased Premises by Landlord	11
	5.2 Installation and Construction of Tenant Improvements	12
	5.3 Tenant Improvement Allowance	12
ARTICLE 6	MAINTENANCE AND REPAIRS	13
	6.1 Landlord's Maintenance Obligations	13
	6.2 Tenant's Maintenance Obligations	13
ARTICLE 7	SIGNS AND ALTERATIONS	13
	7.1 Signage	13
	7.2 Alterations, Additions and Improvements	13
	7.3 Alterations Without Landlord's Consent	13
	7.4 Right to Remove Furniture, Fixtures and Equipment	13
ARTICLE 8	INSPECTION BY LANDLORD	14
	8.1 Landlord's Right to Inspect	14
ARTICLE 9	PEACEFUL ENJOYMENT	14
	9.1 Covenant of Peaceful Enjoyment	14
ARTICLE 10	INDEMNIFICATION	14
	10.1 Tenant's Indemnification of Landlord	14
	10.2 Transfer of Leased Premises	14
	10.3 Landlord's Indemnification Obligation	14
ARTICLE 11	DAMAGE OR DESTRUCTION	15
	11.1 Restoration of Leased Premises	15
	11.2 Limitation on Landlord's Obligation	15
ARTICLE 12	CONDEMNATION	16
	12.1 Condemnation	16
	12.2 Condemnation Award	16
ARTICLE 13	DEFAULT	16
	13.1 Events of Default by Tenant	16

NJFR-410746 v7
117908-00079 03/14/2003

7/6/2006

RENAL CARE GROUP

01/14/2005 11 08 FAX 615 345 5507

Table of Contents
(continued)

		<u>Page</u>
	13.2 Remedies for Tenant Default	17
	13.3 Remedies Cumulative	17
	13.4 Events of Default by Landlord Remedies	17
	13.5 Right to Terminate	18
ARTICLE 14	COVENANTS OF LANDLORD	18
	14.1 Duties of Landlord	18
	14.2 Utilities	18
ARTICLE 15	TENANT'S INSURANCE	19
	15.1 Tenant's Obligation to Insure	19
ARTICLE 16	ENVIRONMENTAL MATTERS	19
	16.1 Definitions	19
	16.2 Landlord's Environmental Indemnification	19
	16.3 Tenant's Environmental Covenant	20
	16.4 Tenant's Environmental Indemnity	20
ARTICLE 17	SUBORDINATION NONDISTURBANCE AND ATTORNMENT	20
	17.1 Subordination of Lease	20
	17.2 Nondisturbance	20
	17.3 Attornment	21
ARTICLE 18	BROKERAGE FEES	21
	18.1 Brokers	21
	18.2 Sale of Land and Shopping Center	21
ARTICLE 19	ASSIGNMENT AND SUBLEASING	21
	19.1 Assignment by Landlord	21
	19.2 Assignment or Sublease by Tenant	21
	19.3 Assignment or Sublease to Affiliate of Lnan/Physicians	21
ARTICLE 20	REPRESENTATIONS AND WARRANTIES	22
	20.1 Physical Condition of Shopping Center	22
	20.2 Landlord Authority	22
	20.3 Landlord Representations/Warranties	22
	20.4 Tenant Authority	22
ARTICLE 21	FORCE MAJEURE	22
	21.1 Force Majeure	22
ARTICLE 22	GENERAL PROVISIONS	23
	22.1 Amendments	23
	22.2 Governing Law	23
	22.3 Entire Agreement, Merger	23
	22.4 INTENTIONALLY OMITTED	23
	22.5 Notices	23
	22.6 Waiver of Subrogation Rights	24
	22.7 Estoppel Letter	24
	22.8 Time of the Essence, Counterparts	24
	22.9 Memorandum of Lease	24
	22.10 Survival of Obligations	24
	22.11 Surrender of Leased Premises, Return of Keys	24
	22.12 Attorneys Fees	25
	22.13 Waiver of Landlord's Lien	25

Table of Contents
(continued)

	<u>Page</u>
22 14 Request Response Time	25
22 15 Landlord's Cooperation	26
22 16 Draftsmanship	26
22 17 Rights and Remedies Not Waived	26
22 18 General	26
EXHIBIT "A" LEGAL DESCRIPTION OF THE LAND	1
EXHIBIT "B-1" DIAGRAM OF LEASED PREMISES AND MEDICAL OFFICE SPACE	1
EXHIBIT "C" REFUSAL SPACE SCHEMATIC	1
EXHIBIT "D" COMMENCEMENT DATE RIDER	1
EXHIBIT "E-1" SCHEMATIC OF TENANT IMPROVEMENT PLANS	1
EXHIBIT "E-2" SCHEDULE OF TENANT IMPROVEMENT PLANS	2
EXHIBIT "F" PARTIAL LIST OF TENANT'S REMOVABLE TRADE FIXTURES/EQUIPMENT	1

LEASE AGREEMENT

This Lease Agreement (the "Lease") made effective as of the ^{25th} day of March 2003 (the "Effective Date"), by and between AMALGAMATED BANK OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED AUGUST 6, 1999 AND KNOWN AS TRUST NUMBER 5835 An Illinois Land Trust with offices c/o 333 West Wacker Drive Suite 2750, Chicago Illinois 60606 ("Landlord") and RENAL CARE GROUP BUFFALO GROVE, LLC, a Delaware limited liability company with offices at 1291 W Dundee Road, Buffalo Grove Illinois 60089 ("Tenant")

WITNESSETH:

WHEREAS Tenant desires to lease the Leased Premises and the Rights from the Landlord and

WHEREAS, the Landlord wishes to lease the Leased Premises and the Rights to the Tenant upon the terms and conditions set forth herein

NOW THEREFORE for valuable consideration and the mutual covenants herein contained the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound agree as follows

ARTICLE 1 DEFINITIONS

1.1 Certain Definitions In addition to other terms defined elsewhere in this Lease for all purposes of this Lease

(a) "Additional Rent" shall mean any and all amounts other than Base Rent payable by Tenant to Landlord as required under this Lease

(b) "Base Rent" shall mean the sums required to be paid by Tenant to Landlord pursuant to Section 4.1 herein

(c) "Beneficial Occupancy Date" shall mean and be the same date as the Effective Date of this Lease, such date also being the date on which Tenant shall be delivered possession of the Leased Premises

(d) "Commencement Date" shall mean the date following the Beneficial Occupancy Date and the Contingencies Deadline, and upon which the Lease Term commences, as established pursuant to Section 3.2 herein

(e) "Common Area" shall mean all the Shopping Center interior common area corridors, interior walks, lobbies and restrooms, together with the roof and exterior and structural aspects of the Shopping Center (including within the Leased Premises and further including, without limitation all structural and supporting walls) and all exterior landscaped areas, parking areas, walkways traffic corridors, benefiting easement areas, utilities, utility equipment and other facilities (other than such as would exclusively benefit any leased premises within the Shopping Center or be space within the Shopping Center occupied by the Landlord or its agents or representatives), approaches, exits, entrances and roadways as exists as of the Effective Date of this Lease, or as may exist from time to time

(f) "Common Area Maintenance Expenses" shall mean any and all expenses incurred and paid by Landlord in connection with the maintenance and operation of Common Area Excluded from the definition of Common Area Maintenance Expenses are the following

NJFR 410746 v7
177908-00079 03/14/2003

- (i) Real Estate Taxes,
- (ii) Insurance Expense,
- (iii) The cost of alterations, capital improvements, and other items which under generally accepted accounting principles are properly classified as capital expenditures (except that the amortized portion of capital repair or replacement costs shall be included as a Common Area Maintenance Expense)
- (iv) Expenses for repair or other work occasioned by fire or other casualty which is covered under a standard fire or casualty insurance policy with extended coverage
- (v) Any tenant work performed or alteration of space leased to Tenant or other tenants or occupants (including Landlord and its representatives or agents) of the Shopping Center, whether such work or alteration is performed for the initial occupancy by such tenant or occupant or thereafter,
- (vi) Repairs necessitated by the negligence of Landlord or tenants other than Tenant, and repairs required to cure violations of laws with respect to the Shopping Center as of Effective Date or thereafter not precipitated by Tenant's use of the Leased Premises
- (vii) Interest or amortization payments on any mortgage or rents paid under any ground lease pertaining to the Land,
- (viii) Depreciation,
- (ix) Legal expenses in enforcing the terms of any lease license agreement or other use or occupancy agreement, or any easement, declaration or similar document granted or entered into by Landlord, its predecessors-in-interest, successors and assigns, pertaining to any portion of the Shopping Center and other than this Lease,
- (x) Expenses incurred in the leasing or procuring of new tenants, including lease commissions, brokerage fees, advertising expenses and expense for renting space for new tenants,
- (xi) Compensation paid to officers, executives, members or owners of the Landlord, and
- (xii) Overhead and profit paid to Landlord or subsidiaries or affiliates of Landlord, for management or other services on or to the Shopping Center or the Leased Premises or for supplies or other materials, to the extent that the costs of the services, supplies, or materials exceed the amount customarily charged by an independent entity for such services, supplies or materials (except that reasonable management fees shall be included as a Common Area Maintenance Expense)

(g) "Consents" shall mean all third-party consents and all federal, state and local governmental and regulatory licenses and approvals, certificates of occupancy, permits and approvals necessary as determined by Tenant in its sole discretion (and including without limitation applicable certificates of need and local City of Buffalo Grove, Illinois approvals relative to Tenant's intended use and occupancy of the Leased Premises) for the occupancy of the Leased Premises by Tenant, the construction by Tenant of the Tenant Improvements and operation of the Leased Premises for the Permitted Use free and clear of any legal disqualifications or other restrictions that would limit the full operation thereof.

(h) "Effective Date" shall mean the date of full execution of this Lease by both Landlord and Tenant as set forth in the opening paragraph.

(i) "Insurance Expense" shall mean the cost of liability, casualty and property insurance which the Landlord is specifically required to carry pursuant to this Lease, and as Landlord reasonably determines is necessary to maintain with respect to the Shopping Center.

(j) "Land" shall mean that certain tract of land described in Exhibit "A" attached hereto and made a part hereof.

(k) "Lease Term" shall mean the term of this Lease as established in Section 3.1 herein, including any renewal terms hereafter exercised, if any, by Tenant.

(l) "Leased Premises" shall mean the premises leased to Tenant pursuant to this Lease within the Shopping Center and being that area designated by Landlord and Tenant as Suite No. 1291A, comprised of approximately, but not less than 6,500 rentable square feet, a diagram of which together with the premises leased under the Office Lease, is attached hereto as Exhibit "B-1" and made a part hereof by reference. Also included within and made available to Tenant for its exclusive use as part of the Leased Premises leased to Tenant is that dumpster pad area generally depicted upon Exhibit "B-2" (a schematic of the "Shopping Center" as further defined below) attached hereto and incorporated herein by reference.

(m) "Lease Year" shall mean with respect to the first Lease Year, the period after the Beneficial Occupancy Date and the Contingencies Deadline and commencing on the Commencement Date of the Lease Term and ending at 11:59 p.m. on the day preceding the first anniversary of the Commencement Date, and, with respect to each subsequent Lease Year, the twelve (12) month period commencing on the next day following the previous Lease Year.

(n) "Medical Office Lease" or "Office Lease" shall mean that certain Lease Agreement executed by and between Landlord and Tenant of even date herewith for the lease of approximately, but not less than, 1,882 rentable square feet of office space (designated by Landlord and Tenant as Suite No. 1291B) contiguous to the Leased Premises (the "Office Premises").

(o) "Operating Expenses" shall mean Real Estate Taxes, Insurance Expenses and Common Area Maintenance Expenses, collectively.

(p) "Permitted Use" shall mean the provision of outpatient renal dialysis services and any related, lawful use, including incidental use as medical offices in conjunction therewith.

(q) "Preliminary Term" shall have the meaning as set forth in Section 3.1.

and such percentage in this Lease is acknowledged by the parties to be as of the Effective Date of this Lease six and seventy-six hundredths percent (6.76%). In the event of a mutually agreed to change in the size of the Leased Premises, or in the event of a change by Landlord in the size of the Shopping Center by future additions thereto, the calculation of Tenant's Proportionate Share shall be revised appropriately as of the date of such modification.

(aa) "State" shall mean the state of Illinois

ARTICLE 2 LEASE, PERMITTED USES AND PARKING

2.1 Lease of Leased Premises Landlord hereby leases and rents to Tenant and subject to the satisfaction of those Contingencies and set forth in Section 3.5 and other conditions precedent to its obligations hereunder Tenant hereby leases and rents from Landlord, the Leased Premises and the Rights upon the terms and conditions set forth in this Lease. Landlord covenants and represents that it owns the Shopping Center, including the Land, in fee simple and that there are no liens, easement, encumbrances, or restrictions affecting the Land or Shopping Center which would prohibit, restrict or materially interfere with the use of the Leased Premises for the Permitted Use or with Tenant's other Rights hereunder. Tenant acknowledges that the Leased Premises, together with the premises leased under the Office Lease will have one, single street/ mailing address of 1291 Dundee Road, Buffalo Grove, Illinois 60089.

2.2 Use of Leased Premises Tenant shall use and occupy the Leased Premises for the Permitted Use and for no other use without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Tenant's initial hours of operation are expected to be, approximately, 5:00 a.m. to 11:00 p.m. daily, but Tenant shall, notwithstanding the foregoing anticipated hours of operations, have access to the Leased Premises twenty-four (24) hours per day seven (7) days per week, three hundred sixty-five (365) days per year throughout the Lease Term and may subject to applicable law and at its discretion, but without any obligation, operate during other hours as Tenant may desire, including upon holidays. Nothing herein contained, expressly or implicitly, shall be deemed or construed as a requirement that Tenant open for business in the Leased Premises or continuously operate its business in the Leased Premises.

2.3 Parking and Access Privileges

(a) Landlord represents and warrants unto Tenant that except for interruptions beyond Landlord's reasonable control, Tenant and Tenant's agents, officers, invitees, guests, patients, and employees shall at all times during the Preliminary Term and Term have access for ingress and egress to and from the Shopping Center and Leased Premises, and shall have the right to park automobiles in all parking areas adjacent to the Leased Premises and otherwise located upon all Common Areas of the Shopping Center at no charge, and Landlord shall maintain adequate parking for the Shopping Center at all times after the Effective Date hereof and during the Term in order to comply with all applicable laws, regulations, and ordinances. Without limiting the foregoing in any manner or to any extent, as pertains to parking, Landlord does hereby covenant, represent and warrant unto Tenant that, at all times after the Effective Date and on a non-exclusive use basis with other tenants and occupants of the Shopping Center there shall be not less than four (4) spaces per 1,000 square feet of rentable footage in the Shopping Center available. Further, there shall not be less than fourteen (14) handicapped parking spaces per 1,000 rentable square feet in the Shopping Center, including four (4) handicapped spaces fronting the nearest public entrance(s) to the Leased Premises and which four (4) handicapped spaces shall not be moved without the prior written consent of Tenant (which consent Tenant agrees to not unreasonably withhold or condition). If, at any time during the Preliminary Term or Term, access for ingress or egress, or the parking areas (including said designated parking spaces) are substantially, materially or permanently lost

by condemnation or by further modifications, alterations, improvements to such parking area(s) or the Land by Landlord, or are otherwise materially obstructed, thereby limiting Tenant's or its patients' use thereof (as determined in the reasonable discretion of Tenant) Landlord agrees to work with Tenant in good faith to relocate such access or, as applicable, designated parking spaces to another area in close proximity to the nearest entrance to the Leased Premises, provided, however, if such change materially and adversely affects Tenant's use of, access to, or business within the Leased Premises as determined in Tenant's reasonable discretion and such relocation cannot be accomplished to the reasonable satisfaction and agreement of Landlord and Tenant within thirty (30) days, Tenant shall have the right to terminate this Lease

(b) In order to establish that the Shopping Center and any portion thereof is and will continue to remain private property and to prevent a dedication thereof or the accrual of any rights to any person or the public therein, Landlord hereby reserves the right to close all or any portion of the Shopping Center owned, leased or controlled by Landlord to the general public for not more than one (1) day in each calendar year, and in connection therewith, to seal off all entrances to the Shopping Center, or any portion thereof. Notwithstanding the foregoing, before exercising those rights granted it hereunder, Landlord agrees to give Tenant reasonable prior notice of its intentions to exercise its rights herein and to work with Tenant to set the scheduled date at such time as would be as non-intrusive of Tenant's business operations as possible under given circumstances

2.4 Deliveries Access Tenant shall have the right to conduct deliveries of goods and supplies via semi-tractor truck transport or otherwise at the Leased Premises at any time after the Effective Date and during the Lease Term. The carrier(s) making such deliveries to Tenant and the Leased Premises shall have the right to temporarily park its vehicle in any egress/ingress lanes and parking areas on the Land, and, subject to applicable ordinance(s), on any adjacent street(s) to the Leased Premises, for purposes of loading and unloading, provided such activities do not unreasonably interfere with other tenants' use and occupancy of the Shopping Center. Should such rights be terminated at anytime after the Effective Date, including during the Lease Term or if such change materially adversely affects Tenant's use of, or access to, or business within the Leased Premises as determined in Tenant's reasonable discretion, then in such event, but subject to Landlord's right to first cure such obstruction within thirty (30) days after Tenant serves notice upon Landlord of such default, Tenant may terminate this Lease

ARTICLE 3 TERM

3.1 Term The term of the Lease shall commence on the Commencement Date, as determined pursuant to Section 3.2 hereof (the "Commencement Date"), and continue for a period of ten (10) years thereafter. If the Commencement Date is not the first day of a month, then the term of the Lease shall be ten (10) years plus the partial month in which the Commencement Date occurs (the "Lease Term" or "Term"). In addition, the Lease Term shall include any and all renewals and extensions of the term of this Lease hereafter exercised, if at all, by Tenant. Notwithstanding the foregoing, Landlord acknowledges and agrees with Tenant that Tenant will from the Effective Date to the Commencement Date of the initial Lease Term, nonetheless, have a possessory leasehold interest in the Leased Premises with all rights and privileges attendant thereto (the "Preliminary Term")

3.2 Commencement Date The Commencement Date of the initial Term of the Lease shall be that date which is the earlier of (i) one hundred twenty (120) days following the Contingencies Deadline as contemplated by Section 3.5 hereof, or (ii) that date following the Contingencies Deadline and upon which Tenant has substantially completed its initial Tenant Improvements and receives the appropriate certificate(s) of occupancy, or its local equivalent, from the appropriate governmental agency or body to

allow it to occupy and use the Leased Premises for the Permitted Use, without qualification provided however nothing in this Section 3.2 shall be deemed to modify or amend the rights of Tenant to terminate this Lease in the manner as contemplated by Section 3.5 if any one or more of the Contingencies (as defined therein) are not satisfied by such Contingencies Deadline. Following the Contingencies Deadline (provided Tenant has not terminated this Lease as contemplated by Section 3.5), upon completion by Tenant of its Tenant Improvements and confirmation of the Commencement Date, Landlord and Tenant shall execute a Commencement Date Rider in the form of Exhibit "D", attached hereto and made a part hereof which shall conclusively establish the Commencement Date as well as the Rent Commencement Date for all purposes of this Lease Agreement.

3.3 Renewal Options Tenant shall have two (2) separate options to renew the Lease under the same terms and conditions as provided herein each for a consecutive five (5) year term (the "Option Terms" or "Renewal Terms"), exercisable by providing Landlord written notice (the "Notice") of Tenant's intent to exercise the renewal option at least six (6) months prior to the expiration date of the initial Lease Term or the applicable Option Term. Base Rents payable by Tenant during each such Renewal Term, as and if exercised, shall be at those amounts as set forth in Section 4.1 below.

3.4 Right of First Offer During the Preliminary Term and Term of this Lease, and provided Tenant is not then in uncured default beyond the cure period(s) applicable thereto, Tenant shall have a right of first offer to lease that space (or any portion thereof) adjacent to the Leased Premises and the Office Premises currently occupied as of the Effective Date hereof by Cyberspace Cafe, located in the Shopping Center and outlined as the Refusal Space on Exhibit "C" (the "Refusal Space") upon the same terms and conditions contained in this Lease. At such time as any portion of the Refusal Space hereafter becomes available, prior to putting such space on the market available for third-party leasing during the Term hereof, Landlord shall first notify Tenant in writing of Landlord's willingness to make the Refusal Space available to Tenant (an "Offer"). Tenant shall have twenty (20) business days from its receipt of such notice of the Offer to, at its option without any obligation, exercise its right and option to lease the Refusal Space, or such portion(s) thereof as Tenant may desire - it being expressly understood that Tenant may elect to lease only a portion of the applicable Refusal Space so as to provide an access corridor to the rear of the Shopping Center from the Leased Premises or Tenant's premises leased pursuant to the Office Lease as generally depicted upon Exhibit "C" hereto. If the Offer is submitted to Tenant and accepted by Tenant, then the subject Refusal Space as leased by Tenant shall be made available to Tenant upon the same terms and conditions, including Base Rent (computed on a per rentable square footage basis for such space), embodied in this Lease. The Refusal Space will, subject to the terms and conditions of this Lease, be delivered in its "AS-IS" physical condition with the Tenant's obligation to pay Base Rent and Additional Rent for such Refusal Space to begin on the date of Landlord's tender of delivery of such Refusal Space (partitioned from any other space in the Shopping Center as required or appropriate), which tendering by Landlord shall be a date within fifteen (15) business days immediately following Tenant's notice to Landlord of its (Tenant's) exercise of its rights hereunder as to the subject Refusal Space, or applicable portion thereof. The commencement date of the portion of the Term pertaining to the Refusal Space as leased to Tenant hereunder shall be delayed and Tenant's obligations (including those to pay any Rent sums or other amounts hereunder) shall be delayed and abated pending the delivery of the subject Refusal Space by Landlord so long as Landlord's failure or inability to deliver the subject Refusal Space is through no fault of Tenant. Further, should Landlord thereafter continue to fail or otherwise be unable to deliver the Refusal Space to Tenant within thirty (30) days of the date Tenant advises Landlord that it (Tenant) accepts all or a portion of the subject Refusal Space identified in the Offer, then Tenant shall have the right to terminate this Lease with no obligation or liability to Landlord hereunder. Landlord and Tenant shall execute such amendment(s) to this Lease as they and their counsel shall deem reasonably and mutually appropriate to document the addition of the subject Refusal Space to Leased Premises and to, among other things, confirm the revised Tenant's Proportionate Share percentage for future

determinations of Additional Rent. If Tenant elects not to exercise its right of first offer contained herein as to an Offer, then Landlord may lease the portion(s) of the Refusal Space not elected by Tenant to any third-party, and Tenant shall have no further rights under this Section 3.4 until such space next becomes available. In the event Tenant does not exercise its right of first offer contained herein, and Landlord does not lease the Refusal Space to a third-party within one-hundred twenty (120) days after Tenant's receipt of the Offer, this Section 3.4 shall again become effective and shall apply to any subsequent Offer(s). Landlord shall permit Tenant access to the offered Refusal Space for inspections as Tenant may deem reasonably necessary or appropriate during the period of time which Tenant has under this Section 3.4 to determine if it intends to exercise or not exercise its option rights and to make any Alterations to the Refusal Space accepted prior to the commencement date of Tenant's rental obligations as pertains to such space.

3.5 Contingencies Tenant's obligations under this Lease are expressly contingent upon the occurrence of each of the following events (each a "Contingency") on or before July 31, 2003, subject to extension as set forth below (as may be extended, the "Contingencies Deadline"):

(a) Tenant must have received all required governmental approvals or variances, if any, special exceptions and other approvals necessary or appropriate in its discretion (including, without limitation, all applicable certificate(s) of need and City of Buffalo Grove, Illinois approvals) allowing for the unqualified issuance of operation permits, building permits and any other permits and approvals necessary for the construction of the Tenant Improvements in accordance with the Tenant Improvement Plans, and to, upon completion, all such improvements, permit the use and occupancy of the Leased Premises for the intended Permitted Use as of the Commencement Date of the Term hereof.

(b) Tenant and Landlord shall have agreed in writing upon the scope and specifications of the Tenant Improvement Plans in all respects.

(c) Landlord shall, at its sole expense, have provided to Tenant, and Tenant shall have approved in its discretion and in all respects, a "Safety Plan" and such other action steps or requirements (including, without limitation and if applicable, the receipt of governmental or regulatory Consents necessary for implementation of such plan, steps and requirements) as may be necessary or appropriate to allow for the proper and safe renovation of the Leased Premises as contemplated by the Tenant Improvement Plans and in accordance with the legal requirements as contemplated both generally and specifically in that certain "No Further Remediation Letter" dated August 16, 2001 of record with respect to the Shopping Center as issued by the Illinois Environmental Protection Agency.

(d) Landlord and Tenant shall have agreed in writing to the allocation of costs and expenses between them relative to implementation of the above-referenced Safety Plan, and any other related action steps and requirements, provided that, notwithstanding the foregoing, it is agreed (which agreement shall, if and as applicable, survive the satisfaction or waiver by Tenant of these Contingencies) that in all events Landlord shall be solely responsible for all of the costs and expenses of environmental consultants, compliance reports, disposal of excavated or disturbed soil in, under or about the Leased Premises and costs and expenses associated with the removal, repair and/or replacement of concrete, asphalt or other pre-existing barriers as required by the improvements to be undertaken in accordance with the Tenant Improvement Plans.

(e) If it so elects, Tenant must have received, reviewed and approved, at its sole cost and expense, a firm, final owner's leasehold commitment for title insurance from a title insurance company acceptable to it and in a form and of content acceptable to it bearing a commitment by such Title Company to issue a final leasehold owner's policy insuring Tenant's anticipated leasehold interest(s).

in the Leased Premises together with customary endorsements and other endorsements desired by Tenant given the nature of the Leased Premises (including, without limitation, street address, affirmative access endorsements over the Common Area and comprehensive zoning/use endorsement) and a Landlord's owner's affidavit to permit the deletion of the so-called "standard exceptions".

(f) Subject to Landlord's continuing obligations under Article 17 following the Commencement Date, Tenant must have received an executed and recordable consent, recognition and non-disturbance agreements in a form and of content acceptable to Tenant and its counsel in their discretion, which consent as to form and content shall not be unreasonably withheld, conditioned or delayed, from each lender or other secured party, if any, having a mortgage, deed of trust or similar secured interest in the Leased Premises as of the Effective Date of this Lease, and which agreement shall among other matters provide for each such lender's consent to this Lease, including to the extent contemplated by lender's loan documents with Landlord, Tenant's intended Permitted Use and modifications to the Leased Premises and Shopping Center as may be contemplated by the Tenant Improvement Plans, and

(g) Tenant and Landlord must have entered into for recording a memorandum of lease in a form acceptable to Tenant and its counsel, which consent as to form and content shall not be unreasonably withheld, conditioned or delayed, for recording, at Tenant's expense, reflecting Tenant's leasehold interest in the Leased Premises and other matters as the parties thereto may agree

If any one or more of the Contingencies is or are not fulfilled to the sole satisfaction of Tenant on or before July 31, 2003, Tenant may either, in its sole discretion and without further liability (i) upon written notice to Landlord given within ten (10) days thereafter, terminate this Lease, and upon such termination, neither party shall owe any further obligation to, or have liability to, the other under either agreement or (ii) by written notice to Landlord given within ten (10) days thereafter extend the Contingencies Deadline by a period of up to an additional thirty (30) days thereafter, in which case the Commencement Date and the Rental Commencement Date shall be adjusted by a like number of days. If Tenant extends the Contingencies Deadline as contemplated by (ii) above and any one or more Contingency or Contingencies is or are not thereafter fulfilled to the sole satisfaction of Tenant by that new date, Tenant may, in its sole discretion and without further liability, terminate this Lease upon further written notice to Landlord within ten (10) days thereafter, and upon such termination, neither party shall owe any further obligation to the other under either agreement. If Tenant does not within ten (10) days of the Contingency Deadline (as same may be extended as provided hereby), give Landlord the notice provided for in (i) or (ii) above, the unsatisfied Contingencies shall be deemed to have been waived by Tenant

ARTICLE 4 RENT

4.1 Base Rent Tenant shall pay annual Base Rent as to the Leased Premises in the amount as set forth below, due and payable, without demand or notice, commencing on the Rent Commencement Date and continuing on the first day of each month through Lease Term. Monthly installments of Base Rent shall be due on or before the first (1st) day of each calendar month during the Lease Term (on and after the Rent Commencement Date), but Base Rent shall not be deemed to be late until after the tenth (10th) day of the month. The Rent Commencement Date shall be the same date as the Commencement Date of the Lease Term. If the Rent Commencement Date is not on the first day of the month, then Base Rent for the month in which the Rent Commencement Date occurs shall be pro rated based upon the remaining days in that month. Tenant's obligation to pay the Additional Rent (as set forth in Section 4.2 hereof) shall begin on the Commencement Date. Annual and monthly Base Rent amounts payable hereunder shall be as follows

(a) Initial Lease Term

	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
Lease Year 1	\$71,500 00	\$5,958 33
Lease Year 2	73,645 00	6,137 08
Lease Year 3	75,854 35	6,321 20
Lease Year 4	78,129 98	6,510 83
Lease Year 5	80,473 88	6,706 16
Lease Year 6	82,888 09	6,907 34
Lease Year 7	85,374 73	7,114 56
Lease Year 8	87,935 97	7,327 00
Lease Year 9	90,574 05	7,547 84
Lease Year 10	93,291 27	7,774 27

(b) 1st Five-Year Renewal Term, if and as exercised by Tenant Per Section 3.3

Lease Year 11	\$96,090 00	\$8,007 50
Lease Year 12	98,972 70	8,247 73
Lease Year 13	101,941 88	8,495 16
Lease Year 14	105,000 12	8,750 01
Lease Year 15	108,150 12	9,012 51

(c) 2nd Five-Year Renewal Term, if and as exercised by Tenant Per Section 3.3

Lease Year 16	\$111,394 62	\$9,282 89
Lease Year 17	114,736 45	9,561 37
Lease Year 18	118,178 54	9,848 21
Lease Year 19	121,723 88	10,143 66
Lease Year 20	125,375 58	10,447 97

4.2 Additional Rent

(a) **Monthly Payments** Commencing as of the Rent Commencement Date, Tenant shall pay Landlord, as Additional Rent, monthly in advance a sum equal to 1/12th of Tenant's Proportionate Share of Real Estate Taxes, Insurance Expenses and Common Area Maintenance Expenses (collectively referred to as "Operating Expenses"), which is currently estimated to be approximately Four and 25/100 Dollars (\$4 25) per rentable square foot, provided, however, the Operating Expenses payable by Tenant as Additional Rent hereunder shall not exceed, during the first three (3) Lease Years of the Term, Tenant's Proportionate Share of the lesser of the actual Operating Expenses per rentable square foot in the Leased Premises, or Three and NO/100 Dollars (\$3 00) per rentable square foot in the Leased Premises. If the first and/or last Lease Years of the Lease Term shall not coincide with a calendar year, then Tenant's obligation for Operating Expenses attributable to the partial calendar year shall be pro rated on the basis of the ratio between the number of days of such partial calendar years and 365. Monthly payments of Additional Rent shall be due on or before the first (1st) day of each calendar month of each Lease Year during the Lease Term (on and after the Rent Commencement Date), but Additional Rent shall not be deemed to be late until after the tenth (10th) day of the month in which such payment is due. If the Rent Commencement Date is not on the first day of the month, then Additional Rent for the month in

which the Rent Commencement Date occurs shall be pro rated based upon the remaining days in that month

(b) Determination of Operating Expenses Following the Commencement Date of the Lease Term and Rent Commencement Date, at the end of each Lease Year, Landlord shall give written notice to the Tenant setting forth in reasonable detail by category the Operating Expenses for the Lease Year just ended and an estimate of Operating Expenses for the ensuing year. If Tenant's Proportionate Share of Operating Expenses for the Lease Year just ended exceeds the aggregate monthly payments of Additional Rent paid by Tenant for such Lease Year, then Tenant, subject to if applicable, the cap set forth in Section 4.2(a) hereof, shall pay the difference to Landlord within thirty (30) days of Tenant's receipt of such notice, subject however, to Tenant's right to contest such determination. If the aggregate monthly payments of Additional Rent exceed Tenant's Proportionate Share of Operating Expenses for the Lease Year just ended, then the Tenant may deduct such difference from its next monthly payments of Base Rent and Additional Rent.

(c) Contest Tenant shall have thirty (30) days following its receipt thereof to dispute the Landlord's calculation of Operating Expenses for each Lease Year by submitting written notice to Landlord, which notice shall include the specific allegations of Tenant's dispute. If within thirty (30) days after the submittal of the written notice, no settlement is reached, the disputed Operating Expenses items shall be referred to a certified public accounting firm selected by Landlord and approved by the Tenant, to resolve the disputed items. In the event the determination results in a variance of five (5%) per cent or less in the Tenant's Proportionate Share of Operating Expenses for the prior year, Tenant shall pay the expenses involved in such determination.

4.3 Late Payment of Rent All Rent or other payments due hereunder from one party to the other, if not paid when due, shall bear interest per annum at two percentage points (2.0%) higher than the prime rate published in *The Wall Street Journal*, said interest rate to be adjusted on the date the prime rate changes (but not to exceed the maximum lawful rate of interest chargeable under the laws of the State) (the "Default Rate") from the date due until paid.

4.4 Payment Location All Rent payable to Landlord under the terms and conditions of this Lease shall be paid to Landlord at Landlord's offices having that address set forth in the opening provision of this Lease, or at such other place/address as Landlord may hereafter from time to time designate in writing to Tenant in the manner contemplated by Section 22.5 of this Lease.

ARTICLE 5 IMPROVEMENTS

5.1 Delivery of Leased Premises by Landlord Landlord represents and warrants that prior to the Effective Date hereof, it has (a) removed and properly disposed of all existing flooring coverings including carpeting, tile and any adhesive so as to provide for a smooth concrete subflooring, (b) removed and properly disposed of all ceiling tiles and grids within the Leased Premises, and (c) removed and properly disposed of all non-structural and non-demising existing walls and partitions within the Leased Premises. Except for the foregoing and except as may be otherwise contemplated by the Lease (including under Section 3.5), Landlord shall deliver the Leased Premises to Tenant on the Beneficial Occupancy Date "AS-IS", in broom clean condition, and in compliance with all laws, orders, building codes and regulations of any governmental authority having jurisdiction over the same. Notwithstanding the foregoing, Landlord represents and warrants to Tenant that the Leased Premises contains (i) a fully operational and code compliant sprinkler system, (ii) four (4) tons of HVAC per 1,000 square feet within the Leased Premises and fully warranted by Landlord or the manufacturer thereof for the first two (2) Lease Years of the Lease Term, (iii) an accessible and minimum four inch (4") sanitary waste line

separately metered to Leased Premises, (iv) a natural gas line available dedicated and separately metered to the Leased Premises, and (v) three (3) phase electrical service to the Leased Premises and including 600 available amps of power separately metered to Leased Premises. Landlord also represents and warrants that a separately metered and dedicated two inch (2") water line currently runs from a public works main line to the Leased Premises with a PSI not less than thirty (35) PSI, and that Tenant may tap into and use said water line at all times during the Term.

5.2 Installation and Construction of Tenant Improvements

(a) Within five (5) days following the Effective Date hereof, Landlord shall deliver to Tenant full and complete copies of existing architectural and building plans pertaining to the Leased Premises for Tenant's review and use in developing its Tenant Improvement Plans (as herein defined). Thereafter, Tenant shall deliver to Landlord, within sixty (60) days following Tenant's receipt of the aforementioned plans of the Leased Premises from Landlord, copies of the proposed plans and specifications relating to the construction of the initial Tenant Improvements (the "Tenant Improvement Plans") for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Unless Landlord delivers specific written objections within five (5) days after delivery to it of the proposed Tenant Improvement Plans, the Tenant Improvement Plans as submitted by Tenant shall be deemed approved by Landlord, and the same shall be incorporated into this Lease via a description of the same contained in Exhibit "E" hereto. In the event Landlord delivers written objections to the proposed Tenant Improvement Plans submitted by Tenant within such five (5) day period, Tenant shall promptly submit revised plans to Landlord addressing the matters objected to by Landlord, and Landlord shall have five (5) days thereafter to again advise of specific continuing concerns. If Landlord does submit written objections within the time parameters contemplated hereby, the parties shall cooperate in good faith to resolve their differences as to such matters so that the Tenant's Improvements can proceed, but if such differences cannot be resolved within seven (7) days after Landlord serves continuing objections, if any, with respect to Tenant's first set of revised Tenant Improvement Plans, then, provided that Tenant has not already terminated this Lease as contemplated by Section 3.5, the Rent Commencement Date shall be deemed delayed one (1) day for each day that the parties continue efforts to resolve any differences as to the Tenant's Improvement Plans.

(b) Following delivery to and acceptance by it of the Leased Premises and upon satisfaction of the Contingencies contemplated by Section 3.5 above, Tenant shall be responsible for the installation and construction of all initial Tenant Improvements. The initial Tenant Improvements to be constructed by Tenant within the Leased Premises and the premises leased under the Office Lease shall be those substantially described in Tenant Improvement Plans referenced in this Lease and the Office Lease. All Tenant Improvements shall be made in full compliance with all laws, regulations and requirements of all governmental agencies and authorities having jurisdiction thereof. Landlord shall correct, at its expense, any latent defects in the Leased Premises discovered during the construction of the Tenant Improvements.

5.3 Tenant Improvement Allowance. Landlord shall reimburse Tenant in an amount equal to the Tenant Improvement Allowance (including reimbursement to Tenant of those costs and expenses that may be incurred by Tenant relative to the matters addressed by Sections 3.5(e) and 3.5(d) that are the responsibility of Landlord) for the cost of installation and completion of Tenant's Improvements in the Leased Premises and the premises leased under the Office Lease. Landlord shall immediately and in all events within thirty (30) days disburse the Tenant Improvement Allowance to Tenant upon receipt of (i) mechanic's, materialmen's, or other applicable lien waivers, from the prime contractor having performed the work for which the payment is sought and due, and (ii) receipts for invoices pertaining to the Tenant Improvements. Tenant, without limiting any of its other rights and remedies hereunder, shall be entitled

to setoff and credit against its Rent payments hereunder and under the Office Lease to the extent that the Tenant Improvement Allowance, in part or in full, is not paid by Landlord when due

ARTICLE 6 MAINTENANCE AND REPAIRS

6.1 Landlord's Maintenance Obligations Landlord, at Landlord's sole cost and expense (subject to reimbursement by Tenant as to its portion of the Operating Expenses under the Additional Rent provisions of this Lease), shall at all times following the Effective Date hereof promptly make all repairs perform all maintenance and make all replacements, reasonable, necessary and appropriate in and to (i) the roof and all structural elements of the Shopping Center including within the Leased Premises, together with the floor slab, (ii) parking lots and all other Common Areas upon the Land and (iii) general mechanical systems such as HVAC, plumbing or electrical systems of the Shopping Center (but excluding dedicated plumbing, electrical systems and other mechanical systems installed by Tenant used and exclusively by it within the Leased Premises)

6.2 Tenant's Maintenance Obligations Subject to normal wear and tear, casualty loss and condemnation loss as otherwise provided for by the terms of this Lease, Tenant, at Tenant's cost and expense, shall promptly make all repairs and perform all maintenance in and to the interior of the Leased Premises (including the aforementioned mechanical systems as installed by Tenant and used exclusively within the Leased Premises) not otherwise the obligation of Landlord under Section 6.1 or elsewhere under this Lease

ARTICLE 7 SIGNS AND ALTERATIONS

7.1 Signage Tenant shall have the right to install the maximum signage at the Leased Premises which is permitted by local codes and zoning ordinances, subject to Landlord's approval as to design and placement, which approval shall not be unreasonably withheld, delayed or conditioned

7.2 Alterations, Additions and Improvements After completion of the initial Tenant Improvements contemplated under Article 5, Tenant may make any further alterations, additions improvements or other changes (collectively, the "Alterations"), structural or otherwise, in or to the Leased Premises after first obtaining the prior written consent of Landlord, except as provided in Section 7.3 below, which consent shall not be unreasonably withheld, delayed or conditioned. Any Alterations made by Tenant shall be made (a) in a good, workmanlike, first-class and prompt manner and (b) in accordance with all applicable legal requirements

7.3 Alterations Without Landlord's Consent Notwithstanding the provisions of Section 7.2, Tenant shall have the right to make Alterations without the Landlord's consent, provided such Alterations (a) are made to the interior of the Leased Premises, (b) do not adversely affect the structural integrity or exterior of the Leased Premises, and (c) do not adversely affect the electrical, heating or plumbing systems servicing the Leased Premises

7.4 Right to Remove Furniture, Fixtures and Equipment All Alterations to the Leased Premises of a permanent nature and being fixtures made by either party (including the initial Tenant Improvements that are fixtures in nature as opposed to personal property or moveable trade fixtures) shall upon the expiration or earlier termination of this Lease but not before, become the property of Landlord and shall remain upon and be surrendered with the Leased Premises as a part thereof at the expiration or earlier termination of the Lease Term, provided, however, Tenant shall have the right to remove all trade fixture improvements or alterations and all movable furniture, furnishings and equipment installed in the Leased Premises (including, without limitation, those items of equipment or other matters identified on

Exhibit "F" hereto) solely at the expense of Tenant, provided any damage to the Leased Premises caused by such removal is promptly repaired

ARTICLE 8 INSPECTION BY LANDLORD

8.1 Landlord's Right to Inspect Upon at least forty-eight (48) hours prior notice (except in the event of an emergency), Landlord or its agents or representatives shall have the right to enter into and upon any part of the Leased Premises at all reasonable hours in the accompaniment of a Tenant representative to inspect the same as Landlord may deem reasonably necessary or desirable. Landlord further reserves the right, upon advance notice and in the accompaniment of a Tenant representative, to show the Leased Premises to prospective tenants or brokers during the last six (6) months of the Lease Term, and to prospective purchasers or mortgagees at all reasonable times, upon advance notice and in the accompaniment of a Tenant representative. Landlord shall not materially interfere with Tenant's use and occupancy of the Leased Premises and shall not disclose the identity of any patients of Tenant observed while in or about the Leased Premises.

ARTICLE 9 PEACEFUL ENJOYMENT

9.1 Covenant of Peaceful Enjoyment Landlord represents and warrants that Tenant shall have the right, at all times following the Effective Date hereof, to peacefully occupy, use and enjoy the Leased Premises and the Rights for the Permitted Use free of interference by Landlord and/or others, provided Tenant pays the Rent and performs all of Tenant's covenants and agreements herein contained and is not in default beyond applicable cure periods provided to it hereby.

ARTICLE 10 INDEMNIFICATION

10.1 Tenant's Indemnification of Landlord Tenant shall indemnify and hold Landlord harmless from and against, to the extent not the Landlord's obligation under this Lease, all costs, damages, claims, liabilities and expenses (including attorneys' fees) suffered by or claimed against Landlord (unless resulting from the negligence or misconduct of Landlord, Landlord's agents, employees or invitees), directly or indirectly, based on, arising out of or resulting from (i) the use and occupancy of the Leased Premises by Tenant, (ii) the repair or maintenance of the Leased Premises which are the obligations of Tenant, (iii) any act or omission by Tenant or Tenant's employees or agents and (iv) any uncured breach or default in the performance or observance of Tenant's covenants or obligations under this Lease.

10.2 Transfer of Leased Premises In the event that at any time any landlord hereunder shall sell or transfer the Leased Premises or such landlord's interest therein, said landlord shall not be liable to Tenant for any obligations or liabilities based on or arising out of events or conditions first occurring after the date of such sale or transfer. Within twenty (20) days after the written request of any purchaser or transferee of the Leased Premises of any landlord's interest therein, Tenant shall attorn to such purchaser or transferee, so long as such party first fully accepts and acknowledges Tenant's rights under this Lease and agrees in writing (the form of which is to be reasonably satisfactory to Tenant and its counsel) not to disturb Tenant's occupancy hereunder.

10.3 Landlord's Indemnification Obligation Landlord shall indemnify and hold Tenant harmless from and against, to the extent not the Tenant's obligation under this Lease, all costs, damages, claims, liabilities and expenses (including attorneys' fees) suffered by or claimed against Tenant (unless resulting from the negligence or misconduct of Tenant, Tenant's agents, employees or invitees), directly or indirectly, based on, arising out of or resulting from (i) the initial construction and subsequent repair or

maintenance of the Leased Premises or the Shopping Center which are the obligations of Landlord (ii) any act or omission by Landlord or Landlord's employees, agents, subtenants or contractors and (iii) any breach or default in the performance or observance of Landlord's covenants, representations or obligations under this Lease, subject to applicable cure periods

ARTICLE 11 DAMAGE OR DESTRUCTION

11.1 Restoration of Leased Premises If the Leased Premises or any substantial portion (i.e. greater than 25%) of the Shopping Center are totally or partially damaged or destroyed from any cause thereby rendering the Leased Premises or Common Areas totally or partially materially inaccessible or unusable Landlord shall diligently restore and repair the Shopping Center and the Leased Premises to substantially the same condition it was in prior to such damage, provided, however, that (i) if in Landlord's reasonable judgment (said judgment to be made within fifteen (15) days of the date of such occupancy or damage or destruction) such repairs and restoration cannot be completed within one hundred twenty (120) days after the occurrence of such damage or destruction (taking into account the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental permits) or (ii) if Landlord will not receive the proceeds from insurance necessary to fully complete such repair or restoration, or (iii) if such damage or destruction occurs within twenty-four (24) months prior to the expiration of the Lease Term, then Landlord or Tenant shall have the right to terminate this Lease by giving written notice of termination to the other party within thirty (30) days after the occurrence of such damage or destruction as to events (i) or (iii) or, as may be the case, receipt of notice from Landlord as to event (ii), whichever is later. If this Lease is terminated in accordance with the above procedure, then Base Rent and Additional Rent payable hereunder shall be apportioned and paid to the date of said termination, and shall equitably abate after the date of such damage or destruction. If this Lease is not terminated as a result of such damage or destruction, then Landlord shall promptly proceed to repair and restore the Shopping Center including the Leased Premises and Common Areas, and until such repair and restoration of the Leased Premises and Common Areas serving same are substantially complete, the Base Rent and Additional Rent shall be abated as to that portion of the Leased Premises and/or Common Areas which is unsuitable for occupancy or use by Tenant. If this Lease is not terminated as a result of such damage or destruction, then except as otherwise specified in Section 11.2 Landlord shall bear the cost and expenses of such repair and restoration of the Leased Premises. Further, if the Office Lease is terminated as a result of an event of casualty, Tenant shall have the option, at its discretion, of terminating this Lease upon written notice to Landlord, irrespective of whether or not any portion(s) of the Leased Premises hereunder are damaged or destroyed by such casualty event.

11.2 Limitation on Landlord's Obligation Notwithstanding anything above to the contrary, if Landlord repairs and restores the Shopping Center, including the Leased Premises as provided in Section 11.1, Landlord shall not be required to repair, restore or replace any decorations, alterations or improvements to the Leased Premises previously made by Tenant, unless adequate insurance proceeds are available to pay the full costs thereof. It shall, should it so elect, be Tenant's sole responsibility to repair, restore or replace any trade fixtures, furnishings, equipment or personal property belonging to Tenant to substantially their same condition prior to such damage or destruction, provided, however, Tenant shall not be obligated to restore or replace such items. All insurance proceeds payable under insurance coverages carried by Tenant on the Tenant Improvements and Alterations constructed by it within the Leased Premises, and upon Tenant's personal property, equipment and trade fixtures, shall be the property of and be payable solely to Tenant.

ARTICLE 12 CONDEMNATION

12.1 Condemnation If a substantial and material portion of the Shopping Center (more than 25%) or any portion of the Leased Premises, or the use or occupancy of the Leased Premises, shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including a sale thereof under threat of such a taking) and such taking has a material and adverse effect on the Tenant's access to, or operation within, the Leased Premises, then Tenant shall have the right, in Tenant's sole discretion to terminate this Lease upon written notice to Landlord effective as of the date title thereto vests in such governmental or quasi-governmental authority, and all Rent payable hereunder shall be apportioned as of such date. Further, if the Office Lease is terminated as a result of an event of Condemnation, Tenant shall have the option, at its discretion upon written notice to Landlord of terminating this Lease, irrespective of whether or not any portion(s) of the Leased Premises hereunder are taken or condemned.

12.2 Condemnation Award All awards, damages and other compensation paid by the condemning authority on account of such taking or condemnation (or sale under threat of such a taking) shall belong to Landlord, and Tenant hereby assigns to Landlord all rights to such awards, damages and compensation, except that Tenant shall be entitled to receive any award attributable to the leasehold interest of Tenant (including the value of its Tenant Improvements and Alterations) and/or Tenant's loss of business and which would be awarded solely and exclusively to Tenant. Further, nothing contained herein shall prevent Tenant from pursuing a separate claim against the condemning authority for relocation expenses, the value of the Tenant Improvements and Tenant's Alterations, if any, and the value of furnishings, equipment and trade fixtures installed in the Leased Premises at Tenant's expense and which Tenant is entitled pursuant to this Lease to remove at the expiration or earlier termination of the Lease Term, the value of the unexpired Lease Term, and loss of profits.

ARTICLE 13 DEFAULT

13.1 Events of Default by Tenant The occurrence of any of the following shall constitute a default by Tenant under this Lease:

(a) If Tenant shall fail to pay any payment of Rent when due and such failure, after expiration of any applicable grace period, shall continue for a period of ten (10) days after receipt by Tenant of notice that Rent is late (however, if Landlord provides notice of late payment three (3) times during the Lease Term or any Renewal Term, then after the third such notice, Landlord shall no longer be required to provide such notice and thereafter Tenant shall be in default if Rent is paid after the tenth (10th) day of the month),

(b) If Tenant shall violate or fail to perform any other term, condition, covenant or agreement to be performed or observed by Tenant under this Lease, and such failure shall continue for a period of thirty (30) days after written notice thereof (plus such additional time as is reasonably necessary in the event such non-monetary default is incapable of being cured in thirty (30) days so long as Tenant is continuously and diligently pursuing the remedy of such non-monetary default),

(c) An Event of Bankruptcy with respect to Tenant occurs as specified below: (a) Tenant becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"), or under the insolvency laws of any state, district, commonwealth or territory of the United States (the "Insolvency Laws"); (b) the appointment of a receiver or custodian for any or all of Tenant's property or assets or the institution of a foreclosure action upon any of Tenant's real or personal property; (c) Tenant's filing or consenting to a petition under the provisions of the Bankruptcy Code or the Insolvency

Laws or in any bankruptcy, reorganization, composition extension, arrangement or insolvency proceeding (d) the filing of a petition against Tenant as the subject debtor under the Bankruptcy Code or Insolvency Laws, which is not consented to by such subject debtor and which either (i) is not dismissed within ninety (90) days of filing or (ii) results in the issuance of an order for relief against the debtor or (c) Tenant's making or consenting to an assignment for the benefit of creditors or a common law composition of creditors.

(d) A court ordered dissolution of Tenant or liquidation of substantially all of Tenant's assets occurs, or

(e) If Tenant shall be in uncured continuing default under the terms and provisions of the Medical Office Lease following expiration of applicable cure period(s) provided for thereunder

13.2 Remedies for Tenant Default If there shall be any default by Tenant under this Lease Landlord shall, after the expiration of the cure period(s) applicable thereto as granted to Tenant hereunder, have the right, at its sole option, to terminate this Lease. In addition, with or without terminating this Lease, Landlord may re-enter, terminate Tenant's right of possession and take possession of the Leased Premises. If necessary, Landlord may proceed to recover possession of the Leased Premises under and by virtue of the laws of the jurisdiction in which the Leased Premises are located. If there shall be any uncured default under this Lease by Tenant, then whether or not this Lease and/or Tenant's right of possession is terminated by reason of Tenant's default, Landlord may relet the Leased Premises or any part thereof, alone or together with other premises, for such term(s) and on such terms and conditions (that may include concessions or free rent and alterations of the Leased Premises) as Landlord, in its sole discretion, may determine. Tenant nevertheless shall remain liable for any Rent or damages that may be due or sustained prior to such default, all reasonable costs, fees and expenses including, but not limited to, reasonable brokerage fees, expenses incurred in placing the Leased Premises in first-class rentable condition, and reasonable costs and expenses incurred by Landlord in pursuit of its remedies hereunder and in renting the Leased Premises to others from time to time. In the event of default by Tenant, Landlord agrees that Landlord shall use reasonable efforts to mitigate Landlord's damages.

13.3 Remedies Cumulative All rights and remedies of either party set forth in this Lease are in addition to all other rights and remedies available to such party at law or in equity. All rights and remedies available to either party pursuant to this Lease or at law or in equity are expressly declared to be cumulative. The exercise by either party of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy, provided, however, only actual damages, and not any exemplary, special, consequential or similar damages shall be recoverable upon an event of uncured default by either party. No delay or failure by either party to exercise or enforce any of such party's rights or remedies or the other party's obligations shall constitute a waiver of any such rights, remedies or obligations.

13.4 Events of Default by Landlord, Remedies Except where a shorter period of time may be provided for elsewhere in this Lease, if Landlord shall violate or fail to perform any material term, condition, covenant or agreement to be performed or observed by Landlord under this Lease, and such failure shall continue for a period of thirty (30) days after written notice thereof (plus such additional time as is reasonably necessary in the event such default is incapable of being cured in thirty (30) days so long as Landlord is continuously and diligently pursuing the remedy of such default), or if Landlord shall be in default under the Office Lease, and such default shall extend beyond any applicable cure periods contained in the Office Lease, then, in addition to all other rights and remedies available to it at law and in equity, Tenant shall have the right, at its sole option, to cure such Landlord defaults and/or to terminate

both this Lease and the Office Lease. Should Tenant elect to cure Landlord's defaults, then in such event within ten (10) days of written demand by Tenant for reimbursement of the costs, expenses and fees expended by it in curing same (including without limitation, attorney's fees), Landlord shall reimburse all such amounts to Tenant. If Landlord fails to reimburse Tenant as contemplated hereby within the foregoing period, Landlord shall be in further default of this Lease and, among such other rights and remedies as may be available to it hereunder, Tenant may set-off and reduce the ensuing monthly/annual Rent(s) payable by it to Landlord by a sum equal to the amount outstanding to it from Landlord plus interest at the Default Rate accruing from the time Tenant incurred the subject costs, expenses and/or fees. Landlord shall remain liable for any damages that may be due or sustained by Tenant prior to and during such default, and all reasonable costs, fees and expenses including, but not limited to reasonable attorney fees, costs and expenses incurred by Tenant in pursuit of its remedies hereunder. In the event of default by Landlord, Tenant agrees that Tenant shall use reasonable efforts to mitigate Tenant's damages.

13.5 Right to Terminate Notwithstanding anything herein to the contrary, Tenant may terminate this Lease in the event the Medical Office Lease is terminated for any reason other than an uncured material default by Tenant of its obligations under this Lease or said Medical Office Lease.

ARTICLE 14 COVENANTS OF LANDLORD

14.1 Duties of Landlord In addition to the duties of Landlord set forth in Section 6.1 herein and otherwise under this Lease, Landlord shall (i) maintain at its expense all risk fire and extended coverage insurance on the Shopping Center, including the Leased Premises, and on the Common Areas, in such amounts as Landlord shall reasonably determine but in no event less than those required by any mortgagee or other secured party currently or hereafter having a secured interest in the Shopping Center and in no event at levels that would result in Landlord being a co-insurer of the Shopping Center improvements, and Landlord shall furnish evidence of such coverage to Tenant annually (if requested), (ii) maintain broad form comprehensive general liability insurance against claims for bodily injury, death or property damage occurring in or about the Shopping Center, including the Common Areas and the Land in such amounts as are commercially reasonable as reasonably determined by the Landlord but in no event less than those required by any mortgagee or other secured party currently or hereafter having a secured interest in the Shopping Center and in no event at levels that would result in Landlord being a co-insurer, (iii) maintain, repair and replace all aspects of any Common Areas as herein required, and (iv) pay when due all Real Estate Taxes and all Common Area maintenance expenses related to the Shopping Center.

14.2 Utilities Landlord shall cause at its cost and expense, all utilities necessary for Tenant's use of the Leased Premises (including water, sewer, electricity, gas and telephone) to be connected and separately metered to the Leased Premises and shall be responsible for the payment of connection or tap fees. Tenant shall be responsible for securing utility service (including the posting of any deposits) and for the payment of the customary utility charges for any utilities which are separately metered to the Leased Premises. In the event any of the utility services to the Leased Premises are materially diminished, interrupted or disconnected by an act of Landlord or someone under the control or direction of Landlord, or if Landlord fails to repair, maintain or, as necessary or appropriate, replace the equipment providing critical services (i.e., water, heat, cooling, ventilation) to the Leased Premises within five (5) days of notice of any problem (to the extent Landlord is obligated to do so pursuant to Section 6.1 hereof), Tenant may restore the same at its own cost and, in addition to any other remedy Tenant may have, may deduct the reasonable amount thereof from the Rent or any other payments that may thereafter become due hereunder, but only if Landlord shall fail or refuse to reimburse Tenant within ten (10) days after written demand for such reimbursement from Tenant.

ARTICLE 15 TENANT'S INSURANCE

15.1 Tenant's Obligation to Insure Beginning on the Commencement Date, Tenant shall maintain, at Tenant's expense, (i) commercial general public liability insurance against claims for bodily injury death or property damage occurring in, on or about the Leased Premises in a per occurrence limit of not less than One Million Dollars (\$1,000,000) and an aggregate limit of not less than Three Million Dollars (\$3,000,000) and (ii) all risk fire and extended coverage insurance on the value of its Tenant Improvements and Alterations made by it within the Leased Premises, and on all of its personal property, including removable trade fixtures, located on the Leased Premises. Said insurance contemplated by subpart (i) hereof may be secured by "blanket" policy coverage and shall name Landlord and any reasonable designee of Landlord having a material interest in the Shopping Center as additional insureds.

ARTICLE 16 ENVIRONMENTAL MATTERS

16.1 Definitions For purposes of this Article 16, the following terms shall have the indicated meanings, unless the context or use indicates another or different meaning:

(a) "Applicable Environmental Laws" shall mean all federal, state, foreign and local statutory laws, rules or regulations, agreements with governments, court orders, administrative orders and case law pertaining to the health or the environment, or petroleum products or hazardous substances and all amendments, modifications and additions thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Superfund Amendments and Reauthorization Act of 1986, and the Toxic Substances Control Act.

(b) "Hazardous Substances" shall mean pollutants, contaminants, dangerous substances, toxic substances, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to any Applicable Environmental Law.

16.2 Landlord's Environmental Indemnification Landlord hereby indemnifies, holds Tenant harmless and, if Tenant elects, agrees to defend it against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, without limitation, attorney's fees and fees for the employment of any environmental expert or consultant, as a result of the presence upon the Land or in the Shopping Center of any Hazardous Substance at the time of full execution of this Lease or caused to be present upon the Land or in the Shopping Center after the execution of this Lease, but excluding such Hazardous Substances or conditions first created within the Leased Premises after the Commencement Date by Tenant, its agents, employees, contractors or invitees. Landlord's indemnity, hold harmless and defense obligations hereunder shall include, without limitation, all claims, judgments, expenses, damages, penalties, fines, costs, liabilities or losses including attorney and consultants' fees, that are incurred by Tenant as a result of the pre-Effective Date environmental contaminations of the Shopping Center as generally described in and contemplated by that No Further Remediation Letter referenced in Section 3.5(b) hereof, including, without limitation, Tenant's compliance with the requirements of such No Further Remediation Letter in undertaking its Tenant Improvements in or about the Leased Premises. Absent gross negligence or willful actions by Tenant in violation of the requirements of the No Further Remediation Letter and the safety/health plan that may be developed by the parties in accordance with Section 3.5 hereof, Tenant shall not be obligated to Landlord, its successors or assigns, under this Article 16 for activities undertaken in or about the Leased Premises in constructing the initial Tenant Improvements. Landlord acknowledges that the indemnifications, hold harmless and defense provisions of this Article 16 are a material inducement to Tenant to enter into this Lease and the Office Lease given the stated pre-existing contamination referenced in the No Further Remediation Letter and that, but for the

indemnification hold harmless and defense protections provided by Landlord hereunder. Tenant would not enter into this Lease or the Office Lease with Landlord

16.3 Tenant's Environmental Covenant Tenant shall not bring upon, or allow its agents employees or those under its control and direction to bring upon, the Leased Premises and permit to remain upon the Leased Premises any Hazardous Substance except for such Hazardous Substances used in conjunction with its business operations which are kept, stored and disposed of in a manner that complies with Applicable Environmental Laws, and Tenant shall not permit the presence of Hazardous Substances in or on the Leased Premises as first caused to be placed thereon by Tenant, or those under its control and direction, to result in any contamination of the Leased Premises

16.4 Tenant's Environmental Indemnity If Tenant shall breach its obligations as stated in the preceding subsection 16.3, then, in any such event, Tenant shall indemnify and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including without limitation, diminution in the value of the Land and Shopping Center, reasonable attorney's fees, and fees for the employment of any environmental expert or consultant as a result of any such contamination, which arise during or after the Lease Term as a result of any such breach by Tenant or any contamination caused by Tenant Notwithstanding the foregoing, Tenant shall not be obligated to or otherwise liable to Landlord, or anyone claiming by, under or through Landlord, including its successors and assigns, in any respect as pertains to any pre-existing contamination, condition or continued existence in or about the Leased Premises from circumstances existing prior to the Commencement Date of this Lease, including those conditions as generally described in the No Further Remediation Letter described in Section 3.5 The indemnification of Landlord by Tenant under this Section 16.4 as may hereafter be applicable, further includes, without limitation, all costs and expenses incurred in connection with any investigation of site conditions or any clean-up, remediation, removal, or restoration work required or approved by any federal, state or local governmental authority because of any Hazardous Substance being present in or on the Leased Premises or in the soil, ground water or soil vapor on, under or about the Leased Premises and any adjoining property as a result of any breach by Tenant of its obligations hereunder Tenant's indemnification obligations under this Section 16.4 shall survive the termination or expiration of this Lease for a period of two (2) calendar years

ARTICLE 17 SUBORDINATION NONDISTURBANCE AND ATTORNMEN

17.1 Subordination of Lease Subject to Landlord's obligations under Section 17.2 below Tenant agrees to subordinate this Lease to any first mortgage or deed of trust and related financing instruments which may now or hereafter affect the Leased Premises or the Land and Shopping Center, and to all renewals, modifications, consolidations, replacements, amendments and extensions thereof, provided that the secured party or holder (or their successors) of any such mortgage or deed of trust agrees with Tenant not to disturb the possession of Tenant in the Leased Premises following the foreclosure of such mortgage or deed of trust or other proceedings or actions to enforce such mortgage or deed of trust, so long as Tenant is not in default hereunder

17.2 Nondisturbance Landlord shall obtain the agreement (in a form reasonably acceptable to Tenant) of each existing and future holder of any and all mortgages, deeds of trust, mortgages or security instruments, ground leases or superior interest in, to or on the Land and Shopping Center and for the benefit of Tenant that it will not disturb the possession of Tenant in the Leased Premises following the foreclosure, taking of deed in lieu, termination (as may be the case) of such mortgage, deed of trust ground lease, or other proceedings or actions to enforce such mortgage, deed of trust or ground lease, so long as Tenant is not in default hereunder beyond the expiration of applicable cure periods

17.3 Attornment If any person shall succeed to all or part of Landlord's interest in the Leased Premises, whether by purchase, foreclosure, deed in lieu of foreclosure power of sale, termination of lease or otherwise, and if so requested or required by such successor in interest, Tenant shall, subject to Section 17.2 above, attorn to such successor in interest and shall execute such reasonable agreement in confirmation of such attornment as such successor in interest shall reasonable request

ARTICLE 18 BROKERAGE FEES

18.1 Brokers Landlord and Tenant each represent and warrant to the other that neither of them has employed or dealt with any broker, agent or finder in connection with this Lease, other than Mohr Partners, Inc (on behalf of Tenant) (the "Broker") The Landlord shall be solely responsible for the payment of all commissions pursuant to this Lease, the Medical Office Lease and/or any separate brokerage agreement as pertaining to this Lease and the Medical Office Lease involving the Broker The parties hereto shall indemnify and hold each other harmless, including costs of any action and attorneys' fees, from any claim or claims for brokerage or other compensation asserted by any broker, agent or finder employed by the other party or with whom the other party has dealt, other than the Broker

18.2 Sale of Land and Shopping Center In the event of a sale or other conveyance or disposition of the Landlord's interest in the Land and Shopping Center, Landlord shall continue to be responsible to pay the Brokers the commissions described in Section 18.1 hereof and in the brokerage agreement, unless Landlord obtains a written assumption agreement for the payment obligations contained in Section 18.1 from any new owner or assignee of its interests in the Land and Shopping Center

ARTICLE 19 ASSIGNMENT AND SUBLEASING

19.1 Assignment by Landlord Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Leased Premises In such event and upon such transfer, except as otherwise provided for hereunder, no further liability or obligation shall accrue against the assigning Landlord from the date of such transfer, but the assigning Landlord shall still be responsible for any liability arising out of acts or a failure to act prior to the date of such transfer

19.2 Assignment or Sublease by Tenant Except as set forth herein, Tenant shall not assign, transfer, mortgage or otherwise encumber this Lease or all or substantially all or any of Tenant's rights hereunder or interest herein or sublet all or substantially all of the Leased Premises, without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned Landlord may not, however, demand financial or economic concessions from Tenant as a condition to granting such consent Notwithstanding the foregoing, Landlord agrees that a transfer or assignment of this Lease in conjunction with the transfer of all or substantially all of the assets of Tenant, or of the stock of Tenant or the parent company of Tenant, shall not be deemed to be a transfer in violation of this paragraph or any other provision of this Lease and shall not require Landlord's prior approval (but shall be given prior written notice) so long as the surviving or purchasing entity has a financial position equal to or better than the Tenant entity being acquired In the event of an assignment, transfer, or sublease, unless otherwise specifically agreed by Landlord, Tenant shall not be relieved of its obligations or liabilities hereunder

19.3 Assignment or Sublease to Affiliate of Tenant/Physicians Notwithstanding anything to the contrary contained herein, and provided Tenant is not in default hereunder and Landlord is provided prior written notice, Landlord expressly consents to Tenant's assignment or subletting of the Leased Premises or any part thereof to any parent, subsidiary or affiliate of Tenant, provided Tenant or the parent

entity of Tenant retains majority control of such entity, and such assignment or subletting shall not relieve or release Tenant from any obligations of Tenant under this Lease. Further, Tenant may also sublease or license any portion(s) of the Leased Premises to medical practitioners, third-party physicians, practice groups or professional corporations without the consent of Landlord provided Tenant remains obligated hereunder.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES

20.1 Physical Condition of Shopping Center Landlord warrants that the Shopping Center and the Common Areas, and the improvements and mechanical systems installed by Landlord therein, are, and shall be at all times during the Term, in good condition and working order.

20.2 Landlord Authority Landlord is in good standing as an entity in all legally required jurisdictions and has authority to enter into and perform this Lease. Further, Landlord represents and warrants unto Tenant that it has full power and authority to enter into this Lease as Trustee and on behalf of Landlord.

20.3 Landlord Representations/Warranties In addition to its other covenants, representations and warranties under this Lease, Landlord further covenants with, and represents and warrants unto, Tenant that Landlord is the sole fee owner of the Shopping Center and all areas (except those which have been granted by bona fide and valid easements) over which, upon which and to which Tenant will have access during the Term hereof. Further, Landlord does hereby represent and warrant unto Tenant that (a) all utilities serving the Shopping Center, including the Leased Premises, do or will run through bona fide publicly dedicated utility easements or privately granted, valid and recorded easements, (b) without limiting its continuing obligations under Article 17 hereof following the Commencement Date, Landlord shall obtain a consent, recognition and non-disturbance agreement in a form and of content acceptable to Tenant and its counsel in their discretion from each lender or other secured party having a mortgage, deed of trust or similar secured interest in the Shopping Center, or any portion thereof as pertains to the Leased Premises and the Rights granted hereby, as of the Effective Date of this Lease and thereafter, (c) there are no agreements, documents, instruments, restrictive covenants, declarations, or otherwise (to which Landlord or its predecessors-in-interest is a party) currently in effect placing any restrictions, pre-approval rights granted any third-party (including any lender and which have not been secured by Landlord), rules and/or regulations on the Land, the Shopping Center or the Leased Premises which may or would materially hinder, interfere with, impede, constrain or otherwise restrict or prohibit Tenant's occupancy and use of the Leased Premises for the Permitted Use or its use, on a non-exclusive basis with other tenants and occupants of the Shopping Center or the Common Areas, and (d) Landlord does represent and warrant unto Tenant, its successors and assigns that Landlord will not, without the prior written consent of Tenant while this Lease, or any renewal or extension hereof, is in effect, agree to or undertake to make any modification, amendment or otherwise to such existing documents, instruments, declarations or restrictions, or otherwise create or enter into any new agreements, or take or fail to take any act which would violate the terms and provision of this Lease.

20.4 Tenant Authority Tenant is in good standing as an entity in all legally required jurisdictions and has authority to enter into and perform this Lease.

ARTICLE 21 FORCE MAJEURE

21.1 Force Majeure Neither the Landlord nor the Tenant shall be deemed to be in default in the performance of any obligation on such party's part to be performed under this Lease if and so long as the non-performance of such obligation shall be directly caused by Unavoidable Delays (as hereinafter

defined) provided that within ten (10) days after the commencement of such Unavoidable Delay the non-performing party shall notify the other party in writing of the existence and nature of any such Unavoidable Delay and the steps, if any that the non-performing party shall have taken or plans to take to eliminate such Unavoidable Delay. Thereafter the non-performing party shall, from time to time, on written request of the other party, keep the other party fully informed in writing, of further developments concerning such Unavoidable Delay and the effort being made by the non-performing party to perform such obligation as to which it is in default. All provisions of this Lease shall be adjusted in accordance with such Unavoidable Delays. For purposes of this Article, Unavoidable Delays shall mean delays due to acts of God, acts of war, acts of terrorism, civil commotion, any pending or actual action or ruling by a court or administrative body prohibiting either party hereto from performing in accordance with the terms hereof, riot, governmental regulations not in effect at the date of execution of this Lease, conditions that could not have been reasonably foreseen by the claiming party, fire, unavoidable casualty or delays caused by arbitration (unless the arbitration was unreasonably requested by the claiming party) provided such matters are beyond the reasonable control of the party claiming such delay.

ARTICLE 22 GENERAL PROVISIONS

22.1 Amendments This Lease may not be altered or amended except by an instrument in writing signed by all parties hereto. This Lease shall be binding upon and inure to the benefit of the successors and assigns of Landlord, and to the extent assignment may be permitted by the terms and conditions hereof or otherwise approved by Landlord hereunder, Tenant's successors and assigns. The pronouns of any gender shall include the other genders, and either the singular or the plural shall include the other.

22.2 Governing Law This Lease shall be governed, construed and enforced in accordance with the laws of the State. Landlord shall comply with all material applicable laws, ordinances, rules, regulations, and restrictive covenants of public record relating to the use, condition or occupancy of the Shopping Center. Landlord shall be solely responsible for all latent defects within the Shopping Center and upon the Leased Premises (except those brought about by the installation of Tenant's Improvements) and shall be responsible to comply, at its sole cost and expense, with all laws, statutes, ordinances, regulations or rules affecting the Shopping Center (including, without limitation zoning, environmental, fire and the Americans with Disabilities Act) and not due solely to the Tenant's particular use of the Leased Premises for the Permitted Use.

22.3 Entire Agreement, Merger This Lease (and the Medical Office Lease) contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, proposals, representations and warranties between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not contained in this Lease (and, as applicable, the Medical Office Lease) shall not be of any force or effect.

22.4 INTENTIONALLY OMITTED

22.5 Notices Any notice required or permitted hereunder shall be given in writing and shall be deemed to have been duly given upon the earlier to occur of (i) when received, (ii) five (5) days after the sending party has deposited the notice in the United States mail, certified-return receipt requested and postage prepaid, or (iii) two (2) days after the sending party has deposited the notice with an overnight courier with a widely recognized, reputable organization. Any such notice(s) shall be postage prepaid and addressed to Landlord or Tenant, as the case may be, at the address specified in the preamble, or to such other address as either party may have been previously furnished in writing to the other party in the manner as herein provided. Further, a copy of any notice of default hereunder served by Landlord upon

Tenant shall be delivered to Renal Care Group Inc 2525 West End Avenue, Suite 600, Nashville Tennessee 37203, Attention General Counsel A copy of any notice hereunder shall also be delivered upon the mortgagee(s) of the Shopping Center with whom Tenant has entered into one or more subordination non-disturbance and/or attornment agreements The party sending any such notice shall also use reasonable efforts to send a copy of such notice to the other party hereunder via facsimile Until notice to the contrary, Landlord's facsimile number shall be (312) 332-2119 and Tenant's facsimile numbers shall be (708) 836-3812 and (615) 345-5503 - Attention General Counsel

22.6 Waiver of Subrogation Rights Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim action or cause of action against the other, and/or its agents, officers, or employees, for any loss or damage that may occur to the Leased Premises or the Shopping Center, or any improvements thereto, or any personal property of such party therein, by reason of fire, the elements, or any other cause which loss is insured against under the terms of standard fire and extended coverage insurance policies regardless of cause or origin, including negligence of the other party hereto, its agents, officers or employees Because this provision will preclude the assignment of any claim mentioned in it by way of subrogation (or otherwise) to an insurance company (or any other person), each party hereto agrees to give immediately to any insurer that has issued to it policies of fire and extended coverage insurance written notice of the mutual waiver contained in this provision (and to provide evidence of the source to the other party if requested) and to have such policies endorsed, if necessary, to prevent the invalidation of insurance coverage by reason of such mutual waiver

22.7 Estoppel Letter Tenant shall at any time, upon not less than twenty (20) days prior written request, execute and deliver an Estoppel Letter to Landlord and any lender or potential purchaser of the Shopping Center, which Estoppel Letter shall be in form and substance reasonably acceptable to Tenant If such letter is to be delivered to a purchaser of the Leased Premises, it shall further include the agreement of Tenant to recognize such purchaser as Landlord under this Lease, and thereafter to pay Rent to the purchaser or its designee in accordance with the terms of this Lease Landlord does, if requested likewise agree to execute a similar estoppel letter for the benefit of Tenant's lender(s), assignees or sublessees within twenty (20) days of written request

22.8 Time of the Essence, Counterparts Time is of the essence with respect to each of Landlord's obligations under this Lease This Lease may be executed in multiple counterparts each of which shall be deemed an original and all of which together shall constitute one and the same document

22.9 Memorandum of Lease This Lease shall not be recorded At the option of Tenant, however, Landlord and Tenant shall execute, in recordable form, a short form memorandum of this Lease and shall record such memorandum at the expense of Tenant in the land records of the jurisdiction in which the Leased Premises are located

22.10 Survival of Obligations Any liability of either party existing hereunder as of the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination

22.11 Surrender of Leased Premises, Return of Keys Not later than twenty (20) days following expiration of the Term, Tenant shall surrender to Landlord the Leased Premises and all Tenant's Improvements and Alterations comprising non-removable fixtures in good condition and broom clean (ordinary wear and tear and casualty and eminent domain/condemnation loss excepted) Specifically excepted from the foregoing are those items and materials which Tenant has the right to remove under the provisions of this Lease, including under Section 7.4 hereof Tenant shall remove all its equipment, trade fixtures, furniture and all of its personal property within the above stated time, and Tenant shall take good

faith efforts to repair damage, if any, made necessary by the removal of any removable Tenant Improvements or Alterations which Tenant may elect to remove as provided for by this Lease or as regards Tenant's removal of its property within the time periods stated in this Section 22.11. Tenant shall be obligated to Landlord for a prorated share of Rents payable at the end of the Term for each day beyond the termination or expiration of the Lease Term that Tenant continues to possess the Leased Premises and fails to surrender possession thereof to Landlord. Further, at such time as Tenant surrenders the Leased Premises upon the expiration or earlier termination of the Lease Term, Tenant shall deliver to Landlord all keys to the Leased Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant, and shall inform Landlord of the combination of each lock, safe and vault, if any remaining in the Leased Premises.

22.12 Attorneys Fees In the event that litigation should arise with respect to this Lease, the prevailing party in such litigation shall be entitled to recover, in addition to the relief granted, the reasonable fees of its counsel in such litigation and all court costs.

22.13 Waiver of Landlord's Lien Landlord expressly waives any and all liens, interests and claims which it may have as of the effective date of this Lease, Beneficial Occupancy Date, the Commencement Date hereof and/or during the Term of this Lease arising by statute or by operation of law, in and to Tenant's personal property, equipment, trade fixtures, furniture or other moveable property of Tenant (herein "Tenant's Personal Property") in or on the Leased Premises, and Landlord agrees that Tenant's Personal Property (including any hereafter acquired personal property) shall not become part of the Leased Premises regardless of the manner in which the same may be attached or affixed to the Leased Premises by Tenant, provided that the same can be removed by Tenant without materially damaging or altering the Leased Premises, and any such damage shall be repaired promptly by Tenant. Further, Landlord agrees that it will not prevent any lender of Tenant, or such lender's designee, from entering upon the Leased Premises during the Term at reasonable times to inspect and remove Tenant's Personal Property, provided that said lender agrees to repair promptly and fully any and all damage resulting to the Leased Premises. Additionally, if, after the Commencement Date of the Term hereof, Landlord intends to terminate this Lease or otherwise exercise any right granted to Landlord hereunder to require Tenant to surrender the Leased Premises or to remove any portion of Tenant's Personal Property, Landlord agrees to notify Tenant's lender (of which Landlord has received written notice from Tenant, including such lender's name, notice address and telephone number), and Landlord shall grant to such lender the right to enter upon the Leased Premises during the Term of this Lease to do any or all of the following with respect to Tenant's Personal Property: (i) assemble, have appraised, sever, remove, maintain, inspect, repair, lease and/or transfer, provided in any such case that such lender's presence on and/or occupancy of the Leased Premises shall be upon and subject to all of the terms, covenants and conditions of this Lease, including the payment by such lender to Landlord, periodically, a per diem occupancy fee equivalent to the monthly rental and other charges payable by Tenant hereunder, based on a thirty (30) day month, for the actual number of days such lender uses and/or occupies the Leased Premises pursuant hereto. Further, nothing in this Lease shall give Landlord the right to use, possess or retain any of Tenant's records, files, patient's names or records.

22.14 Request Response Time In the event Landlord does not respond to a written request by Tenant for Landlord's consent, permission or approval submitted under this Lease within ten (10) business days after Tenant's delivery of the same, it shall thereafter be automatically deemed that Landlord has consented to or approved such request by Tenant or that Landlord has given its permission thereto. In the event, Landlord does respond and does not consent or give its approval, Landlord shall specify the reason(s) therefore in writing.

22.15 Landlord's Cooperation Landlord agrees to reasonably assist Tenant in (i) the procurement of any licenses, permits, "sign-offs" approvals, or certificates which may be required by any governmental or quasi-governmental agency or authority with respect to Tenant's Improvements alterations or other leasehold improvements permitted under the terms hereof in and to the Leased Premises and with respect to (ii) the obtaining of any services utilities or facilities from any utility company or companies supplying the same to the Shopping Center

22.16 Draftsmanship Landlord and Tenant each acknowledge that it has read this Lease consulted with an attorney regarding its terms, and agrees with its terms as though that party had drafted this Lease itself Landlord and Tenant agree that although this Lease was, by necessity, printed and assembled by one of the parties or its agents or attorneys, this Lease reflects the terms as agreed to by Landlord and Tenant, and each such party that assembled this Lease should merely be considered only the scrivener for the document If a term or terms of this Lease is considered ambiguous, neither party shall be considered the draftsman for the purpose of causing the terms of this Lease to be construed against that party

22.17 Rights and Remedies Not Waived No course of dealing or course of performance between Landlord and Tenant, or any failure or delay on the part of either of them in exercising any rights or remedies hereunder shall operate as a waiver of any rights or remedies and no single or partial exercise of any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder

22.18 General If any term or provision of this Lease or any application thereof shall be deemed invalid or unenforceable, the remainder of this Lease and any other application of such term(s) or provision(s) shall not be effected thereby

[Remainder of page left blank]

IN WITNESS WHEREOF, the parties hereto have executed the foregoing Lease as of the date first set forth in the opening paragraph hereof

WITNESSES

LANDLORD.

AMALGAMATED BANK OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED AUGUST 6, 1999 AND KNOWN AS TRUST NUMBER 5835 NATIONAL SHOPPING PLAZAS, INC.,

Megan L Barber
Megan L Barber
Alesa M. Surner
Printed Alesa M. Surner

Judith J. Talbot
Printed Judith J. Talbot

By [Signature]
Printed Scott Duggan, Esq.
Title Attorney at Law

WITNESSES

TENANT

RENAL CARE GROUP BUFFALO GROVE, LLC
a Delaware limited liability company

Alesa M. Surner
Printed Alesa M. Surner

Ellen W. McCordie
Printed Ellen W. McCordie

By [Signature]
Printed R. Dick Allison
Title Vice President of Manager

STATE OF)
COUNTY OF COOK) SS

I, LORI L. KAPALDO, a Notary Public in and for said County in the State aforesaid, do hereby certify George D. Hanus, a Trustee of Amalgamated Bank of Chicago, as Trustee under Trust Agreement No 5835, dated August 6, 1999, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such he, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of and on behalf of said Trustee, for the uses and purposes set forth therein

Given under my hand and Notarial seal, on March 25, 2003

OFFICIAL SEAL
LORI L. KAPALDO
NOTARY PUBLIC STATE OF ILLINOIS

Lori L. Kapaldo
Notary Public

My Commission Expires 03-13-07

NOTARY PUBLIC STATE OF ILLINOIS

RENAL CARE GROUP BUFFALO GROVE, LLC

STATE OF TENNESSEE)
) SS
COUNTY OF DAVIDSON)

I Nancy Orndorff, a Notary Public in and for said County in the State
aforesaid do hereby certify that R. Dirk Allison, Vice President of Manager of
Renal Care Group Buffalo Grove, LLC, a Delaware limited liability company who is personally
known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President
of Manager, appeared before me this day in person and acknowledged that he/she signed and
delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of and
on behalf of said limited liability company for the uses and purposes set forth therein

Given under my hand and Notarial seal on March 17, 2003

Nancy Orndorff
Notary Public

My Commission Expires 5-28-06

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

PARCEL 1

LOT 1 IN PLAZA VERDE UNIT ONE A SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 7 TOWNSHIP 42 NORTH RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2

LOT 2 IN BARBARA RESUBDIVISION OF PART OF LOT 2 OF PLAZA VERDE UNIT ONE, A SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS

TOGETHER WITH

PARCE 3

A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY DECLARATION AND AGREEMENT OF EASEMENT DATED APRIL 14, 1975 AND RECORDED SEPTEMBER 29, 1975 AS DOCUMENT 23237771 FOR THE PURPOSE OF INGRESS AND EGRESS OVER THE FOLLOWING DESCRIBED LAND

LOT 2 IN PLAZA VERDE UNIT TWO, A SUBIDIVSION OF PART OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEI 4

A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTION, RECORDED JULY 11, 2001 AS DOCUMENT 0010612471 FOR THE PURPOSE OF INGRESS AND EGRESS, PARKING, UTILITIES, ETC

A-1

N IFR 418746 17
137008-00079 03/14/2003

07/06/2006

RENAL CARE GROUP

01/14/2005 11 14 FAX 815 345 5503

EXHIBIT "B-1"

DIAGRAM OF LEASED PREMISES AND MEDICAL OFFICE SPACE

N JFR 410746 v7
177908 00079 03/14/2003

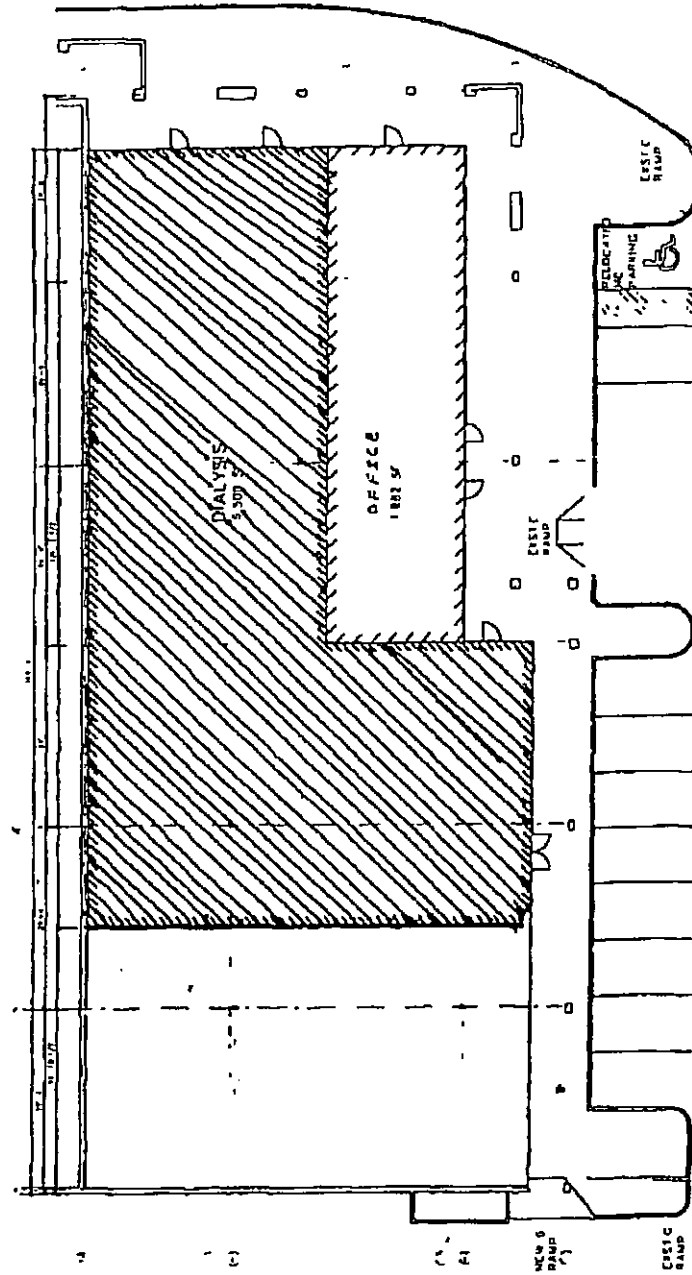
B-1

7/14/2005

HPNAL CARB CRDUR

01/14/2005 11 15 FAX 815 345 6503

Renal Care Group  - LEASED PREMISES



S C H E M A T I C S I T E P L A N

BUFFALO GROVE DIALYSIS
BUFFALO GROVE, IL

DATE: 11.14.05

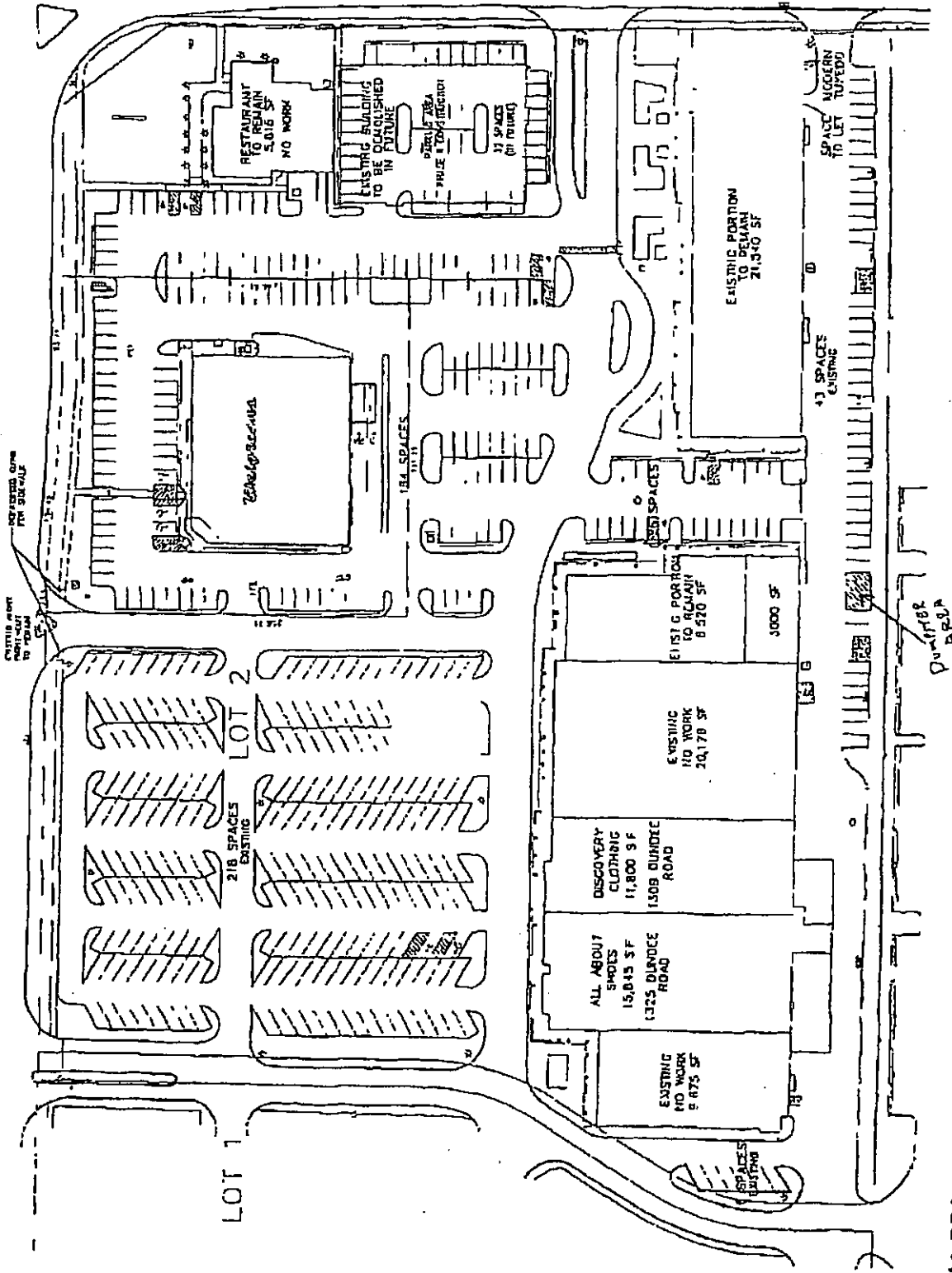
01/14/2006 11 16 FAX 615 393 8805

RENAL CARE GROUP

01/14/2006 11 16 FAX 615 393 8805

EXHIBIT "B-2"

SHOPPING CENTER SCHEMATIC (INCLUDING DUMPSTER PAD LOCATION)



KMA & ASSOCIATES INC ARCHITECT
 1411 1/2 5000 ROAD SUITE
 WILMINGTON, MASSACHUSETTS

MA PROJECT# 9914 1/21/03
 AZA VERDE
 WILMINGTON HEIGHTS ROAD & DUNDEE ROAD

03/08/03

WILMINGTON HEIGHTS ROAD

01/14/2005 11 15 FAX 816 345 5503

EXHIBIT "C"
REFUSAL SPACE SCHEMATIC
(INCLUDING CORRIDOR DESCRIPTION)

C-1

N JFR 410746 v7
(57908-01079 03/14/2003)

01/14/2005 11 15 FAX 616 346 5803



RENAL CARE GROUP

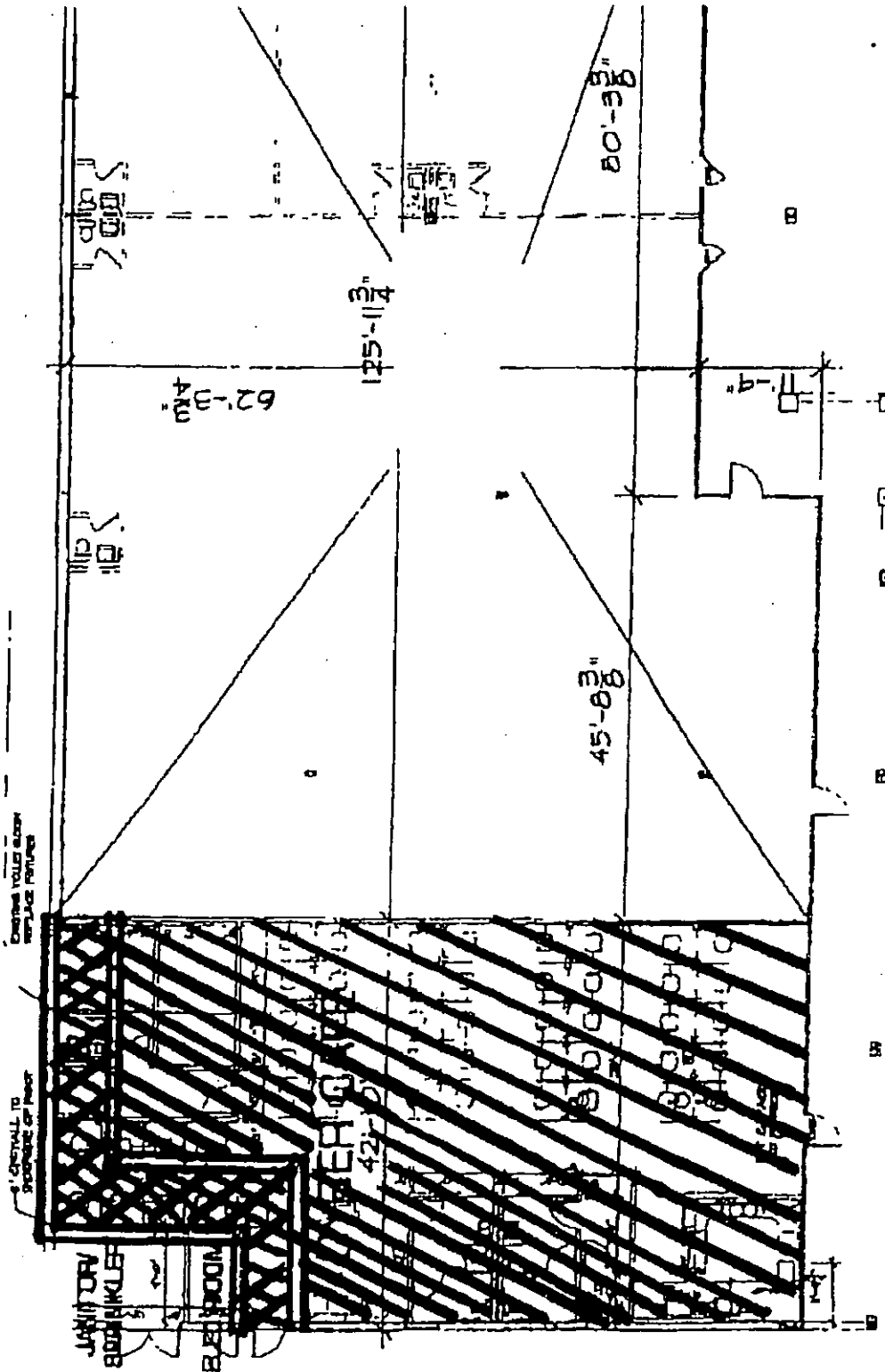
01/14/2005 11 15 FAX 616 346 5803

33

09-34

NO 190 082

-  - REFUSAL SPACE (INCLUDING)
-  - ANTICIPATED CORRIDOR, SHOULD TENANT ELECT UNDER SECTION 3.4



01/14/2005 11 15 FAX 616 446 5503

INTERNAL CASE GROUP

01/14/2005 11 15 FAX 616 446 5503

EXHIBIT "D"

COMMENCEMENT DATE RIDER

The following terms, as identified and set forth in each of the Clinic Space and Office Space Leases between the undersigned dated March _____, 2003 for those respective Leased Premises located in Plaza Venture Shopping Center Buffalo Grove, Illinois, shall by agreement of the parties, be further defined to include the following information

- A The "Beneficial Occupancy Date" was March _____ 2003
- B The "Contingencies Deadline" was _____, 2003, and all such contingencies were satisfied or, as applicable, waived by Tenant on _____, 2003
- C The "Commencement Date" shall be _____, 2003
- D The "Rent Commencement Date" shall be _____, 2003
- E The expiration date of the initial Lease Term, subject to renewal by Tenant as provided for by the terms of each of the Lease Agreement, shall be the last calendar day of _____, 2013
- F Each Lease Agreement is amended to include as Exhibit "E" thereto, Exhibit "E-1" and Exhibit "E-2" attached hereto and incorporated herein and therein fully by reference and comprising the final "Tenant Improvement Plans" as contemplated pursuant to Sections 3.5 and 5.2 of each Lease Agreement

Except as heretofore or herein modified or amended, each of the Lease Agreements is unamended or modified

IN WITNESS WHEREOF, the parties hereto have executed this Commencement Date Rider as of the _____ day of _____, 2003

WITNESSES

Printed _____

Printed _____

WITNESSES:

Printed _____

LANDLORD.

AMALGAMATED BANK OF CHICAGO,
AS TRUSTEE

By _____

Printed _____

Title _____

TENANT:

RENAL CARE GROUP BUFFALO
GROVE, LLC
a Delaware limited liability company

D-1

NJCR-110746 v7
117908-00079 03/14/2003

11/14/2005

RENAL CARE GROUP

11/14/2005 11 59 07 AM EST

01/14/2005 11 16 FAX 615 345 5503

RENAL CARE GROUP

042/072

NJFR 410736 v7
17908-00079 03/14/2004

2

By _____
Printed _____
Title _____

Printed _____

EXHIBIT "E-1"

SCHEMATIC OF TENANT IMPROVEMENT PLANS

[TO BE HEREAFTER INCLUDED PER SECTION 5.2]

E-1

NJFR 410746 v7
137908-00070 03/14/2003

07/06/06

INTERNAL CAMP GROUP

01/14/2005 11 16 FAX 616 345 6504

EXHIBIT "E-2"

SCHEDULE OF TENANT IMPROVEMENT PLANS
(TO BE HEREAFTER INCLUDED PER SECTION 5.2)

E-2

N JFR 410746 v7
137908-00079 03/14/2003

01/14/2005 11 16 FAX 916 345 5504

HPMVA CAKE GROUP

01/14/2005 11 16 FAX 916 345 5504

EXHIBIT "F"

PARTIAL LIST OF TENANT'S REMOVABLE TRADE FIXTURES/EQUIPMENT

- 1 Water Treatment equipment including booster pumps, back flow preventers, pre-treatment filters, water softeners, carbon and mixed media bed tanks, reverse osmosis equipment, water storage tanks, distribution pumps, and post treatment filters
- 2 Solution Distribution equipment, including dialysate storage tanks, bicarbonate mixing tanks and storage tanks, and pumps
- 3 Standby electrical generator including transfer switch
- 4 Telephone and telecommunications equipment and switches
- 5 All Tenant's Personal Property, including, without limitation, all office furniture and trade fixtures inclusive of cubicle dividers, dialysis chairs, office equipment, computer equipment, dialyzing machines, and all other personal property and equipment whatsoever located in and upon the Leased Premises as owned or leased by Tenant

G-1

N JFR 410746 v7
137908-00079 03/14/2003

01/14/2005 11 10 FAX 615 595 5503

INTERNAL USE GROUP

01/14/2005 11 10 FAX 615 595 5503

COMMENCEMENT DATE RIDER
Plaza Verde Shopping Center
Buffalo Grove, Illinois
Suite 1291-A

The following terms, as identified and set forth in that certain Lease Agreement between the undersigned dated March 25, 2003 for Suite 1291-A (the "1291-A Lease") located in Plaza Verde Shopping Center, Buffalo Grove, Illinois, shall, by agreement of the parties, be further defined to include the following information

- A The "Beneficial Occupancy Date" was March 25, 2003
- B The "Contingencies Deadline" was August 30, 2003
- C The "Commencement Date" was January 1, 2004
- D The "Rent Commencement Date" was also January 1, 2004
- E The expiration date of the initial Lease Term, subject to renewal by Tenant as provided for by the terms of the 1291-A Lease, shall be the last calendar day of December, 2013
- F The 1291-A Lease Agreement is amended to include as Exhibit "E" attached hereto and incorporated herein and therein fully by reference and comprising the final "Tenant Improvement Plans" as contemplated pursuant to Sections 3.5 and 5.2 of the 1291-A Lease Agreement as pertains to the Leased Premises and to the premises leased by Tenant pursuant to that certain Lease Agreement between Landlord and Tenant for space contiguous to the Leased Premises known Suite 1291-B (the "1291-B Lease")

Except as heretofore or herein modified or amended, the 1291-A Lease Agreement is unamended or modified

IN WITNESS WHEREOF, the parties hereto have executed this Commencement Date Rider as of the 1st day of April, 2005

WITNESSES

LANDLORD

NATIONAL SHOPPING PLAZAS, INC.
IN ITS CAPACITY AS MANAGER AND
LEASING AGENT FOR THE PLAZA VERDE
SHOPPING CENTER, BUFFALO GROVE,
ILLINOIS ON BEHALF OF
AMALGAMATED BANK OF CHICAGO,
AS TRUSTEE, THE LANDLORD,

Lori Kapaldo
 Printed Lori Kapaldo
Paul C. Kusiar
 Printed PAUL C. KUSIAR

By [Signature]
 Printed _____
 Title _____

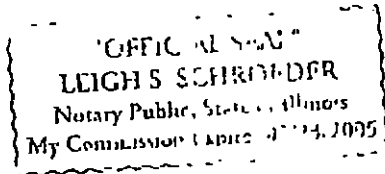
STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, Leigh J. Schroeder a Notary Public in and for said County in the State
aforesaid, do hereby certify George D. Harris a President of
National Shopping Plaza, Inc., who is personally known to me to be the same person whose name is
subscribed to the foregoing instrument as such Corporation, appeared before me this day in person
and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act
and as the free and voluntary act of and on behalf of said corporation, as agent for Amalgamated Bank
of Chicago, as Trustee, for the uses and purposes set forth therein

Given under my hand and Notarial seal on April 1, 2005

Leigh J. Schroeder
Notary Public

My Commission Expires 9-23 05



WITNESSES

Jennifer M. Spradlin
Printed Jennifer M. Spradlin
Jennifer Boyd Baldock
Printed Jennifer Boyd Baldock

TENANT:

RENAL CARE GROUP BUFFALO GROVE, LLC

By David M. Dill
Printed David M. Dill
Title Vice President of Manager

STATE OF ILLINOIS)
COUNTY OF _____)

The foregoing was acknowledged before me this _____ day of _____, 2004, by _____ the _____ of AMALGAMATED BANK OF CHICAGO, as Trustee under Trust Agreement dated August 6, 1999, known as Trust Number 5835, an Illinois Land Trust, on behalf of said Trust, as Landlord

Notary Public

My Commission Expires _____

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

The foregoing was acknowledged before me this 14th day of October, 2004, by David M. Dill the Vice President of Manager RENAL CARE GROUP BUFFALO GROVE, LLC, a Delaware limited liability company, on behalf of said limited liability company as Tenant

Nancy Dandridge
Notary Public

My Commission Expires 5-28-06

EXHIBIT "E"

Tenant Improvement Plans

Plans Prepared By Cubellis Associates, Inc
Dated June 18, 2003
Project No RCG022

ARCHITECTURAL

A0 1 Project Information
A1 1 Wall Type Legend & Notes
A1 2 Floor Plan
A1 3 Enlarged Plans
A4 1 Wall Sections & Details
A4 2 Half Wall Sections & Details
A4 3 Millwork Sections & Details
A5 1 Finish Specifications & Notes
A5 2 Finish Plan
A6 1 Interior Elevations
A6 2 Exterior Elevations
A7 1 Reflected Ceiling Plan
A8 1 Door/Window Schedule
A8 2 Door/Window Details
A8 3 Door/Window Details

PLUMBING

P1 1 Sanitary Floor Plan
P1 2 Plumbing Floor Plan
P1 3 Medical Piping Floor Plan
P6 1 Stacks, Schedules & Details

MECHANICAL

M0 1 HVAC Legend and Notes
M1 1 HVAC Ductwork Plan
M1 2 HVAC Roof Plan
M7 1 HVAC Schedule & Details

ELECTRICAL

E0 1 Electrical Legend & Notes
E1 1 Lighting Plan
E2 1 Lighting Schedule, Notes & Details
E3 1 Power Plan
E3 2 HVAC Power Plan
E4 1 One Line Diagram & Schedules
E5 1 System Plan
E6 1 Panel Schedules & Notes
E6 2 Risers & Details

10FJ
03-00198 MK



Doc# 0328927157
Eugene "Geno" Moore Fee 646 50
Cook County Recorder of Deeds
Date 10/18/2003 12 25 PM Pg 1 of 12

MEMORANDUM OF LEASE

(Suite/Unit 1291A - 1291 W Dundee Road, Buffalo Grove, IL)

Insurance Corporation
Lawyers

This Memorandum of Lease is entered into as of the 18th day of September, 2003 by and between NATIONAL SHOPPING PLAZAS, INC., AS LEASING AND AUTHORIZED AGENT FOR AMALGAMATED BANK OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED AUGUST 6, 1999 AND KNOWN AS TRUST NUMBER 5835 with offices c/o 333 West Wacker Drive, Suite 2750, Chicago, Illinois 60606 ("Landlord"), and RENAL CARE GROUP BUFFALO GROVE, L.L.C., a Delaware limited liability company with offices at 1291 W Dundee Road, Buffalo Grove, Illinois 60089 ("Tenant"), upon the following terms *** BENEFICIARY OF**

- (1) *Effective Date of Lease* March 25, 2003
- (2) *Description of Land* See Exhibit "A" attached hereto and incorporated herein by reference
- (3) *Description of the Leased Premises within Shopping Center upon the Land* Suite No 1291A, comprised of approximately 6,500 square feet as depicted upon Exhibit "B-1" attached hereto and incorporated herein by reference. Without limiting the Rights of usage of the Common Areas within the Shopping Center as granted Tenant under the Lease, Landlord has also granted to Tenant the sole and exclusive use of a dumpster pad generally depicted upon Exhibit "B-2" attached hereto and incorporated herein by reference. The address of the Leased Premises is 1291 W Dundee Road, Buffalo Grove, IL.
- (4) *Commencement Date.* The Commencement Date of the Term of the Lease (the "Commencement Date") is the date as established pursuant to the Lease, as and if amended, and which is, more specifically, expected to be a date on or about January 1, 2004
- (5) *Initial Term* Ten (10) Lease Years plus the partial month in which the Commencement Date occurs, if other than the first day of a month
- (6) *Renewal Term(s)/Option(s)* Two (2), Five (5) year renewal options, each exercisable by Tenant prior to the end of the Initial Term or, as applicable, previously exercised Renewal Term, and otherwise in accordance with the provisions of the Lease, to which reference is made
- (7) *Right of First Offer Option* During the Term of the Lease, and provided Tenant is not then in default beyond the cure period(s) applicable thereto, Tenant shall have a right of first offer to lease any space adjacent to the Leased Premises (and/or the leased premises as also leased by Tenant from Landlord and as described in that Memorandum of Lease pertaining to Suite/Unit 1291B between Landlord and Tenant dated on or about the same date hereof and recorded contemporaneously with this Memorandum in the office of the

191515_2 DOC

Recorder of Deeds, Cook County, Illinois) located in the Shopping Center as depicted upon Exhibit "C" attached hereto and made a part hereof for all purposes (the "Refusal Space") upon the terms and conditions contained in the Lease


(8) *Tenant's Improvements* Tenant's initial Tenant's Improvements and Alterations constructed by it or on its behalf upon or within the Leased Premises before and after the Commencement Date shall at all times remain the sole and exclusive property of Tenant pending the expiration or earlier termination of the Term of the Lease

(9) *General.* Notwithstanding anything to the contrary herein set forth, this Memorandum shall serve only as a brief summary of various provisions of the Lease and shall not serve to supplement, alter, amend or modify the parties' Lease. It is executed only for purposes of placing of record and giving notice of the fact that the parties have entered into the Lease with respect to the subject Leased Premises, and reference is hereby made to the Lease, as same be hereafter amended from time to time, for a greater description of the terms and conditions agreed upon by Landlord and Tenant with respect to the Leased Premises. In such regard, in the event of any conflict between the provisions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall, in all respects, control

IN WITNESS WHEREOF the parties have executed this Memorandum of Lease as of the dates set forth in their respective acknowledgments

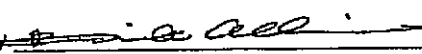
LANDLORD

NATIONAL SHOPPING PLAZAS, INC., AS
LEASING AGENT AND AUTHORIZED AGENT
FOR AMALGAMATED BANK OF CHICAGO, AS
TRUSTEE UNDER TRUST AGREEMENT DATED
AUGUST 6, 1999 AND KNOWN AS TRUST
NUMBER 5835, THE LANDLORD *BENEFICIARY OF

By 
Printed George D. Hanns
Title President

TENANT.

RENAL CARE GROUP BUFFALO GROVE, LLC

By 
Printed R. Dirk Allison
Title Vice President of Manager

STATE OF ILLINOIS)

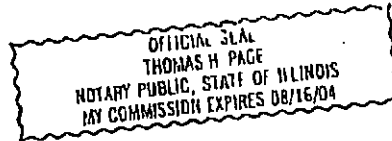
COUNTY OF Cook)

The foregoing instrument was acknowledged before me this 9th day of September, 2003, by **GEORGE D. HANUS, PRESIDENT of NATIONAL SHOPPING PLAZAS, INC.**, for and on behalf of said corporation and as authorized Agent for Landlord

Thomas H Page

Notary Public

My Commission Expires _____



STATE OF TENNESSEE)

COUNTY OF DAVIDSON)

The foregoing was acknowledged before me this 18th day of September, 2003, by R. Dirk Allison, the V.P. of Manager of **RENAL CARE GROUP BUFFALO GROVE, LLC**, a Delaware limited liability company, on behalf of said limited liability company as Tenant

Manay Dandoff
Notary Public

My Commission Expires 5-28-06

JOINDER OF AMALGAMATED BANK OF CHICAGO

Further, the undersigned AMALGAMATED BANK OF CHICAGO, as Trustee under Trust Agreement dated August 6, 1999, known as Trust Number 5835, an Illinois Land Trust, with offices c/o National Shopping Plazas, Inc , 333 West Wacker Drive, Suite 2750, Chicago, Illinois 60606 and being the owner of the property of which the above-described Leased Premises are a part does hereby join into this Memorandum confirming the authorization of the National Shopping Plazas, Inc , as its leasing and authorized agent, to have executed the Lease and to execute this Memorandum on its behalf, provided, however

(a) this Memorandum is executed by Amalgamated Bank of Chicago, not personally, but as Trustee as aforesaid, in the exercise of power and authority conferred upon and vested in said Trustee as such and it is expressly agreed that nothing herein contained shall be construed as creating any liability on said Amalgamated Bank of Chicago in its individual corporate capacity to pay any indebtedness accruing thereunder, or with respect to any warranty or representation contained in this instrument, or to perform any covenant, either express or implied, herein contained, including but not limited to warranties, indemnifications, and hold harmless representations in said document all such liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or interest hereunder, and as so far as said Trustee is concerned, the owner of any indebtedness or right accruing under said document shall look solely to the Shopping Center of which the Leased Premises are part for the payment or enforcement thereof, it being understood that said, Amalgamated Bank of Chicago as Trustee, merely holds legal title to the premises of which the Leased Premises are a portion and has no control over the management thereof or the income therefrom, and has no knowledge respecting any factual matter with respect to said premises, except as represented to it by the beneficiary or beneficiaries of said trust. In the event of conflict between the terms of this Joinder and of the remainder of the Memorandum, on any questions of apparent liability or obligation resting upon said Trustee, the provisions of this Joinder shall control

(b) It is expressly understood and agreed to by every person, firm or corporation claiming any interest in this Memorandum that Amalgamated Bank of Chicago shall have no liability, contingent or otherwise arising out of, or in any way related to (i) the presence, disposal, release or threatened release of any hazardous materials on, over, under, from, or affecting the property or the soil, water, vegetation, buildings, personal property, persons or animals thereof, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such hazardous materials, (iii) any lawsuit brought or threatened, settlement reached or government order relating to such hazardous materials, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Trustee, which are based upon or in any way related to such hazardous materials including without limitation, attorneys' fees and consultants' fees, investigation and laboratory fees, court costs and litigation expenses

AMALGAMATED BANK OF CHICAGO, as Trustee

By 
Printed IRVING B. POLAKOW
Its SENIOR VICE PRESIDENT

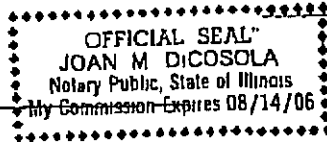
75

STATE OF ILLINOIS)
COUNTY OF Cook)

IRVING B. POLAKOW

The foregoing was acknowledged before me this 9th day of September, 2003, by _____,
the SENIOR VICE PRESIDENT of AMALGAMATED BANK OF CHICAGO, as Trustee under Trust
Agreement dated August 6, 1999, known as Trust Number 5835, an Illinois Land Trust, on behalf of said Trust
as Landlord

Joan M. DiCosola
Notary Public



My Commission Expires _____

This Instrument Prepared By

Baker, Donelson, Bearman, Caldwell & Berkowitz, P C
211 Commerce Street, Suite 1000
Nashville, Tennessee 37201
Attn John F Rogers, Jr, Esq

and

After recording please mail to

Ms Rose MacDonald
Land America
707 East Main Street, Suite 400
Richmond, VA 23219-2802



EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

PARCEL 1.

LOT 1 IN PLAZA VERDE UNIT ONE, A SUBDIVISION OF PART OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2

LOT 2 IN BARBARA RESUBDIVISION OF PART OF LOT 2 OF PLAZA VERDE UNIT ONE, A SUBDIVISION OF PART OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

TOGETHER WITH

PARCEL 3

A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY DECLARATION AND AGREEMENT OF EASEMENT DATED APRIL 14, 1975 AND RECORDED SEPTEMBER 29, 1975 AS DOCUMENT 23237771 FOR THE PURPOSE OF INGRESS AND EGRESS OVER THE FOLLOWING DESCRIBED LAND.

LOT 2 IN PLAZA VERDE UNIT TWO, A SUBDIVISION OF PART OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 4

A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTION, RECORDED JULY 11, 2001 AS DOCUMENT 0010612471 FOR THE PURPOSE OF INGRESS AND EGRESS, PARKING, UTILITIES, ETC

Commonly known as 1291 W Dundee Road, Buffalo Grove, Illinois 60089

Real Property Tax/Map Parcel Nos 03-07-201-020 and 03-07-201-022

EXHIBIT "B-1"

Leased Premises



191515_2 DOC

7

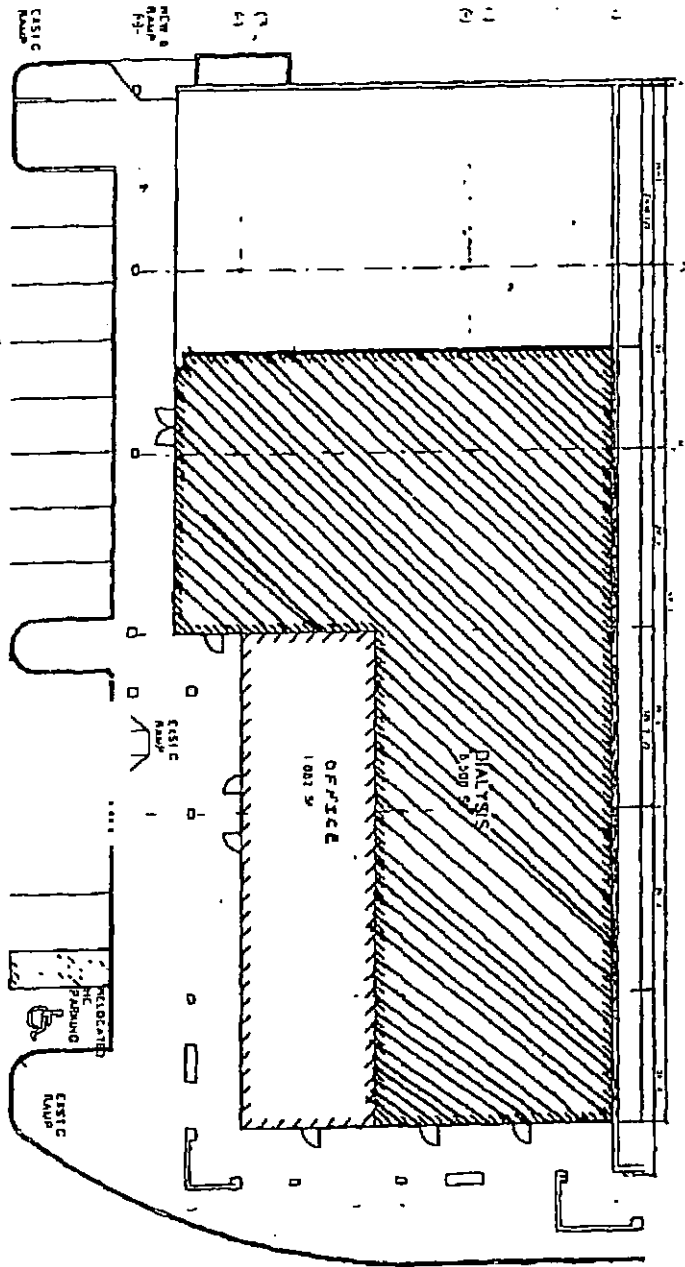
7/6/2006

KHNAAL CAHR CKOOF

01/14/2006 11 21 FAX 615 346 5503

Renal Care Group

 - LEASED PREMISES



S C H E M A T I C S I T E P L A N

BUFFALO GROVE DIALYSIS
BUFFALO GROVE IL

1/10/06 10:00 AM

07/06/06

RENAL CARE GROUP

01/14/2006 11 21 FAX 615 346 5504

EXHIBIT "B-2"

Shopping Center/Dumpster Pad Location



191515_2.DOC

8

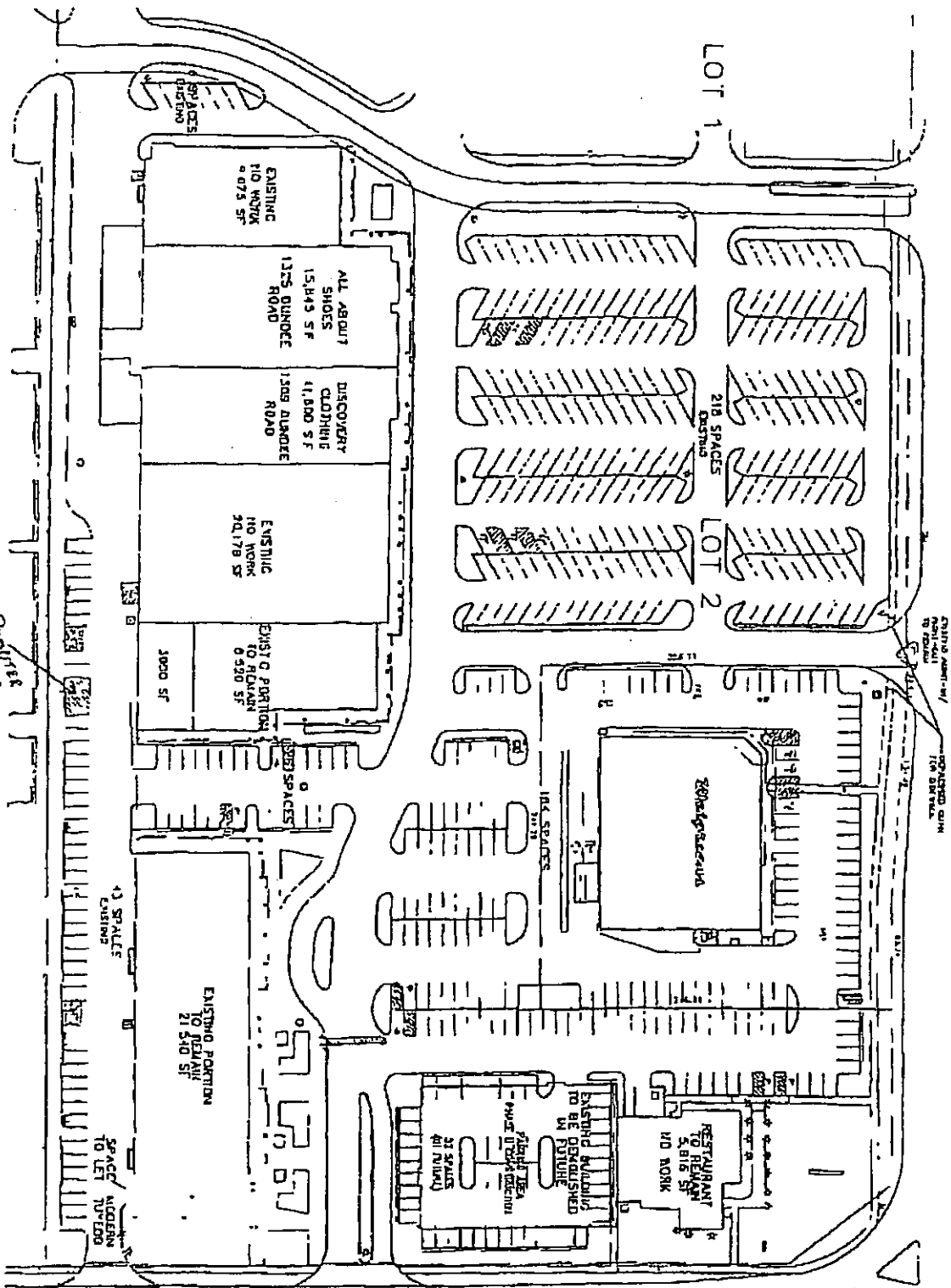
07/06/05

REGAL CARE GROUP

01/14/2005 11:21 FAX 616 345 5503

80

MA PROJECT # 9914 1/21/03
 AZA VERDE
 WASHINGTON HEIGHTS ROAD & DUNDEE ROAD



KMA & ASSOCIATES INC ARCHITECT
 1111 EAST COOK ROAD
 CHICAGO, IL 60611

DATE

RECAL CARB GROUP

01/14/2005 11 21 FAX 815 245 5503

EXHIBIT "C"

Refusal Space



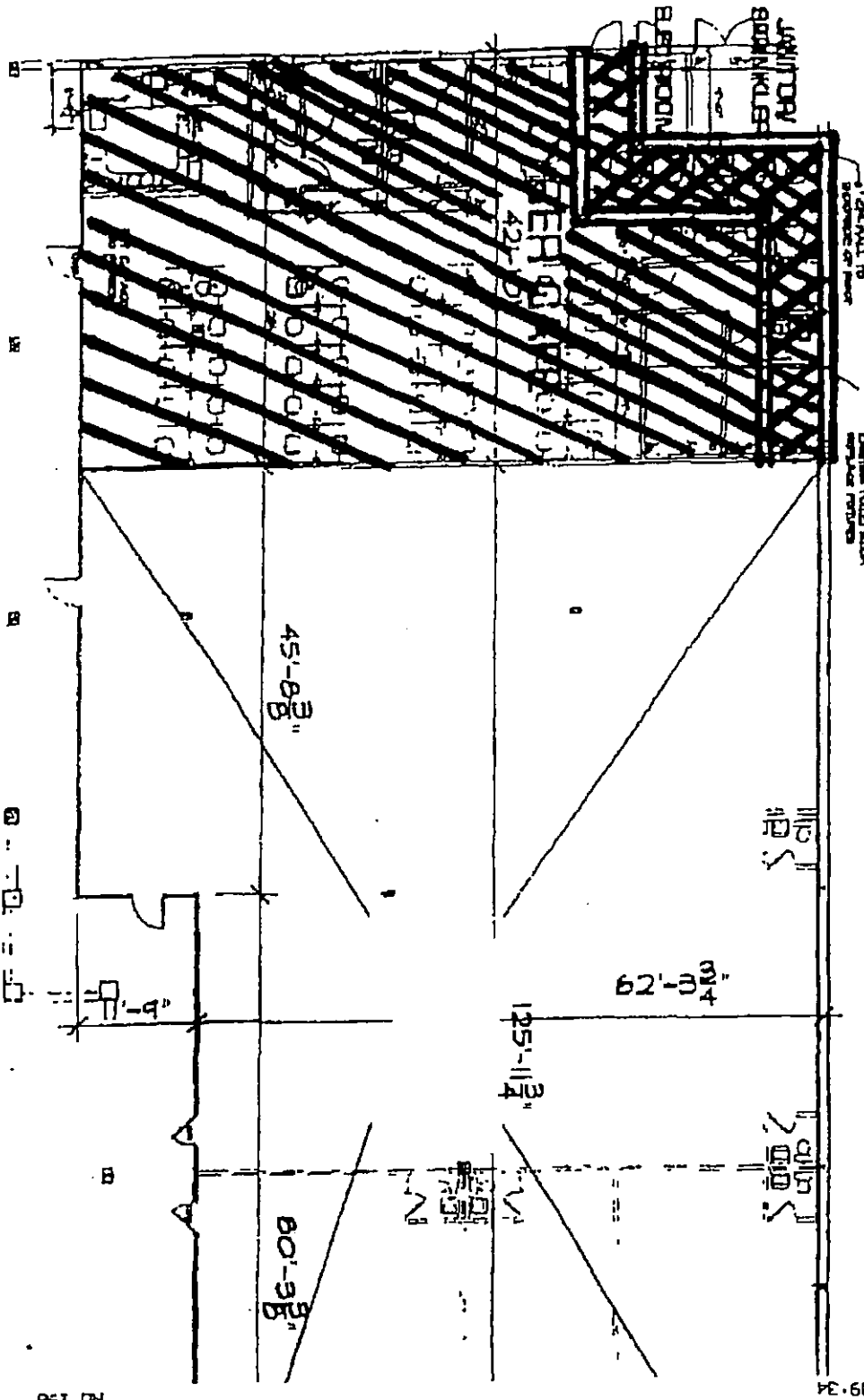
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01/14/2006 11 21 FAX 615 345 6503

01/14/2006 11 21 FAX 615 345 6503

01/14/2006 11 21 FAX 615 345 6503



- REFUSAL SPACE (INCLUDING )
- ANTICIPATED CORRIDOR, SHOULD TENANT ELECT UNDER SECTION 3.4 

NO 190 002

RENAL CARE GROUP

01/14/2005 11 21 FAX 816 345 5503

CERTIFICATE OF TENANT

TO. The Ohio National Life Insurance Company
One Financial Way
Cincinnati, Ohio 45242

LANDLORD

AMALGAMATED BANK OF CHICAGO, AS TRUSTEE
UNDER TRUST AGREEMENT DATED AUGUST 6, 1999
AND KNOWN AS TRUST NUMBER 5835
c/o 333 WEST WACKER DRIVE, SUITE 2750
CHICAGO, ILLINOIS 60606

TENANT

RENAL CARE GROUP BUFFALO
GROVE, LLC
2525 WEST END AVENUE
SUITE 600
NASHVILLE, TENNESSEE 37203

LEASES

Each dated March 25, 2003, between LANDLORD and TENANT, as generally reflected by those Memoranda of Lease dated on or about the date hereof and to be recorded

LEASED PREMISES

1291A and 1291 B W Dundee Road, Buffalo Grove, IL 60089, consisting of approximately 8,382 rentable square feet in the aggregate

COMMENCEMENT DATE OF TERM UNDER EACH LEASE

Subject to the terms of the Lease, including construction of Tenant's Improvements as contemplated by Section 5.2 thereof, the Commencement Date of the Lease Terms under each of the Leases is anticipated to be a date on or about January 1, 2004, and the Expiration Date of initial Term of each Lease, subject to the terms of Section 3.2 of the Leases, shall be a date Ten (10) Years thereafter, or on or about December 31, 2013, with the following options to extend or renew each of the Leases two (2) five-year renewals

CURRENT MONTHLY AND ANNUAL BASE RENT BEING PAID BY TENANT
PENDING COMMENCEMENT OF INITIAL TERMS OF THE LEASES

No Monthly Base Rent Paid as of date hereof

N JFR 435168 v4
213790R-000079 02/15/2003

SECURITY DEPOSIT PAID TO LANDLORD

None

The undersigned TENANT gives this Certificate to the above identified LENDER to permit LENDER to rely on it as conclusive evidence of the matters stated below as a material inducement to LENDER to make a certain mortgage loan to LANDLORD secured by the real estate that includes the LEASED PREMISES. The undersigned warrants and represents to LENDER as of the date hereof as follows

1 All of the information set forth above is true, correct and complete in all respects

2 The LEASES constitute the entire agreements between LANDLORD and TENANT respecting the LEASED PREMISES. There are no amendments to, or options to renew or extend the LEASES except as identified above or otherwise provided for in the LEASES, and, except for LANDLORD'S advisement to TENANT of LANDLORD'S agreement to undertake (or cause its environmental consultant, Engineering Consulting Services, Ltd, to undertake) those actions within and about the LEASED PREMISES generally as contemplated by that July 7, 2003 letter from said Engineering Consulting Services to TENANT, there are no other agreements between LANDLORD and TENANT regarding the LEASED PREMISES

3 Subject to LANDLORD'S continuing obligations, representations, covenants and warranties under the LEASES and to the actions contemplated to be undertaken as described in the above-referenced July 7, 2003 letter, the LEASED PREMISES leased under each of the Leases, including all improvements, appurtenances, common areas and parking, in their current condition as required by Landlord satisfy the requirements of the LEASES, have been accepted and approved in all respects by TENANT as of the date hereof

4 Subject to TENANT'S rights and privileges under the LEASES pending establishment of the Commencement Dates of the Terms thereof, the LEASES are valid and in full force and effect, all conditions of the LEASE to be performed by LANDLORD as of the date hereof, but subject to LANDLORD'S other obligations, representations, covenants and warranties under the LEASES and necessary to the enforceability of the LEASE together with any incomplete but progressing work as contemplated by the July 7, 2003 letter referenced above, have been satisfied, there are, to the knowledge of TENANT, no current defaults under the LEASES, nor any conditions known to TENANT which, as of the date hereof, would become a default at the expiration of a grace period or upon notice, and there are, as of the date hereof, no existing defenses or offsets which TENANT has against LANDLORD

5. No Base Rent or other rentals under the LEASES have been nor will be prepaid more than one month in advance, and, except as contemplated by the LEASES, as amended, there are no periods of free or reduced rent or other rent concessions of any nature to which TENANT may at any time be entitled

6 Except for matters placed of record, TENANT has received no notice of a prior sale, transfer, assignment, hypothecation or pledge of the LEASES or of the rents secured therein, except to LENDER

7 The LEASES contains no provisions granting to TENANT any options to purchase the LEASED PREMISES or the real property which includes the LEASED PREMISES

8 TENANT has not filed and is not the subject of any filing for bankruptcy or reorganization under federal bankruptcy laws

The undersigned hereby represents and warrants that its signature below is per proper and presently effective authorization

TENANT

RENAL CARE GROUP BUFFALO GROVE, LLC

By *R. Dirk Allison*

Printed R. Dirk Allison

Title Vice President of Manager

Date September 18, 2003

STATE OF TENNESSEE)
) SS
COUNTY OF DAVIDSON)

The foregoing instrument was acknowledged before me this 18th day of September, 2003, by R. Dirk Allison, Vice President of Manager of RENAL CARE GROUP BUFFALO GROVE, LLC, for and on behalf of said limited liability company

Manay Dandooff
Notary Public

My Commission Expires 5-28-06

CERTIFICATE OF TENANT

TO The Ohio National Life Insurance Company
One Financial Way
Cincinnati, Ohio 45242

LANDLORD

AMALGAMATED BANK OF CHICAGO, AS TRUSTEE
UNDER TRUST AGREEMENT DATED AUGUST 6, 1999
AND KNOWN AS TRUST NUMBER 5835
c/o 333 WEST WACKER DRIVE, SUITE 2750
CHICAGO, ILLINOIS 60606

TENANT

RENAL CARE GROUP BUFFALO
GROVE, LLC
2525 WEST END AVENUE
SUITE 600
NASHVILLE, TENNESSEE 37203

LEASES

Each dated March 25, 2003, between LANDLORD and TENANT, as generally reflected by those Memoranda of Lease dated on or about the date hereof and to be recorded

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1291 A and 1291 B W Dundee Road, Buffalo Grove, IL 60089, consisting of approximately 8,382 rentable square feet in the aggregate

COMMENCEMENT DATE OF TERM UNDER EACH LEASE

Subject to the terms of the Lease, including construction of Tenant's Improvements as contemplated by Section 5.2 thereof, the Commencement Date of the Lease Terms under each of the Leases is anticipated to be a date on or about January 1, 2004, and the Expiration Date of initial Term of each Lease, subject to the terms of Section 3.2 of the Leases, shall be a date Ten (10) Years thereafter, or on or about December 31, 2013; with the following options to extend or renew each of the Leases two (2) five-year renewals

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PENDING COMMENCEMENT OF INITIAL TERMS OF THE LEASES

No Monthly Base Rent Paid as of date hereof

SECURITY DEPOSIT PAID TO LANDLORD

None

The undersigned TENANT gives this Certificate to the above identified LENDER to permit LENDER to rely on it as conclusive evidence of the matters stated below as a material inducement to LENDER to make a certain mortgage loan to LANDLORD secured by the real estate that includes the LEASED PREMISES. The undersigned warrants and represents to LENDER as of the date hereof as follows:

- 1 All of the information set forth above is true, correct and complete in all respects.
- 2 The LEASES constitute the entire agreements between LANDLORD and TENANT respecting the LEASED PREMISES. There are no amendments to, or options to renew or extend the LEASES except as identified above or otherwise provided for in the LEASES, and, except for LANDLORD'S advisement to TENANT of LANDLORD'S agreement to undertake (or cause its environmental consultant, Engineering Consulting Services, Ltd., to undertake) those actions within and about the LEASED PREMISES generally as contemplated by that July 7, 2003 letter from said Engineering Consulting Services to TENANT, there are no other agreements between LANDLORD and TENANT regarding the LEASED PREMISES.
- 3 Subject to LANDLORD'S continuing obligations, representations, covenants and warranties under the LEASES and to the actions contemplated to be undertaken as described in the above-referenced July 7, 2003 letter, the LEASED PREMISES leased under each of the Leases, including all improvements, appurtenances, common areas and parking, in their current condition as required by Landlord satisfy the requirements of the LEASES, have been accepted and approved in all respects by TENANT as of the date hereof.
- 4 Subject to TENANT'S rights and privileges under the LEASES pending establishment of the Commencement Dates of the Terms thereof, the LEASES are valid and in full force and effect, all conditions of the LEASE to be performed by LANDLORD as of the date hereof, but subject to LANDLORD'S other obligations, representations, covenants and warranties under the LEASES and necessary to the enforceability of the LEASE together with any incomplete but progressing work as contemplated by the July 7, 2003 letter referenced above, have been satisfied, there are, to the knowledge of TENANT, no current defaults under the LEASES, nor any conditions known to TENANT which, as of the date hereof, would become a default at the expiration of a grace period or upon notice, and there are, as of the date hereof, no existing defenses or offsets which TENANT has against LANDLORD.
- 5 No Base Rent or other rentals under the LEASES have been nor will be prepaid more than one month in advance, and, except as contemplated by the LEASES, as amended, there are no periods of free or reduced rent or other rent concessions of any nature to which TENANT may at any time be entitled.
- 6 Except for matters placed of record, TENANT has received no notice of a prior sale, transfer, assignment, hypothecation or pledge of the LEASES or of the rents secured therein, except to LENDER.
- 7 The LEASES contains no provisions granting to TENANT any options to purchase the LEASED PREMISES or the real property which includes the LEASED PREMISES.

8 TENANT has not filed and is not the subject of any filing for bankruptcy or reorganization under federal bankruptcy laws

The undersigned hereby represents and warrants that its signature below is per proper and presently effective authorization

TENANT

RENAL CARE GROUP BUFFALO GROVE, LLC

By *R. Dirk Allison*

Printed R. Dirk Allison

Title Vice President of Manager

Date September 18, 2003

STATE OF TENNESSEE)
) SS
COUNTY OF DAVIDSON)

The foregoing instrument was acknowledged before me this 18th day of September, 2003, by R. Dirk Allison, Vice President of Manager of RENAL CARE GROUP BUFFALO GROVE, LLC, for and on behalf of said limited liability company

Nancy Dandorf
Notary Public

My Commission Expires 5-28-06

CONSENT, RECOGNITION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

THIS CONSENT, RECOGNITION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement"), is entered into and made effective as of the 18th day of Sept., 2003 ("Effective Date"), by and between AMALGAMATED BANK OF CHICAGO, as Trustee under Trust Agreement dated August 6, 1999, known as Trust Number 5835, an Illinois Land Trust, with offices c/o 333 West Wacker Drive, Suite 2750, Chicago, Illinois 60606 ("Landlord"), RENAL CARE GROUP BUFFALO GROVE, LLC, a Delaware limited liability company with offices at 1291 W. Dundee Road, Buffalo Grove, Illinois 60089 ("Tenant") and U.S. BANK NATIONAL ASSOCIATION, a national banking association and successor to Firststar Bank Illinois, with an address of 701 Lee Street, Des Plaines, Illinois 60016 ("Lender")

WITNESSETH.

WHEREAS, Landlord is the owner and holder of the landlord's interests, and Tenant is the owner and holder of tenant's interests, under two separate Lease Agreements, both dated March 25, 2003, for those premises identified as Suite Nos. 1291A and 1291B within the Plaza Verdo Shopping Center and having a street address of 1291 W Dundee Road, Buffalo Grove, Illinois 60089 and as summarized in those certain Memoranda of Lease Agreements dated on or about the date hereof and recorded, or to be recorded in the Cook County, Illinois Recorder's Office (hereafter, including any and all addenda, modifications, extensions, renewals, reinstatements, riders and exhibits thereto, referred to collectively as the "Leases") pursuant to which Tenant has leased said Leased Premises (as defined in the Leases and schematically depicted in Exhibit "A"), comprising approximately 6,500 (as to Suite 1291A) and approximately 1,882 (as to Suite 1291B) rentable square feet located upon the land (the "Land") legally described in Exhibit "B" attached hereto and incorporated herein by this reference; and

WHEREAS, this Agreement is being entered into in connection with a certain loan (the "Loan") in the amount of Three Million Nine Hundred Twenty Thousand and 00/100 Dollars (\$3,920,000 00), which Lender previously extended to Landlord and is secured by a Mortgage and Security Agreement dated January 14, 2000, recorded as Document 00045879 and Financing Statements recorded January 19, 2000 as Document Nos 00U 00747 and 00U 00748, Cook County Recorder's Office, as amended by Amendment No. 1 to Loan Agreement, Note,
191517_2.DOC

Mortgage, Assignment of Rents and Related Loan Documents, dated July 10, 2001, recorded at Document No 0010784639 and further amended by Amendment No 2 to Loan Agreement, Note, Mortgage, Assignment of Rents and Related Loan Documents, dated June 28, 2002 and recorded at Document Nos 0020760532 and 0020941961 and further amended by Amendment No 3 to Loan Agreement, Note, Mortgage, Assignment of Rents and Related Loan Documents, dated July 10, 2003, recorded at Document No. 0321233199, Cook County, Illinois Recorder's Office (as amended, the "Mortgage"), for the benefit of and in favor of the Lender on the Land, and on Landlord's interests in the improvements existing and to be made by Landlord on the Land (collectively, the "Secured Property" or "Property"). The Mortgage and all other documents, instruments and/or agreements, including related recorded collateral assignments of rents and leases, between Landlord, Lender and any guarantor(s) of Landlord's obligations under the Loan are collectively referred to as the "Loan Documents", and

WHEREAS, the Mortgage constitutes a lien upon Landlord's fee interest in the Secured Property prior and superior to the Leases, and

WHEREAS, as material consideration to Tenant for entering into the Leases with Landlord, Lender and Landlord heretofore agreed to enter into this Agreement and to be bound by the terms and conditions hereof

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties herein and other valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged and in order to have heretofore induced Tenant to enter into the Leases and to lift one of its conditions precedent under the Leases, it has been and is hereby declared, understood and agreed as follows

1 Subject to the provisions of this Agreement, Tenant agrees that the Mortgage, and any renewal, extensions, modifications, substitutions and replacements thereof, shall be and remain at all times a lien on the Property, prior and superior to the Leases, and all rights and privileges of Tenant arising therefrom, are hereby subjected and made subordinate to the lien of the Mortgage

2. Lender represents to Tenant that, as of the Effective Date of this Agreement and with the passage of time, there exist no current facts which would result in any default(s) by Landlord under the Mortgage, or any one or more of the other Loan Documents

3 Notwithstanding the affirmation of subordination referred to herein, as long as the Leases shall be in full force and effect and Tenant is not in uncured default in the performance of any of the Tenant's obligations thereunder beyond those applicable cure periods granted to Tenant under the Leases, Lender will not, by foreclosure, deed-in-lieu, assignment, sale or otherwise, deprive Tenant (or any Tenant subtenant or permitted occupant of the Property) of possession of the Leased Premises or the other rights granted it under the Leases as to the Property, or any portion thereof, and, in the event of a default under the Mortgage or related security documents comprising the Loan Documents, Tenant shall not be made a party in any action or proceeding to obtain possession of all or any part of the Property, including the Leased Premises, or be affected by any foreclosure of the Mortgage or related security documents

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comprising the Loan Documents; and, notwithstanding such foreclosure, action or proceeding, the Leases shall, provided Tenant is not in uncured material default thereunder, continue in full force and effect as direct leases between Lender or the person or the persons (a "Purchaser") acquiring the interests of Lender or Landlord in the Property as a result of any such foreclosure, action, or proceeding, as lessor, and Tenant, as lessee, upon all of the same terms, covenants and conditions contained in the Leases

4. Tenant agrees that, should Lender or a Purchaser acquire title to the Property, neither Lender nor such Purchaser shall be (a) liable for any act or omission of Landlord or any other prior lessor under the Leases which occurred prior to date on which Lender (or Purchaser) shall succeed to Landlord's interest(s) in the Property and the Leases for which Tenant has failed to theretofore give Lender notice, or (b) subject to any payment of any rent or additional rent which Tenant might have paid more than one (1) month in advance to any such prior lessor, unless (i) such sums are actually received by Lender or (ii) such prepayment shall have been expressly approved of by Lender, or (c) bound to or liable for the refund of all of any part of any security deposited by Tenant with Landlord, unless and until such security shall have been delivered by Landlord to, and received by Lender or such Purchaser.

5. After the receipt by Tenant of notice from Lender of completion of a foreclosure under the Mortgage and related security Loan Documents or that Lender has received a conveyance of the Property in lieu of foreclosure, Tenant will attorn to and recognize Lender or such Purchaser, as its substitute lessor under the Leases, and, having thus attorned, Tenant's possession shall not thereafter be disturbed by Lender during the term of the Leases, and during any renewal or extension thereof in accordance with its terms, providing, and as long as, Tenant shall continue to pay the rental provided under the Leases in the manner provided therein and otherwise to observe and perform the covenants, terms and conditions of the Leases to be observed and performed by Tenant thereunder in all respects. The parties shall execute and deliver, upon request, appropriate agreements of attornment and recognition, reasonably acceptable to each of them, but this Agreement shall be deemed to be self-operative, and no such separate agreements shall be required to effectuate the foregoing attornment and recognition. Any such attornment and recognition of a substitute lessor shall be upon all of the terms, covenants, conditions and agreements as are set forth in the Leases, except as amended hereby

6. Lender hereby consents to the Leases in all respects, and it or Purchaser shall, should it succeed to the interests of Landlord thereunder, be bound to Tenant under all of the terms, covenants, and conditions of the Leases for the balance of the Term of the Leases thereof remaining, together with any extensions or renewals and rights of first refusal thereof which may be effected in accordance with the provisions therefore in the Leases.

7. Notwithstanding anything to the contrary under the Mortgage or any other Loan Documents, Lender agrees that until Tenant receives written notice from Lender of a default by Landlord under one or more of the Loan Documents, inclusive of the Mortgage, all rents and payments otherwise payable by Tenant to Landlord under the Leases may be paid by Tenant to Landlord without liability to Lender. If, while the Mortgage remains a lien upon the Landlord's interests in the Property, including the Leased Premises, there is a future default by Landlord in the performance and observance of the terms of one or more of the Loan Documents, to the

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extent an assignment of rents and leases comprising of the Loan Documents exists, then, and upon written notice to both Tenant and Landlord, Lender may require that rents and other amounts payable by Tenant to Landlord under the Leases be paid to Lender. Landlord agrees that Tenant, upon receipt of such a notice from Lender, may make rent and other payments under the Leases payable to Landlord to Lender without liability to Landlord and as a credit against such rent and other amounts owed, as applicable, under the Leases. Landlord and Lender shall indemnify, defend, protect and hold Tenant harmless from and against any and all liability, demands, claims, causes of action, claims, costs or expenses, including, without limitation, reasonable attorneys' fees, which are claimed or made against Tenant on account of, or in connection with Tenant's reliance on any such notice. Tenant shall have no obligation to ascertain whether such demand by Lender is permitted under the Loan Documents, including the Mortgage or Assignment, or to inquire into the existence of a default by Landlord under any Loan Document(s).

8. Subject to the interests which Landlord may have upon the expiration or earlier termination of the term of the Leases in the Tenant Improvements or Alterations (both as defined in the Leases) constructed by or for Tenant within or about the Leased Premises, it is agreed that the lien of the Mortgage and other Loan Documents recorded against the Property and securing the Loan shall NOT, in part or in whole, encumber Tenant's personal property, furnishings, equipment, trade fixtures, Tenant Improvements or Alterations placed upon, installed or located within or about the Leased Premises by Tenant.

9. To the extent the terms and conditions of any of the Loan Documents, including the Mortgage, conflict with the terms and provisions of the Leases as pertains to casualty insurance proceeds and any awards of condemnation and eminent domain proceedings payable with respect to the Secured Property, the terms and conditions of the Leases shall control, and Lender shall make such proceeds and awards available for the reconstruction by Landlord and/or Tenant of the improvements upon and within the Leased Premises, subject to reasonable restrictions regarding disbursements.

10. This Agreement may not be amended or modified in any manner other than by an agreement in writing signed by all of the parties hereto.

11. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns, including any purchaser of the Property at a foreclosure sale.

12. All notices under this Agreement will be in writing and will be considered properly given if mailed by first-class United States mail, postage prepaid, registered or certified with return receipt requested, or if personally delivered to the intended addressee, or if delivered by a nationally recognized overnight carrier service which keeps records of deliveries (e.g., Federal Express or UPS). Notice by mail will be effective three (3) days after deposit in the United States mail. Notice given in any other manner will be effective when received by the addressee. For purposes of notice hereunder, the addresses of Landlord, Tenant, and Lender are:

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93

To Lender at: U S. Bank National Association
 400 North Michigan Avenue
 Chicago, Illinois 60611
 Attn: Real Estate Banking Division

To Tenant at: Renal Care Group Buffalo Grove, LLC
 1291 W. Dundee Road
 Buffalo Grove, Illinois 60089
 Attn: Regional Chief Operating Officer

with a copy and any original to prior to Term Commencement Date at: Renal Care Group, Inc.
 2525 West End Avenue, Suite 600
 Nashville, Tennessee 37203
 Attn: General Counsel

To Landlord at: Amalgamated Bank of Chicago, as Trustee
 c/o National Shopping Plazas, Inc
 333 West Wacker Drive, Suite 2750
 Chicago, Illinois 60606
 Attn: George D Hanus, President

13. Tenant shall not, at any time, be liable for any obligations of Landlord, its beneficiaries or its guarantor(s) to Lender under any of the Loan Documents. Further, no provision hereof shall expand, enlarge, alter, affect or diminish Tenant's rights, remedies or obligations under the Leases or with respect to the Leased Premises under either or both of the Leases, except if and to the extent specifically set forth herein, and neither Lender, nor any Purchaser, nor any of their respective successors or assigns shall take any actions which adversely affects said rights or benefits of Tenant under the Leases so long as Tenant is not in uncured default of the obligations under the Leases.

14. This Agreement and the Leases shall be governed by and construed and interpreted in accordance with the laws of the State of Illinois. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall be deemed an original and all of which shall constitute one and the same document.

15. (a) This instrument is executed by Amalgamated Bank of Chicago, not personally, but as Trustee as aforesaid, in the exercise of power and authority conferred upon and vested in said Trustee as such and it is expressly agreed that nothing herein contained shall be construed as creating any liability on said Amalgamated Bank of Chicago in its individual corporate capacity to pay any indebtedness accruing thereunder, or with respect to any warranty or representation contained in this instrument, or to perform any covenant, either express or implied, herein contained, including but not limited to warranties, indemnifications, and hold harmless representations in said document all such liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or interest hereunder, and as so

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94

far as said Trustee is concerned, the owner of any indebtedness or right accruing under said document shall look solely to the Secured Property for the payment or enforcement thereof, it being understood that said, Amalgamated Bank of Chicago as Trustee merely holds legal title to the premises described therein and has no control over the management thereof or the income therefrom, and has no knowledge respecting any factual matter with respect to said premises, except as represented to it by the beneficiary or beneficiaries of said trust. In the event of conflict between the terms of this Section 15 and of the remainder of the Agreement, on any questions of apparent liability or obligation resting upon said Trustee, the provisions of this Section 15, Subparagraphs (a) and (b), shall control

(b) It is expressly understood and agreed to by every person, firm or corporation claiming any interest in this document that Amalgamated Bank of Chicago shall have no liability, contingent or otherwise arising out of, or in any way related to (i) the presence, disposal, release or threatened release of any hazardous materials on, over, under, from, or affecting the property or the soil, water, vegetation, buildings, personal property, persons or animals thereof, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such hazardous materials, (iii) any lawsuit brought or threatened, settlement reached or government order relating to such hazardous materials, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Trustee, which are based upon or in any way related to such hazardous materials including without limitation, attorneys' fees and consultants' fees, investigation and laboratory fees, court costs and litigation expenses

16 If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is to practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect

IN WITNESS WHEREOF, the parties, by their authorized representatives have executed the Agreement.

Signature Pages Follow

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7/0/2006


AMALGAMATED BANK OF CHICAGO

01/14/2006 11:17 FAX 312 345 6503

IN WITNESS WHEREOF, this Agreement has been duly executed as of the days and year set forth below but effective from that day and year first above written

LENDER:

U.S. BANK NATIONAL ASSOCIATION

By: 
Printed Kathleen Gallagher
Its: Assistant Vice President

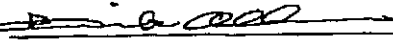
LANDLORD

AMALGAMATED BANK OF CHICAGO, AS TRUSTEE OF TRUST NO 5835

By: 
Printed IRVING B. POLAKOW
Its: SENIOR VICE PRESIDENT

TENANT:

RENAL CARE GROUP BUFFALO GROVE, LLC

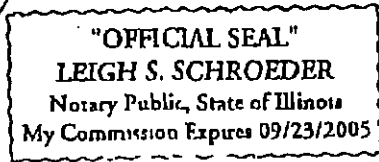
By: 
Printed R. Dirk Allison
Its: Vice President of Manager

STATE OF ILLINOIS)
COUNTY OF COOK)

The foregoing was acknowledged before me this 10th day of September, 2003, by Kathryn Gallagher, the AVP of U.S. BANK NATIONAL ASSOCIATION, a national banking association under the laws of the United States of America, on behalf of said national banking association as Lender

Leigh S. Schroeder
Notary Public

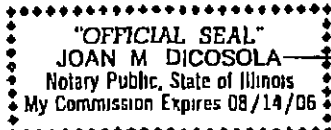
My Commission Expires: 9-23-05



STATE OF ILLINOIS)
COUNTY OF Cook)

The foregoing was acknowledged before me this 9th day of September, 2003, by IRVING B. POLAKOW, the SENIOR VICE PRESIDENT of AMALGAMATED BANK OF CHICAGO, as Trustee under Trust Agreement dated August 6, 1999, known as Trust Number 5835, an Illinois Land Trust, on behalf of said Trust as Landlord

Joan M. Dicosola
Notary Public



My Commission Expires: _____

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

The foregoing was acknowledged before me this 18th day of September, 2003, by R. Dirk Allison, the V.P. of Manager of RENAL CARE GROUP BUFFALO GROVE, LLC, a Delaware limited liability company, on behalf of said limited liability company as Tenant.

Marey Dindoff
Notary Public

My Commission Expires: 5-28-06

This Instrument Prepared By

Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C
211 Commerce Street, Suite 1000
Nashville, Tennessee 37201
Attn John F Rogers, Jr, Esq

and

After recording please mail to

Ms Rose MacDonald
Land America
707 East Main Street, Suite 400
Richmond, VA 23219-2802

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9

01/14/2006 11 18 FAX 616 345 5503

RHNAI LARK KRUR

01/14/2006 11 18 FAX 616 345 5503

98

EXHIBIT "A"

1291A and 1291B Leased Premises Schematic

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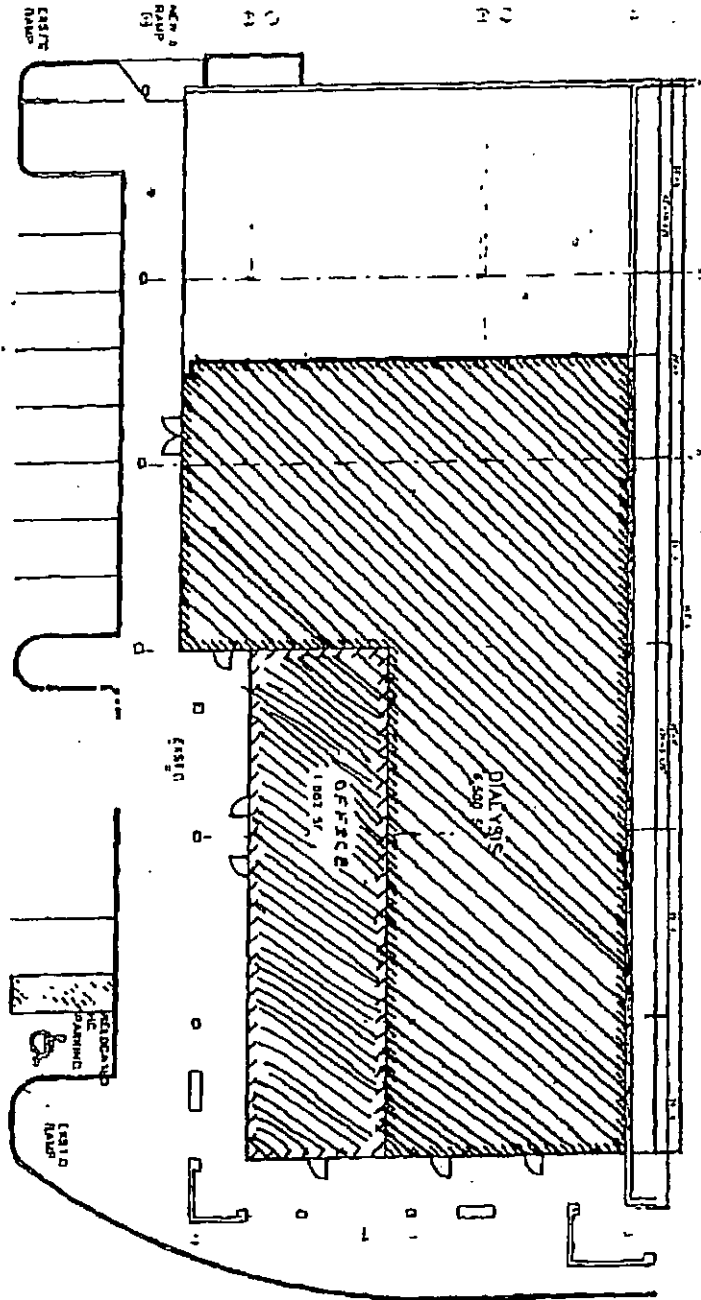
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Renal Care Group

 - LEASED PREMISES



S C H E M A T I C S I T E P L A N

BUFFALO GROVE DIALYSIS
BUFFALO GROVE, IL

1/2005 (REV. 1)

EXHIBIT "B"

LEGAL DESCRIPTION OF THE LAND

PARCEL 1

LOT 1 IN PLAZA VERDE UNIT ONE, A SUBDIVISION OF PART OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2

LOT 2 IN BARBARA RESUBDIVISION OF PART OF LOT 2 OF PLAZA VERDE UNIT ONE, A SUBDIVISION OF PART OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TOGETHER WITH:

PARCEL 3-

A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY DECLARATION AND AGREEMENT OF EASEMENT DATED APRIL 14, 1975 AND RECORDED SEPTEMBER 29, 1975 AS DOCUMENT 23237771 FOR THE PURPOSE OF INGRESS AND EGRESS OVER THE FOLLOWING DESCRIBED LAND:

LOT 2 IN PLAZA VERDE UNIT TWO, A SUBDIVISION OF PART OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 4

A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTION, RECORDED JULY 11, 2001 AS DOCUMENT 0010612471 FOR THE PURPOSE OF INGRESS AND EGRESS, PARKING, UTILITIES, ETC

Commonly known as 1291 W. Dundee Road, Buffalo Grove, Illinois 60089

Real Property Tax/Map Parcel Nos : 03-07-201-020 and 03-07-201-022

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11

7/6/2006

LEGAL CARE GROUP

01/14/2006 11 18 FAX 815 345 5503

COMMENCEMENT DATE RIDER

Plaza Verde Shopping Center
Buffalo Grove, Illinois
Suite 1291-B

The following terms, as identified and set forth in that certain Lease Agreement between the undersigned dated March 25, 2003 for Suite 1291-B (the "1291-B Lease") located in Plaza Verde Shopping Center, Buffalo Grove, Illinois, shall, by agreement of the parties, be further defined to include the following information:

- A. The "Beneficial Occupancy Date" was March 25, 2003.
- B. The "Contingencies Deadline" was August 30, 2003.
- C. The "Commencement Date" was January 1, 2004.
- D. The "Rent Commencement Date" was also January 1, 2004.
- E. The expiration date of the initial Lease Term, subject to renewal by Tenant as provided for by the terms of the 1291-B Lease Agreement, shall be the last calendar day of December, 2013.
- F. The 1291-B Lease Agreement is amended to include as Exhibit "E" attached hereto and incorporated herein and therein fully by reference and comprising the final "Tenant Improvement Plans" as contemplated pursuant to Sections 3.5 and 5.2 of the 1291-B Lease Agreement as pertains to the Leased Premises and to the premises leased by Tenant pursuant to that certain Lease Agreement between Landlord and Tenant for space contiguous to the Leased Premises known as Suite 1291-A (the "1291-A Lease").

Except as heretofore or herein modified or amended, the Lease Agreement is unamended or modified.

IN WITNESS WHEREOF, the parties hereto have executed this Commencement Date Rider as of the 1st day of April, 2004

WITNESSES:

LANDLORD:

NATIONAL SHOPPING PLAZAS, INC.,
IN ITS CAPACITY AS MANAGER AND
LEASING AGENT FOR THE PLAZA VERDE
SHOPPING CENTER, BUFFALO GROVE,
ILLINOIS ON BEHALF OF
AMALGAMATED BANK OF CHICAGO,
AS TRUSTEE, THE LANDLORD,

Lori Kapaldo

Printed: Lori Kapaldo

Carol C. Kotlar

Printed: CAROL C. KOTLAR

By: [Signature]

Printed: _____

Title: _____

NVRS 471942 v4
2137908-000079 (01/04)

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.

I, Leigh S. Schroeder, a Notary Public in and for said County in the State
aforesaid, do hereby certify George D. Hannis, President of
National Shopping Plaza, Inc., who is personally known to me to be the same person whose name is
subscribed to the foregoing instrument as such corporation, appeared before me this day in person
and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act
and as the free and voluntary act of and on behalf of said corporation, as agent for Amalgamated Bank
of Chicago, as Trustee, for the uses and purposes set forth therein.

Given under my hand and Notarial seal on April 1, 2005.

Leigh S. Schroeder
Notary Public

My Commission Expires: 9-23-05

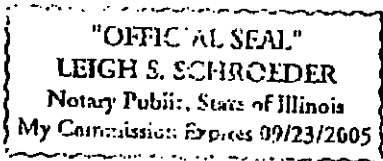


EXHIBIT "E"

Tenant Improvement Plans

Plans Prepared By: Cubellis Associates, Inc.
Dated: June 18, 2003
Project No.: RCG022

ARCHITECTURAL

- A0.1 Project Information
- A1.1 Wall Type Legend & Notes
- A1.2 Floor Plan
- A1.3 Enlarged Plans
- A4.1 Wall Sections & Details
- A4.2 Half Wall Sections & Details
- A4.3 Millwork Sections & Details
- A5.1 Finish Specifications & Notes
- A5.2 Finish Plan
- A6.1 Interior Elevations
- A6.2 Interior Elevations
- A7.1 Reflected Ceiling Plan
- A8.1 Door/Window Schedule
- A8.2 Door/Window Details
- A8.3 Door/Window Details

PLUMBING

- P1.1 Sanitary Floor Plan
- P1.2 Plumbing Floor Plan
- P1.3 Medical Piping Floor Plan
- P6.1 Stacks, Schedules & Details

MECHANICAL

- H0.1 HVAC Legend and Notes
- H1.1 HVAC Ductwork Plan
- H1.2 HVAC Roof Plan
- H7.1 HVAC Schedule & Details

ELECTRICAL

- E0.1 Electrical Legend & Notes
- E1.1 Lighting Plan
- E2.1 Lighting Schedule, Notes & Details
- E3.1 Power Plan
- E3.2 HVAC Power Plan
- E4.1 One Line Diagram & Schedules
- E5.1 System Plan
- E6.1 Panel Schedules & Notes
- E6.2 Risers & Details

N VRS 471942 v3
2137908-000079 10/11/04

Buffalo Grove, Illinois
Office Space
Suite/Unit No. "1291 B"

LEASE AGREEMENT

between

**AMALGAMATED BANK OF CHICAGO,
AS TRUSTEE UNDER TRUST AGREEMENT DATED AUGUST 6, 1999
AND KNOWN AS TRUST NUMBER 5835**

("Landlord")

and

**RENAL CARE GROUP BUFFALO GROVE, LLC
("Tenant")**

Dated: March 25, 2003

Property:

**Plaza Verde Shopping Center
Buffalo Grove, Illinois 60089**

NJFR 412107 v4
137908-00079 03/14/2003

2003

RENAL CARE GROUP

01/14/2006 11:28 FAX 816 346 5503

Table of Contents

		<u>Page</u>
ARTICLE 1	DEFINITIONS.....	1
	1.1 Certain Definitions.....	1
ARTICLE 2	LEASE, PERMITTED USES AND PARKING.....	5
	2.1 Lease of Leased Premises.....	5
	2.2 Use of Leased Premises.....	5
	2.3 Parking and Access Privileges.....	5
	2.4 Deliveries Access.....	6
ARTICLE 3	TERM.....	6
	3.1 Term.....	6
	3.2 Commencement Date.....	6
	3.3 Renewal Options.....	7
	3.4 Right of First Offer.....	7
	3.5 Contingencies.....	8
ARTICLE 4	RENT.....	9
	4.1 Base Rent.....	9
	4.2 Additional Rent.....	10
	4.3 Late Payment of Rent.....	11
	4.4 Payment Location.....	11
ARTICLE 5	IMPROVEMENTS.....	11
	5.1 Delivery of Leased Premises by Landlord.....	11
	5.2 Installation and Construction of Tenant Improvements.....	12
	5.3 Tenant Improvement Allowance.....	12
ARTICLE 6	MAINTENANCE AND REPAIRS.....	13
	6.1 Landlord's Maintenance Obligations.....	13
	6.2 Tenant's Maintenance Obligations.....	13
ARTICLE 7	SIGNS AND ALTERATIONS.....	13
	7.1 Signage.....	13
	7.2 Alterations, Additions and Improvements.....	13
	7.3 Alterations Without Landlord's Consent.....	13
	7.4 Right to Remove Furniture, Fixtures and Equipment.....	13
ARTICLE 8	INSPECTION BY LANDLORD.....	14
	8.1 Landlord's Right to Inspect.....	14
ARTICLE 9	PEACEFUL ENJOYMENT.....	14
	9.1 Covenant of Peaceful Enjoyment.....	14
ARTICLE 10	INDEMNIFICATION.....	14
	10.1 Tenant's Indemnification of Landlord.....	14
	10.2 Transfer of Leased Premises.....	14
	10.3 Landlord's Indemnification Obligation.....	14
ARTICLE 11	DAMAGE OR DESTRUCTION.....	15
	11.1 Restoration of Leased Premises.....	15
	11.2 Limitation on Landlord's Obligation.....	15
ARTICLE 12	CONDEMNATION.....	16
	12.1 Condemnation.....	16
	12.2 Condemnation Award.....	16
ARTICLE 13	DEFAULT.....	16
	13.1 Events of Default by Tenant.....	16

N JFR 412207 v4
137908-00079 03/14/2003

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01/14/2008 11:28 FAX 915 345 5603

Table of Contents
(continued)

		<u>Page</u>
	13.2 Remedies for Tenant Default	17
	13.3 Remedies Cumulative	17
	13.4 Events of Default by Landlord; Remedies	17
	13.5 Right to Terminate	18
ARTICLE 14	COVENANTS OF LANDLORD	18
	14.1 Duties of Landlord	18
	14.2 Utilities	18
ARTICLE 15	TENANT'S INSURANCE	19
	15.1 Tenant's Obligation to Insure	19
ARTICLE 16	ENVIRONMENTAL MATTERS	19
	16.1 Definitions	19
	16.2 Landlord's Environmental Indemnification	19
	16.3 Tenant's Environmental Covenant	19
	16.4 Tenant's Environmental Indemnity	20
ARTICLE 17	SUBORDINATION NONDISTURBANCE AND ATTORNMENT	20
	17.1 Subordination of Lease	20
	17.2 Nondisturbance	20
	17.3 Attornment	20
ARTICLE 18	BROKERAGE FEES	21
	18.1 Brokers	21
	18.2 Sale of Land and Shopping Center	21
ARTICLE 19	ASSIGNMENT AND SUBLEASING	21
	19.1 Assignment by Landlord	21
	19.2 Assignment or Sublease by Tenant	21
	19.3 Assignment or Sublease to Affiliate of Tenant	21
ARTICLE 20	REPRESENTATIONS AND WARRANTIES	22
	20.1 Physical Condition of Shopping Center	22
	20.2 Landlord Authority	22
	20.3 Landlord Representations/Warranties	22
	20.4 Tenant Authority	22
ARTICLE 21	FORCE MAJEURE	22
	21.1 Force Majeure	22
ARTICLE 22	GENERAL PROVISIONS	23
	22.1 Amendments	23
	22.2 Governing Law	23
	22.3 Entire Agreement; Merger	23
	22.4 INTENTIONALLY OMITTED	23
	22.5 Notices	23
	22.6 Waiver of Subrogation Rights	24
	22.7 Estoppel Letter	24
	22.8 Time of the Essence; Counterparts	24
	22.9 Memorandum of Lease	24
	22.10 Survival of Obligations	24
	22.11 Surrender of Leased Premises; Return of Keys	24
	22.12 Attorneys Fees	25
	22.13 Waiver of Landlord's Lien	25

Table of Contents
(continued)

	<u>Page</u>
22.14 Request Response Time	25
22.15 Landlord's Cooperation	25
22.16 Draftsmanship	26
22.17 Rights and Remedies Not Waived.....	26
22.18 General	26
EXHIBIT "A" LEGAL DESCRIPTION OF THE LAND	
EXHIBIT "B" DIAGRAM OF LEASED PREMISES AND MEDICAL OFFICE SPACE	
EXHIBIT "C" REFUSAL SPACE SCHEMATIC	
EXHIBIT "D" COMMENCEMENT DATE RIDER	
EXHIBIT "E-1" SCHEMATIC OF TENANT IMPROVEMENT PLANS	
EXHIBIT "E-2" SCHEDULE OF TENANT IMPROVEMENT PLANS	
EXHIBIT "F" PARTIAL LIST OF TENANT'S REMOVABLE TRADE FIXTURES/EQUIPMENT	

LEASE AGREEMENT

This Lease Agreement (the "Lease") made effective as of the 25th day of March, 2003 (the "Effective Date), by and between AMALGAMATED BANK OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED AUGUST 6, 1999 AND KNOWN AS TRUST NUMBER 5835, an Illinois Land Trust with offices c/o 333 West Wacker Drive, Suite 2750, Chicago, Illinois 60606 ("Landlord"), and RENAL CARE GROUP BUFFALO GROVE, LLC, a Delaware limited liability company with offices at 1291 W. Dundee Road, Buffalo Grove, Illinois 60089 ("Tenant").

WITNESSETH:

WHEREAS, Tenant desires to lease the Leased Premises and the Rights from the Landlord; and

WHEREAS, the Landlord wishes to lease the Leased Premises and the Rights to the Tenant upon the terms and conditions set forth herein.

NOW, THEREFORE, for valuable consideration and the mutual covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Certain Definitions. In addition to other terms defined elsewhere in this Lease, for all purposes of this Lease:

(a) "Additional Rent" shall mean any and all amounts other than Base Rent payable by Tenant to Landlord as required under this Lease.

(b) "Base Rent" shall mean the sums required to be paid by Tenant to Landlord pursuant to Section 4.1 herein.

(c) "Beneficial Occupancy Date" shall mean and be the same date as the Effective Date of this Lease, such date also being the date on which Tenant shall be delivered possession of the Leased Premises.

(d) "Commencement Date" shall mean the date following the Beneficial Occupancy Date and the Contingencies Deadline, and upon which the Lease Term commences, as established pursuant to Section 3.2 herein.

(e) "Common Area" shall mean all the Shopping Center interior common area corridors, interior walks, lobbies and restrooms, together with the roof and exterior and structural aspects of the Shopping Center (including within the Leased Premises and further including, without limitation, all structural and supporting walls) and all exterior landscaped areas, parking areas, walkways, traffic corridors, benefiting easement areas, utilities, utility equipment and other facilities (other than such as would exclusively benefit any leased premises within the Shopping Center or be space within the Shopping Center occupied by the Landlord or its agents or representatives), approaches, exits, entrances and roadways as exists as of the Effective Date of this Lease, or as may exist from time to time.

(f) "Common Area Maintenance Expenses" shall mean any and all expenses incurred and paid by Landlord in connection with the maintenance and operation of Common Area. Excluded from the definition of Common Area Maintenance Expenses are the following:

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137908-00079 03/14/2003

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RENAL CARE GROUP

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- (i) Real Estate Taxes;
- (ii) Insurance Expense;
- (iii) The cost of alterations, capital improvements, and other items which under generally accepted accounting principles are properly classified as capital expenditures (except that the amortized portion of capital repair or replacement costs shall be included as a Common Area Maintenance Expense);
- (iv) Expenses for repair or other work occasioned by fire or other casualty which is covered under a standard fire or casualty insurance policy with extended coverage;
- (v) Any tenant work performed or alteration of space leased to Tenant or other tenants or occupants (including Landlord and its representatives or agents) of the Shopping Center, whether such work or alteration is performed for the initial occupancy by such tenant or occupant or thereafter;
- (vi) Repairs necessitated by the negligence of Landlord or tenants other than Tenant, and repairs required to cure violations of laws with respect to the Shopping Center as of Effective Date or thereafter not precipitated by Tenant's use of the Leased Premises;
- (vii) Interest or amortization payments on any mortgage or rents paid under any ground lease pertaining to the Land;
- (viii) Depreciation;
- (ix) Legal expenses in enforcing the terms of any lease, license agreement or other use or occupancy agreement, or any easement, declaration or similar document granted or entered into by Landlord, its predecessors-in-interest, successors and assigns, pertaining to any portion of the Shopping Center and other than this Lease;
- (x) Expenses incurred in the leasing or procuring of new tenants, including lease commissions, brokerage fees, advertising expenses and expense for renting space for new tenants;
- (xi) Compensation paid to officers, executives, members or owners of the Landlord; and
- (xii) Overhead and profit paid to Landlord, or subsidiaries or affiliates of Landlord, for management or other services on or to the Shopping Center or the Leased Premises or for supplies or other materials, to the extent that the costs of the services, supplies, or materials exceed the amount customarily charged by an independent entity for such services, supplies, or materials (except that reasonable management fees shall be included as a Common Area Maintenance Expense).

(g) "Consents" shall mean all third-party consents and all federal, state and local governmental and regulatory licenses and approvals, certificates of occupancy, permits and approvals necessary as determined by Tenant in its sole discretion (and including, without limitation, applicable certificates of need and local City of Buffalo Grove, Illinois approvals relative to Tenant's intended use and occupancy of the Leased Premises) for the occupancy of the Leased Premises by Tenant, the construction by Tenant of the Tenant Improvements and operation of the Dialysis Treatment Premise and the Leased Premises for the Permitted Use, free and clear of any legal disqualifications or other restrictions that would limit the full operation thereof.

(h) "Dialysis Space Lease" shall mean that certain Lease Agreement executed by and between Landlord and Tenant of even date herewith for the lease of approximately, but not less than, 6,500 rentable square feet of dialysis treatment medical space (being that area designated by Landlord and Tenant as Suite No. 1291A) contiguous to the Leased Premises (the "Dialysis Treatment Premises").

(i) "Effective Date" shall mean the date of full execution of this Lease by both Landlord and Tenant as set forth in the opening paragraph.

(j) "Insurance Expense" shall mean the cost of liability, casualty and property insurance which the Landlord is specifically required to carry pursuant to this Lease, and as Landlord reasonably determines is necessary to maintain with respect to the Shopping Center.

(k) "Land" shall mean that certain tract of land described in Exhibit "A" attached hereto and made a part hereof.

(l) "Lease Term" shall mean the term of this Lease as established in Section 3.1 herein, including any renewal terms hereafter exercised, if any, by Tenant.

(m) "Leased Premises" shall mean the premises leased to Tenant pursuant to this Lease within the Shopping Center and being that area designated by Landlord and Tenant as Suite No. 1291B comprised of approximately, but not less than, 1,882 rentable square feet, a diagram of which, together with the premises leased under the Treatment Space Lease, is attached hereto as Exhibit "B-1" and made a part hereof by reference. Also included within and made available to Tenant for its exclusive use as part of the Leased Premises leased to Tenant is that dumpster pad area generally depicted upon Exhibit "B-2" (a schematic of the "Shopping Center" as further defined below) attached hereto and incorporated herein by reference.

(n) "Lease Year" shall mean with respect to the first Lease Year, the period after the Beneficial Occupancy Date and the Contingencies Deadline and commencing on the Commencement Date of the Lease Term and ending at 11:59 p.m. on the day preceding the first anniversary of the Commencement Date; and, with respect to each subsequent Lease Year, the twelve (12) month period commencing on the next day following the previous Lease Year.

(o) "Operating Expenses" shall mean Real Estate Taxes, Insurance Expenses and Common Area Maintenance Expenses, collectively.

(p) "Permitted Use" shall mean the use and occupancy of the Leased Premises by Tenant for medical offices and any related, lawful use, including for the provision of outpatient renal dialysis services in conjunction therewith.

(q) "Preliminary Term" shall have the meaning as set forth in Section 3.1.

(r) "Real Estate Taxes" shall mean all ad valorem real property or similar taxes, charges and assessments, excepting such assessments arising from another tenant's use, improvement or occupancy, whether general, special, or specific or otherwise (and commenced or completed during the Lease Term), which are levied, assessed or imposed, during any calendar year of the Lease Term by any governmental authority upon the Shopping Center as pertains to the Land, any improvements and fixtures located in the Shopping Center and used in connection with the operation of the Shopping Center (excluding, however, federal or state income tax, or any franchise, estate, rental tax, excise tax, sales tax, gift or inheritance taxes, or any real estate transfer taxes imposed by reason of sale of the Shopping Center, or any portion(s) thereof, and further excluding penalties and interest resulting from the late or non-payment of the taxes set forth in this definition).

(s) "Rent" shall mean Base Rent and Additional Rent payable hereunder.

(t) "Rent Commencement Date" shall mean the date upon which Tenant's obligation to pay Rent commences, as set forth in Article 4 hereof.

(u) "Rights" shall mean any rights related to the Leased Premises and the Shopping Center and including, without limitation, utilities, access, drainage, easement or parking rights and further including, without limitation, the right of use, on a non-exclusive basis except for those parking spaces expressly reserved unto the Tenant, of all Common Areas.

(v) "Shopping Center" shall mean, the Plaza Verde Shopping Center consisting of the Land, the Common Areas and containing, as of the Effective Date of this Lease, approximately ninety-six thousand one hundred twelve (96,112) rentable square feet within the improvements thereon, located in the Village of Buffalo Grove, Illinois and generally depicted upon Exhibit "B-2" hereto.

(w) "Tenant Improvement Allowance" shall mean, subject to adjustment hereafter as may be agreed upon by Landlord and Tenant in writing prior to the Contingencies Deadline pertaining to additional costs for which Landlord shall be responsible under Sections 3.5(e) and 3.5(d) (including the removal and repair of the concrete foundation within the Leased Premises), the allowance to be provided by Landlord to Tenant pay for a portion of the cost of the Tenant Improvements to the Leased Premises and the Dialysis Treatment Premises and equal to the amount of Eighty-Four Thousand One Hundred Forty and No/100 Dollars (\$84,140.00) to be paid by Landlord to Tenant in accordance with Section 5.3 of this Lease.

(x) "Tenant Improvements" shall mean the initial improvements to be constructed by the Tenant in or about the Leased Premises and the Dialysis Treatment Premises as contemplated in Section 5.2 of this Lease and the Dialysis Space Lease.

(y) "Tenant Improvement Plans" shall mean those certain plans and specifications for construction of the Tenant Improvements in the Leased Premises and the premises leased by Tenant pursuant to the Dialysis Space Lease to be prepared by Tenant and approved by Landlord in the manner as contemplated by Sections 3.5 and 5.2(a) hereof, and a description of which, when complete, is to be attached as Exhibit "E" (comprised of Exhibits "E-1" and "E-2") hereto and incorporated herein by reference.

(z) "Tenant's Proportionate Share" shall mean the ratio of the rentable area in the Leased Premises (i.e., 1,882 square feet) to the total amount of rentable area available in the Shopping Center (i.e., as of the Effective Date of this Lease 96,112 rentable square feet), whether occupied or not, and such percentage in this Lease is acknowledged by the parties to be as of the Effective Date of this

NJR 412207 v4
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Lease one and ninety-five hundredths percent (1.95%). In the event of a mutually agreed to change in the size of the Leased Premises, or in the event of a change by Landlord in the size of the Shopping Center by future additions thereto, the calculation of Tenant's Proportionate Share shall be revised appropriately as of the date of such modification.

(aa) "State" shall mean the state of Illinois.

ARTICLE 2 LEASE, PERMITTED USES AND PARKING

2.1 Lease of Leased Premises. Landlord hereby leases and rents to Tenant and, subject to the satisfaction of those Contingencies and set forth in Section 3.5 and other conditions precedent to its obligations hereunder, Tenant hereby leases and rents from Landlord, the Leased Premises and the Rights upon the terms and conditions set forth in this Lease. Landlord covenants and represents that it owns the Shopping Center, including the Land, in fee simple and that there are no liens, easement, encumbrances, or restrictions affecting the Land or Shopping Center which would prohibit, restrict or materially interfere with the use of the Leased Premises for the Permitted Use or with Tenant's other Rights hereunder. Tenant acknowledges that the Leased Premises, together with the premises leased under the Dialysis Space Lease, will have one, single street/mailling address of 1291 Dundee Road, Buffalo Grove, Illinois 60089.

2.2 Use of Leased Premises. Tenant shall use and occupy the Leased Premises for the Permitted Use and for no other use without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Tenant's initial hours of operation are expected to be, approximately, 5:00 a.m. to 11:00 p.m. daily, but Tenant shall, notwithstanding the foregoing anticipated hours of operations, have access to the Leased Premises twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year throughout the Lease Term and may, subject to applicable law and at its discretion, but without any obligation, operate during other hours as Tenant may desire, including upon holidays. Nothing herein contained, expressly or implicitly, shall be deemed or construed as a requirement that Tenant open for business in the Leased Premises or continuously operate its business in the Leased Premises.

2.3 Parking and Access Privileges.

(a) Landlord represents and warrants unto Tenant that, except for interruptions beyond Landlord's reasonable control, Tenant and Tenant's agents, officers, invitees, guests, patients, and employees shall at all times during the Preliminary Term and Term have access for ingress and egress to and from the Shopping Center and Leased Premises, and shall have the right to park automobiles in all parking areas adjacent to the Leased Premises and otherwise located upon all Common Areas of the Shopping Center at no charge, and Landlord shall maintain adequate parking for the Shopping Center at all times after the Effective Date hereof and during the Term in order to comply with all applicable laws, regulations, and ordinances. Without limiting the foregoing in any manner or to any extent, as pertains to parking, Landlord does hereby covenant, represent and warrant unto to Tenant that, at all times after the Effective Date and on a non-exclusive use basis with other tenants and occupants of the Shopping Center, there shall be not less than four (4) spaces per 1,000 square feet of rentable footage in the Shopping Center available. Further, there shall not be less than fourteen (14) handicapped parking spaces per 1,000 rentable square feet in the Shopping Center, including four (4) handicapped spaces fronting the nearest public entrance(s) to the Leased Premises, and which four (4) handicapped spaces shall not be moved without the prior written consent of Tenant (which consent Tenant agrees to not unreasonably withhold or condition). If, at any time during the Preliminary Term or Term, access for ingress or egress, or the parking areas (including said designated parking spaces) are substantially, materially or permanently lost

by condemnation or by further modifications, alterations, improvements to such parking area(s) or the Land by Landlord, or are otherwise materially obstructed, thereby limiting Tenant's or its patients' use thereof (as determined in the reasonable discretion of Tenant), Landlord agrees to work with Tenant in good faith to relocate such access or, as applicable, designated parking spaces to another area in close proximity to the nearest entrance to the Leased Premises; provided, however, if such change materially and adversely affects Tenant's use of, access to, or business within the Leased Premises as determined in Tenant's reasonable discretion and such relocation cannot be accomplished to the reasonable satisfaction and agreement of Landlord and Tenant within thirty (30) days, Tenant shall have the right to terminate this Lease.

(b) In order to establish that the Shopping Center and any portion thereof is and will continue to remain private property and to prevent a dedication thereof or the accrual of any rights to any person or the public therein, Landlord hereby reserves the right to close all or any portion of the Shopping Center owned, leased or controlled by Landlord to the general public for not more than one (1) day in each calendar year, and, in connection therewith, to seal off all entrances to the Shopping Center, or any portion thereof. Notwithstanding the foregoing, before exercising those rights granted it hereunder, Landlord agrees to give Tenant reasonable prior notice of its intentions to exercise its rights herein and to work with Tenant to set the scheduled date at such time as would be as non-intrusive of Tenant's business operations as possible under given circumstances.

2.4 Deliveries Access. Tenant shall have the right to conduct deliveries of goods and supplies via semi-tractor truck transport or otherwise at the Leased Premises at any time after the Effective Date and during the Lease Term. The carrier(s) making such deliveries to Tenant and the Leased Premises shall have the right to temporarily park its vehicle in any egress/ingress lanes and parking areas on the Land, and, subject to applicable ordinance(s), on any adjacent street(s) to the Leased Premises, for purposes of loading and unloading; provided such activities do not unreasonably interfere with other tenants' use and occupancy of the Shopping Center. Should such rights be terminated at anytime after the Effective Date, including during the Lease Term, or if such change materially adversely affects Tenant's use of, or access to, or business within the Leased Premises as determined in Tenant's reasonable discretion, then in such event, but subject to Landlord's right to first cure such obstruction within thirty (30) days after Tenant serves notice upon Landlord of such default, Tenant may terminate this Lease.

ARTICLE 3 TERM

3.1 Term. The term of the Lease shall commence on the Commencement Date, as determined pursuant to Section 3.2 hereof (the "Commencement Date"), and continue for a period of ten (10) years thereafter. If the Commencement Date is not the first day of a month, then the term of the Lease shall be ten (10) years plus the partial month in which the Commencement Date occurs (the "Lease Term" or "Term"). In addition, the Lease Term shall include any and all renewals and extensions of the term of this Lease hereafter exercised, if at all, by Tenant. Notwithstanding the foregoing, Landlord acknowledges and agrees with Tenant that Tenant will from the Effective Date to the Commencement Date of the initial Lease Term, nonetheless, have a possessory leasehold interest in the Leased Premises with all rights and privileges attendant thereto (the "Preliminary Term").

3.2 Commencement Date. The Commencement Date of the initial Term of the Lease shall be that date which is the *earlier of* (i) one hundred twenty (120) days following the Contingencies Deadline as contemplated by Section 3.5 hereof, or (ii) that date following the expiration of the Contingencies Deadline and upon which Tenant has substantially completed its initial Tenant Improvements and receives the appropriate certificate(s) of occupancy, or its local equivalent, from the appropriate

governmental agency or body to allow it to occupy and use the Leased Premises for the Permitted Use, without qualification; provided, however, nothing in this Section 3.2 shall be deemed to modify or amend the rights of Tenant to terminate this Lease in the manner as contemplated by Section 3.5 if any one or more of the Contingencies (as defined herein) are not satisfied by such Contingencies Deadline. Following the Contingencies Deadline (provided Tenant has not terminated this Lease as contemplated by Section 3.5), upon completion by Tenant of its Tenant Improvements and confirmation of the Commencement Date, Landlord and Tenant shall execute a Commencement Date Rider in the form of Exhibit "D", attached hereto and made a part hereof, which shall conclusively establish the Commencement Date as well as the Rent Commencement Date for all purposes of this Lease Agreement.

3.3 Renewal Options. Tenant shall have two (2) separate options to renew the Lease under the same terms and conditions as provided herein each for a consecutive five (5) year term (the "Option Terms" or "Renewal Terms"), exercisable by providing Landlord written notice (the "Notice") of Tenant's intent to exercise the renewal option at least six (6) months prior to the expiration date of the initial Lease Term or the applicable Option Term. Base Rents payable by Tenant during each such Renewal Term, as and if exercised, shall be at those amounts as set forth in Section 4.1 below.

3.4 Right of First Offer. During the Preliminary Term and Term of this Lease, and provided Tenant is not then in uncured default beyond the cure period(s) applicable thereto, Tenant shall have a right of first offer to lease that space (or any portion thereof) adjacent to the Leased Premises and the Dialysis Treatment Premises currently occupied as of the Effective Date hereof by Cyberspace Café, located in the Shopping Center and outlined as the Refusal Space on Exhibit "C" (the "Refusal Space") upon the same terms and conditions contained in this Lease. At such time as any portion of the Refusal Space hereafter becomes available, prior to putting such space on the market available for third-party leasing during the Term hereof, Landlord shall first notify Tenant in writing of Landlord's willingness to make the Refusal Space available to Tenant (an "Offer"). Tenant shall have twenty (20) business days from its receipt of such notice of the Offer to, at its option without any obligation, exercise its right and option to lease the Refusal Space, or such portion(s) thereof as Tenant may desire - it being expressly understood that Tenant may elect to lease only a portion of the applicable Refusal Space so as to provide an access corridor to the rear of the Shopping Center from the Leased Premises or Tenant's premises leased pursuant to the Dialysis Space Lease as generally depicted upon Exhibit "C" hereto. If the Offer is submitted to Tenant and accepted by Tenant, then the subject Refusal Space as leased by Tenant shall be made available to Tenant upon the same terms and conditions, including Base Rent (computed on a per rentable square footage basis for such space), embodied in this Lease. The Refusal Space will, subject to the terms and conditions of this Lease, be delivered in its "AS-IS" physical condition with the Tenant's obligation to pay Base Rent and Additional Rent for such Refusal Space to begin on the date of Landlord's tender of delivery of such Refusal Space (partitioned from any other space in the Shopping Center as required or appropriate), which tendering by Landlord shall be a date within fifteen (15) business days immediately following Tenant's notice to Landlord of its (Tenant's) exercise of its rights hereunder as to the subject Refusal Space, or applicable portion thereof. The commencement date of the portion of the Term pertaining to the Refusal Space as leased to Tenant hereunder shall be delayed and abated pending the delivery of the subject Refusal Space by Landlord so long as Landlord's failure or inability to deliver the subject Refusal Space is through no fault of Tenant. Further, should Landlord thereafter continue to fail or otherwise be unable to deliver the Refusal Space to Tenant within thirty (30) days of the date Tenant advises Landlord that it (Tenant) accepts all or a portion of the subject Refusal Space identified in the Offer, then Tenant shall have the right to terminate this Lease with no obligation or liability to Landlord hereunder. Landlord and Tenant shall execute such amendment(s) to this Lease as they and their counsel shall deem reasonable and mutually appropriate to document the addition of the subject Refusal Space to Leased Premises and to, among other things, confirm the revised Tenant's

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NJFR 412207 v4
137908-00079 03/14/2003

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Proportionate Share percentage for future determinations of Additional Rent. If Tenant elects not to exercise its right of first offer contained herein as to an Offer, then Landlord may lease the portion(s) of the Refusal Space not elected by Tenant to any third-party, and Tenant shall have no further rights under this Section 3.4 until such space next becomes available. In the event Tenant does not exercise its right of first offer contained herein, and Landlord does not lease the Refusal Space to a third-party within one-hundred twenty (120) days after Tenant's receipt of the Offer, this Section 3.4 shall again become effective and shall apply to any subsequent Offer(s). Landlord shall permit Tenant access to the offered Refusal Space for inspections as Tenant may deem reasonably necessary or appropriate during the period of time which Tenant has under this Section 3.4 to determine if it intends to exercise or not exercise its option rights and to make any Alterations to the Refusal Space accepted prior to the commencement date of Tenant's rental obligations as pertains to such space.

3.5 Contingencies. Tenant's obligations under this Lease are expressly contingent upon the occurrence of each of the following events (each a "Contingency") on or before July 31, 2003, subject to extension as set forth below (as may be extended, the "Contingencies Deadline"):

(a) Tenant must have received all required governmental approvals or variances, if any, special exceptions and other approvals necessary or appropriate in its discretion (including, without limitation, all applicable certificate(s) of need and City of Buffalo Grove, Illinois approvals) allowing for the unqualified issuance of operation permits, building permits and any other permits and approvals necessary for, the construction of the Tenant Improvements in accordance with the Tenant Improvement Plans, and to, upon completion all such improvements, permit the use and occupancy of the Leased Premises and the Dialysis Treatment Premises for the intended Permitted Use as of the Commencement Date of the Term hereof;

(b) Tenant and Landlord shall have agreed in writing upon the scope and specifications of the Tenant Improvement Plans in all respects;

(c) Landlord shall, at its sole expense, have provided to Tenant, and Tenant shall have approved in its discretion and in all respects, a "Safety Plan" and such other action steps or requirements (including, without limitation and if applicable, the receipt of governmental or regulatory Consents necessary for implementation of such plan, steps and requirements) as may be necessary or appropriate to allow for the proper and safe renovation of the Leased Premises and the Dialysis Treatment Premises as contemplated by the Tenant Improvement Plans and in accordance with the legal requirements as contemplated both generally and specifically in that certain "No Further Remediation Letter" dated August 16, 2001 of record with respect to the Shopping Center as issued by the Illinois Environmental Protection Agency;

(d) Landlord and Tenant shall have agreed in writing to the allocation of costs and expenses between them relative to implementation of the above-referenced Safety Plan, and any other related action steps and requirements; provided that, notwithstanding the foregoing, it is agreed (which agreement shall, if and as applicable, survive the satisfaction or waiver by Tenant of these Contingencies) that in all events Landlord shall be solely responsible for all of the costs and expenses of environmental consultants, compliance reports, disposal of excavated or disturbed soil in, under or about the Leased Premises and the Dialysis Treatment Premises, and costs and expenses associated with the removal, repair and/or replacement of concrete, asphalt or other pre-existing barriers as required by the improvements to be undertaken in accordance with the Tenant Improvement Plans;

(e) If so elected, Tenant must have received, reviewed and approved, at its sole cost and expense, a firm, final owner's leasehold commitment for title insurance from a title insurance

company acceptable to it and in a form and of content acceptable to it bearing a commitment by such Title Company to issue a final leasehold owner's policy insuring Tenant's anticipated leasehold interest(s) in the Leased Premises and the Dialysis Treatment Premises, together with customary endorsements and other endorsements desired by Tenant given the nature of the Leased Premises and the Dialysis Treatment Premises (including, without limitation, street address, affirmative access endorsements over the Common Area, and comprehensive zoning/use endorsement), and a Landlord's "owner's affidavit" to permit the deletion of the so-called "standard exceptions";

(f) Subject to Landlord's continuing obligations under Article 17 following the Commencement Date, Tenant must have received an executed and recordable consent, recognition and non-disturbance agreements in a form and of content acceptable to Tenant and its counsel in their discretion, which consent as to form and content shall not be unreasonably withheld, conditioned or delayed, from each lender or other secured party, if any, having a mortgage, deed of trust or similar secured interest in the Leased Premises and the Dialysis Treatment Premises as of the Effective Date of this Lease; and which agreement shall, among other matters, provide for each such lender's consent to this Lease, including, to the extent contemplated by lender's loan documents with Landlord, Tenant's intended Permitted Use and modifications to the Leased Premises and the Dialysis Treatment Premises as may be contemplated by the Tenant Improvement Plans; and

(g) Tenant and Landlord must have entered into for recording a memorandum of lease in a form acceptable to Tenant and its counsel, which consent as to form and content shall not be unreasonably withheld, conditioned or delayed, for recording, at Tenant's expense, reflecting Tenant's leasehold interest in the Leased Premises and other matters as the parties thereto may agree.

If any one or more of the Contingencies is or are not fulfilled to the sole satisfaction of Tenant on or before July 31, 2003, Tenant may either, in its sole discretion and without further liability, (i) upon written notice to Landlord given within ten (10) days thereafter, terminate this Lease, and upon such termination, neither party shall owe any further obligation to, or have liability to, the other under either agreement; or (ii) by written notice to Landlord given within ten (10) days thereafter extend the Contingencies Deadline by a period of up to an additional thirty (30) days thereafter, in which case the Commencement Date and the Rental Commencement Date shall be adjusted by a like number of days. If Tenant extends the Contingencies Deadline as contemplated by (ii) above and any one or more Contingency or Contingencies is or are not thereafter fulfilled to the sole satisfaction of Tenant by that new date, Tenant may, in its sole discretion and without further liability, terminate this Lease upon further written notice to Landlord within ten (10) days thereafter, and upon such termination, neither party shall owe any further obligation to the other under either agreement. If Tenant does not, within ten (10) days of the Contingency Deadline (as same may be extended as provided hereby), give Landlord the notice provided for in (i) or (ii) above, the unsatisfied Contingencies shall be deemed to have been waived by Tenant.

ARTICLE 4 RENT

4.1 Base Rent. Tenant shall pay annual Base Rent as to the Leased Premises in the amount as set forth below, due and payable, without demand or notice, commencing on the Rent Commencement Date and continuing on the first day of each month through Lease Term. Monthly installments of Base Rent shall be due on or before the first (1st) day of each calendar month during the Lease Term (on and after the Rent Commencement Date), but Base Rent shall not be deemed to be late until after the tenth (10th) day of the month. The Rent Commencement Date shall be the same date as the Commencement Date of the Lease Term. If the Rent Commencement Date is not on the first day of the month, then Base Rent for the month in which the Rent Commencement Date occurs shall be pro rated based upon the

remaining days in that month. Tenant's obligation to pay the Additional Rent (as set forth in Section 4.2 hereof) shall begin on the Commencement Date. Annual and monthly Base Rent amounts payable hereunder shall be as follows:

(a) Initial Lease Term:

	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
Lease Year 1 ^{Jan 04}	\$20,702.00	\$1,725.17
Lease Year 2	21,323.06	1,776.92
Lease Year 3	21,962.75	1,830.23
Lease Year 4	22,621.63	1,885.14
Lease Year 5	23,300.28	1,941.69
Lease Year 6	23,999.84	1,999.94
Lease Year 7	24,719.27	2,059.94
Lease Year 8	25,460.85	2,121.74
Lease Year 9	26,224.67	2,185.39
Lease Year 10	27,011.41	2,250.95

(b) 1st Five-Year Renewal Term, if and as exercised by Tenant Per Section 3.3:

Lease Year 11	\$27,821.75	\$2,318.48
Lease Year 12	28,656.40	2,388.03
Lease Year 13	29,516.00	2,459.67
Lease Year 14	30,401.58	2,533.46
Lease Year 15	31,313.63	2,609.47

(c) 2nd Five-Year Renewal Term, if and as exercised by Tenant Per Section 3.3:

Lease Year 16	\$32,253.03	\$2,687.75
Lease Year 17	33,220.62	2,768.38
Lease Year 18	34,217.24	2,851.44
Lease Year 19	35,243.76	2,936.98
Lease Year 20	36,301.07	3,025.09

4.2 Additional Rent

(a) Monthly Payments. Commencing as of the Rent Commencement Date, Tenant shall pay Landlord, as Additional Rent, monthly in advance a sum equal to 1/12th of Tenant's Proportionate Share of Real Estate Taxes, Insurance Expenses and Common Area Maintenance Expenses (collectively referred to as "Operating Expenses"), which is currently estimated to be approximately Four and 25/100 Dollars (\$4.25) per rentable square foot; provided, however, the Operating Expenses payable by Tenant as Additional Rent hereunder shall not exceed, during the first three (3) Lease Years of the Term, Tenant's Proportionate Share of the actual Operating Expenses per rentable square foot in the Leased Premises, or Three and NO/100 Dollars (\$3.00) per rentable square foot in the Leased Premises. If the first and/or last Lease Years of the Lease Term shall not coincide with a calendar year, then Tenant's obligation for Operating Expenses attributable to the partial calendar year shall be pro rated on the basis of the ratio between the number of days of such partial calendar years and 365. Monthly

payments of Additional Rent shall be due on or before the first (1st) day of each calendar month of each Lease Year during the Lease Term (on and after the Rent Commencement Date), but Additional Rent shall not be deemed to be late until after the tenth (10th) day of the month in which such payment is due. If the Rent Commencement Date is not on the first day of the month, then Additional Rent for the month in which the Rent Commencement Date occurs shall be pro rated based upon the remaining days in that month.

(b) **Determination of Operating Expenses.** Following the Commencement Date of the Lease Term and Rent Commencement Date, at the end of each Lease Year, Landlord shall give written notice to the Tenant setting forth in reasonable detail by category the Operating Expenses for the Lease Year just ended and an estimate of Operating Expenses for the ensuing year. If Tenant's Proportionate Share of Operating Expenses for the Lease Year just ended exceeds the aggregate monthly payments of Additional Rent paid by Tenant for such Lease Year, then subject to, if applicable, the cap set forth in Section 4.2(a) hereof, Tenant shall pay the difference to Landlord within thirty (30) days of Tenant's receipt of such notice, subject however, to Tenant's right to contest such determination. If the aggregate monthly payments of Additional Rent exceed Tenant's Proportionate Share of Operating Expenses for the Lease Year just ended, then the Tenant may deduct such difference from its next monthly payments of Base Rent and Additional Rent.

(c) **Contest.** Tenant shall have thirty (30) days following its receipt thereof to dispute the Landlord's calculation of Operating Expenses for each Lease Year by submitting written notice to Landlord, which notice shall include the specific allegations of Tenant's dispute. If within thirty (30) days after the submittal of the written notice, no settlement is reached, the disputed Operating Expenses items shall be referred to a certified public accounting firm selected by Landlord, and approved by the Tenant, to resolve the disputed items. In the event the determination results in a variance of five (5%) per cent or less in the Tenant's Proportionate Share of Operating Expenses for the prior year, Tenant shall pay the expenses involved in such determination.

4.3 **Late Payment of Rent.** All Rent or other payments due hereunder from one party to the other, if not paid when due, shall bear interest per annum at two percentage points (2.0%) higher than the prime rate published in *The Wall Street Journal*, said interest rate to be adjusted on the date the prime rate changes (but not to exceed the maximum lawful rate of interest chargeable under the laws of the State) (the "Default Rate") from the date due until paid.

4.4 **Payment Location.** All Rent payable to Landlord under the terms and conditions of this Lease shall be paid to Landlord at Landlord's offices having that address set forth in the opening provision of this Lease, or at such other place/address as Landlord may hereafter from time to time designate in writing to Tenant in the manner contemplated by Section 22.5 of this Lease.

ARTICLE 5 IMPROVEMENTS

5.1 **Delivery of Leased Premises by Landlord.** Landlord represents and warrants that prior to the Effective Date hereof, it has (a) removed and properly disposed of all existing flooring coverings, including carpeting, tile and any adhesive so as to provide for a smooth concrete subflooring, (b) removed and properly disposed of all ceiling tiles and grids within the Leased Premises, and (c) removed and properly disposed of all non-structural and non-demising existing walls and partitions within the Leased Premises. Except for the foregoing and except as may be otherwise contemplated by the Lease (including under Section 3.5), Landlord shall deliver the Leased Premises to Tenant on the Beneficial Occupancy Date "AS-IS", in broom clean condition, and in compliance with all laws, orders, building codes and regulations of any governmental authority having jurisdiction over the same. Notwithstanding the

foregoing, Landlord represents and warrants to Tenant that the Leased Premises contains (i) a fully operational and code compliant sprinkler system, (ii) four (4) tons of HVAC per 1,000 square feet within the Leased Premises and fully warranted by Landlord or the manufacturer thereof for the first two (2) Lease Years of the Lease Term, (iii) an accessible and minimum four inch (4") sanitary waste line separately metered to Leased Premises, (iv) a natural gas line available, dedicated and separately metered to the Leased Premises, and (v) three (3) phase electrical service to the Leased Premises and including 600 available amps of power separately metered to Leased Premises. Landlord also represents and warrants that a separately metered and dedicated two inch (2") water line currently runs from a public works main line to the Leased Premises with a PSI not less than thirty (35) PSI, and that Tenant may tap into and use said water line at all times during the Term.

5.2 Installation and Construction of Tenant Improvements.

(a) Within five (5) days following the Effective Date hereof, Landlord shall deliver to Tenant full and complete copies of existing architectural and building plans pertaining to the Leased Premises for Tenant's review and use in developing its Tenant Improvement Plans (as herein defined). Thereafter, Tenant shall deliver to Landlord, within sixty (60) days following Tenant's receipt of the aforementioned plans of the Leased Premises from Landlord, copies of the proposed plans and specifications relating to the construction of the initial Tenant Improvements (the "Tenant Improvement Plans") for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Unless Landlord delivers specific written objections within five (5) days after delivery to it of the proposed Tenant Improvement Plans, the Tenant Improvement Plans as submitted by Tenant shall be deemed approved by Landlord, and the same shall be incorporated into this Lease via a description of the same contained in Exhibit "E" hereto. In the event Landlord delivers written objections to the proposed Tenant Improvement Plans submitted by Tenant within such five (5) day period, Tenant shall promptly submit revised plans to Landlord addressing the matters objected to by Landlord, and Landlord shall have five (5) days thereafter to again advise of specific continuing concerns. If Landlord does submit written objections within the time parameters contemplated hereby, the parties shall cooperate in good faith to resolve their differences as to such matters so that the Tenant's Improvements can proceed, but if such differences cannot be resolved within seven (7) days after Landlord serves continuing objections, if any, with respect to Tenant's first set of revised Tenant Improvement Plans, then, provided that Tenant has not already terminated this Lease as contemplated by Section 3.5, the Rent Commencement Date shall be deemed deferred one (1) day for each day that the parties continue efforts to resolve any differences as to the Tenant's Improvement Plans.

(b) Following delivery to and acceptance by it of the Leased Premises and upon satisfaction of the Contingencies contemplated by Section 3.5 above, Tenant shall be responsible for the installation and construction of all initial Tenant Improvements. The initial Tenant Improvements to be constructed by Tenant within the Leased Premises and the Dialysis Treatment Premises shall be those substantially described in Tenant Improvement Plans referenced in this Lease and the Dialysis Space Lease. All Tenant Improvements shall be made in full compliance with all laws, regulations and requirements of all governmental agencies and authorities having jurisdiction thereof. Landlord shall correct, at its expense, any latent defects in the Leased Premises discovered during the construction of the Tenant Improvements.

5.3 Tenant Improvement Allowance. Landlord shall reimburse Tenant in an amount equal to the Tenant Improvement Allowance (including reimbursement to Tenant for those costs and expenses that may be incurred by Tenant relative to matters addressed by Sections 3.5(c) and 3.5(d) that are the responsibility of Landlord) for the cost of installation and completion of Tenant's Improvements in the Leased Premises and the premises leased under the Dialysis Space Lease. Landlord shall immediately and

in all events within thirty (30) days disburse the Tenant Improvement Allowance to Tenant upon receipt of (i) mechanic's, materialmen's, or other applicable lien waivers, from the prime contractor having performed the work for which the payment is sought and due, and (ii) receipts for invoices pertaining to the Tenant Improvements. Tenant, without limiting any of its other rights and remedies hereunder, shall be entitled to setoff and credit against its Rent payments hereunder and under the Dialysis Space Lease to the extent that the Tenant Improvement Allowance, in part or in full, is not paid by Landlord when due.

ARTICLE 6 MAINTENANCE AND REPAIRS

6.1 Landlord's Maintenance Obligations. Landlord, at Landlord's sole cost and expense (subject to reimbursement by Tenant as to its portion of the Operating Expenses under the Additional Rent provisions of this Lease), shall, at all times following the Effective Date hereof, promptly make all repairs, perform all maintenance, and make all replacements, reasonable, necessary and appropriate, in and to (i) the roof and all structural elements of the Shopping Center, including within the Leased Premises, together with the floor slab, (ii) parking lots and all other Common Areas upon the Land, and (iii) general mechanical systems such as HVAC, plumbing or electrical systems of the Shopping Center (but excluding dedicated plumbing, electrical systems and other mechanical systems installed by Tenant used and exclusively by it within the Leased Premises).

6.2 Tenant's Maintenance Obligations. Subject to normal wear and tear, Tenant, at Tenant's cost and expense, shall promptly make all repairs and perform all maintenance in and to the interior of the Leased Premises (including the aforementioned mechanical systems as installed by Tenant and used exclusively within the Leased Premises) not otherwise the obligation of Landlord under Section 6.1 or elsewhere under this Lease.

ARTICLE 7 SIGNS AND ALTERATIONS

7.1 Signage. Tenant shall have the right to install the maximum signage at the Leased Premises which is permitted by local codes and zoning ordinances, subject to Landlord's approval as to design and placement, which approval shall not be unreasonably withheld, delayed or conditioned.

7.2 Alterations, Additions and Improvements. After completion of the initial Tenant Improvements contemplated under Article 5, Tenant may make any further alterations, additions, improvements or other changes (collectively, the "Alterations"), structural or otherwise, in or to the Leased Premises after first obtaining the prior written consent of Landlord, except as provided in Section 7.3 below, which consent shall not be unreasonably withheld, delayed or conditioned. Any Alterations made by Tenant shall be made: (a) in a good, workmanlike, first-class and prompt manner and (b) in accordance with all applicable legal requirements.

7.3 Alterations Without Landlord's Consent. Notwithstanding the provisions of Section 7.2, Tenant shall have the right to make Alterations without the Landlord's consent, provided such Alterations (a) are made to the interior of the Leased Premises, (b) do not adversely affect the structure or exterior of the Leased Premises, and (c) do not adversely affect the electrical, heating systems servicing the Leased Premises.

7.4 Right to Remove Furniture, Fixtures and Equipment. All Alterations to the Leased Premises of a permanent nature and being fixtures made by either party (including the initial Tenant Improvements that are fixtures in nature as opposed to personal property or moveable trade fixtures) shall upon the expiration or earlier termination of this Lease but not before, become the property of Landlord and shall remain upon and be surrendered with the Leased Premises as a part thereof at the expiration or

earlier termination of the Lease Term; provided, however, Tenant shall have the right to remove all trade fixture improvements or alterations and all movable furniture, furnishings and equipment installed in the Leased Premises (including, without limitation, those items of equipment or other matters identified on Exhibit "F" hereto) solely at the expense of Tenant, provided any damage to the Leased Premises caused by such removal is promptly repaired.

ARTICLE 8 INSPECTION BY LANDLORD

8.1 Landlord's Right to Inspect. Upon at least forty-eight (48) hours prior notice (except in the event of an emergency), Landlord or its agents or representatives shall have the right to enter into and upon any part of the Leased Premises at all reasonable hours in the accompaniment of a Tenant representative to inspect the same as Landlord may deem reasonably necessary or desirable. Landlord further reserves the right, upon advance notice and in the accompaniment of a Tenant representative, to show the Leased Premises to prospective tenants or brokers during the last six (6) months of the Lease Term, and to prospective purchasers or mortgagees at all reasonable times, upon advance notice and in the accompaniment of a Tenant representative. Landlord shall not materially interfere with Tenant's use and occupancy of the Leased Premises and shall not disclose the identity of any patients of Tenant observed while in or about the Leased Premises.

ARTICLE 9 PEACEFUL ENJOYMENT

9.1 Covenant of Peaceful Enjoyment. Landlord represents and warrants that Tenant shall have the right, at all times following the Effective Date hereof, to peacefully occupy, use and enjoy the Leased Premises and the Rights for the Permitted Use free of interference by Landlord and/or others, provided Tenant pays the Rent and performs all of Tenant's covenants and agreements herein contained and is not in default beyond applicable cure periods provided to it hereby.

ARTICLE 10 INDEMNIFICATION

10.1 Tenant's Indemnification of Landlord. Tenant shall indemnify and hold Landlord harmless from and against, to the extent not the Landlord's obligation under this Lease, all costs, damages, claims, liabilities and expenses (including attorneys' fees) suffered by or claimed against Landlord (unless resulting from the negligence or misconduct of Landlord, Landlord's agents, employees or invitees), directly or indirectly, based on, arising out of or resulting from, subject to applicable cure periods, (i) the use and occupancy of the Leased Premises by Tenant, (ii) the repair or maintenance of the Leased Premises which are the obligations of Tenant, (iii) any act or omission by Tenant or Tenant's employees or agents, and (iv) any uncured breach or default in the performance or observance of Tenant's covenants or obligations under this Lease.

10.2 Transfer of Leased Premises. In the event that at any time any landlord hereunder shall sell or transfer the Leased Premises or such landlord's interest therein, said landlord shall not be liable to Tenant for any obligations or liabilities based on or arising out of events or conditions first occurring after the date of such sale or transfer. Within twenty (20) days after the written request of any purchaser or transferee of the Leased Premises of any landlord's interest therein, Tenant shall attorn to such purchaser or transferee, so long as such party first fully accepts and acknowledges Tenant's rights under this Lease and agrees in writing (the form of which is to be reasonably satisfactory to Tenant and its counsel) not to disturb Tenant's occupancy hereunder.

10.3 Landlord's Indemnification Obligation. Landlord shall indemnify and hold Tenant harmless from and against, to the extent not the Tenant's obligation under this Lease, all costs, damages,

claims, liabilities and expenses (including attorneys' fees) suffered by or claimed against Tenant (unless resulting from the negligence or misconduct of Tenant, Tenant's agents, employees or invitees), directly or indirectly, based on, arising out of or resulting from, subject to applicable cure periods, (i) the initial construction and subsequent repair or maintenance of the Leased Premises or the Shopping Center which are the obligations of Landlord, (ii) any act or omission by Landlord or Landlord's employees, agents, subtenants or contractors, and (iii) any breach or default in the performance or observance of Landlord's covenants, representations or obligations under this Lease.

ARTICLE 11 DAMAGE OR DESTRUCTION

11.1 Restoration of Leased Premises. If the Leased Premises or any substantial portion (i.e., greater than 25%) of the Shopping Center are totally or partially damaged or destroyed from any cause, thereby rendering the Leased Premises or Common Areas totally or partially materially inaccessible or unusable, Landlord shall diligently restore and repair the Shopping Center and the Leased Premises to substantially the same condition it was in prior to such damage; provided, however, that (i) if in Landlord's reasonable judgment (said judgment to be made within fifteen (15) days of the date of such occupancy or damage or destruction) such repairs and restoration cannot be completed within one hundred twenty (120) days after the occurrence of such damage or destruction (taking into account the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental permits) or (ii) if Landlord will not receive the proceeds from insurance necessary to fully complete such repair or restoration, or (iii) if such damage or destruction occurs within twenty-four (24) months prior to the expiration of the Lease Term, then Landlord or Tenant shall have the right to terminate this Lease by giving written notice of termination to the other party within thirty (30) days after the occurrence of such damage or destruction as to events (i) or (iii) or, as may be the case, receipt of notice from Landlord as to event (ii), whichever is later. If this Lease is terminated in accordance with the above procedure, then Base Rent and Additional Rent payable hereunder shall be apportioned and paid to the date of said termination, and shall equitably abate after the date of such damage or destruction. If this Lease is not terminated as a result of such damage or destruction, then Landlord shall promptly proceed to repair and restore the Shopping Center, including the Leased Premises and Common Areas, and until such repair and restoration of the Leased Premises and Common Areas serving same are substantially complete, the Base Rent and Additional Rent shall be abated as to that portion of the Leased Premises and/or Common Areas which is unsuitable for occupancy or use by Tenant. If this Lease is not terminated as a result of such damage or destruction, then except as otherwise specified in Section 11.2, Landlord shall bear the cost and expenses of such repair and restoration of the Leased Premises. Further, if the Dialysis Space Lease is terminated as a result of an event of casualty, Tenant shall have the option, at its discretion, of terminating this Lease upon written notice to Landlord, irrespective of whether or not any portion(s) of the Leased Premises hereunder are damaged or destroyed by such casualty event.

11.2 Limitation on Landlord's Obligation. Notwithstanding anything above to the contrary, if Landlord repairs and restores the Shopping Center, including the Leased Premises as provided in Section 11.1, Landlord shall not be required to repair, restore or replace any decorations, alterations or improvements to the Leased Premises previously made by Tenant, unless adequate insurance proceeds are available to pay the full costs thereof. It shall, should it so elect, be Tenant's sole responsibility to repair, restore or replace any trade fixtures, furnishings, equipment or personal property belonging to Tenant to substantially their same condition prior to such damage or destruction; provided, however, Tenant shall not be obligated to restore or replace such items. All insurance proceeds payable under insurance coverages carried by Tenant on the Tenant Improvements and Alterations constructed by it within the Leased Premises, and upon Tenant's personal property, equipment and trade fixtures, shall be the property of and be payable solely to Tenant.

ARTICLE 12 CONDEMNATION

12.1 Condemnation. If a substantial and material portion of the Shopping Center (more than 25%) or any portion of the Leased Premises, or the use or occupancy of the Leased Premises, shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including a sale thereof under threat of such a taking) and such taking has a material and adverse effect on the Tenant's access to, or operation within, the Leased Premises, then Tenant shall have the right, in Tenant's sole discretion, to terminate this Lease upon written notice to Landlord effective as of the date title thereto vests in such governmental or quasi-governmental authority, and all Rent payable hereunder shall be apportioned as of such date. Further, if the Dialysis Space Lease is terminated as a result of an event of Condemnation, Tenant shall have the option, at its discretion upon written notice to Landlord, of terminating this Lease, irrespective of whether or not any portion(s) of the Leased Premises hereunder are taken or condemned.

12.2 Condemnation Award. All awards, damages and other compensation paid by the condemning authority on account of such taking or condemnation (or sale under threat of such a taking) shall belong to Landlord, and Tenant hereby assigns to Landlord all rights to such awards, damages and compensation; except that Tenant shall be entitled to receive any award attributable to the leasehold interest of Tenant (including the value of its Tenant Improvements and Alterations) and/or Tenant's loss of business and which would be awarded solely and exclusively to Tenant. Further, nothing contained herein shall prevent Tenant from pursuing a separate claim against the condemning authority for relocation expenses, the value of the Tenant Improvements and Tenant's Alterations, if any, and the value of furnishings, equipment and trade fixtures installed in the Leased Premises at Tenant's expense and which Tenant is entitled pursuant to this Lease to remove at the expiration or earlier termination of the Lease Term, the value of the unexpired Lease Term, and loss of profits.

ARTICLE 13 DEFAULT

13.1 Events of Default by Tenant. The occurrence of any of the following shall constitute a default by Tenant under this Lease:

(a) If Tenant shall fail to pay any payment of Rent when due and such failure, after expiration of any applicable grace period, shall continue for a period of ten (10) days after receipt by Tenant of notice that Rent is late (however, if Landlord provides notice of late payment three (3) times during the Lease Term or any Renewal Term, then after the third such notice, Landlord shall no longer be required to provide such notice and thereafter Tenant shall be in default if Rent is paid after the tenth (10th) day of the month);

(b) If Tenant shall violate or fail to perform any other term, condition, covenant or agreement to be performed or observed by Tenant under this Lease, and such failure shall continue for a period of thirty (30) days after written notice thereof (plus such additional time as is reasonably necessary in the event such non-monetary default is incapable of being cured in thirty (30) days so long as Tenant is continuously and diligently pursuing the remedy of such non-monetary default);

(c) An Event of Bankruptcy with respect to Tenant occurs as specified below: (a) Tenant becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"), or under the insolvency laws of any state, district, commonwealth or territory of the United States (the "Insolvency Laws"); (b) the appointment of a receiver or custodian for any or all of Tenant's property or assets or the institution of a foreclosure action upon any of Tenant's real or personal property; (c) Tenant's filing or consenting to a petition under the provisions of the Bankruptcy Code or the Insolvency

Laws or in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceeding; (d) the filing of a petition against Tenant as the subject debtor under the Bankruptcy Code or Insolvency Laws, which is not consented to by such subject debtor and which either (i) is not dismissed within ninety (90) days of filing, or (ii) results in the issuance of an order for relief against the debtor; or (e) Tenant's making or consenting to an assignment for the benefit of creditors or a common law composition of creditors;

(d) A court ordered dissolution of Tenant or liquidation of substantially all of Tenant's assets occurs; or

(e) If Tenant shall be in uncured continuing default under the terms and provisions of the Medical Office Lease following expiration of applicable cure period(s) provided for thereunder.

13.2 Remedies for Tenant Default. If there shall be any default by Tenant under this Lease, Landlord shall, after the expiration of the cure period(s) applicable thereto as granted to Tenant hereunder, have the right, at its sole option, to terminate this Lease. In addition, with or without terminating this Lease, Landlord may re-enter, terminate Tenant's right of possession and take possession of the Leased Premises. If necessary, Landlord may proceed to recover possession of the Leased Premises under and by virtue of the laws of the jurisdiction in which the Leased Premises are located. If there shall be any uncured default under this Lease by Tenant, then whether or not this Lease and/or Tenant's right of possession is terminated by reason of Tenant's default, Landlord may relet the Leased Premises or any part thereof, alone or together with other premises, for such term(s) and on such terms and conditions (that may include concessions or free rent and alterations of the Leased Premises) as Landlord, in its sole discretion, may determine. Tenant nevertheless shall remain liable for any Rent or damages that may be due or sustained prior to such default, all reasonable costs, fees and expenses including, but not limited to, reasonable brokerage fees, expenses incurred in placing the Leased Premises in first-class rentable condition, and reasonable costs and expenses incurred by Landlord in pursuit of its remedies hereunder and in renting the Leased Premises to others from time to time. In the event of default by Tenant, Landlord agrees that Landlord shall use reasonable efforts to mitigate Landlord's damages.

13.3 Remedies Cumulative. All rights and remedies of either party set forth in this Lease are in addition to all other rights and remedies available to such party at law or in equity. All rights and remedies available to either party pursuant to this Lease or at law or in equity are expressly declared to be cumulative. The exercise by either party of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy; provided, however, only actual damages, and not any exemplary, special, consequential or similar damages shall be recoverable upon an event of uncured default by either party. No delay or failure by either party to exercise or enforce any of such party's rights or remedies or the other party's obligations shall constitute a waiver of any such rights, remedies or obligations.

13.4 Events of Default by Landlord; Remedies. Except where a shorter period of time may be provided for elsewhere in this Lease, if Landlord shall violate or fail to perform any material term, condition, covenant or agreement to be performed or observed by Landlord under this Lease, and such failure shall continue for a period of thirty (30) days after written notice thereof (plus such additional time as is reasonably necessary in the event such default is incapable of being cured in thirty (30) days so long as Landlord is continuously and diligently pursuing the remedy of such default), or if Landlord shall be in default under the Dialysis Space Lease, and such default shall extend beyond any applicable cure periods contained in the Dialysis Space Lease, then, in addition to all other rights and remedies available to it at law and in equity, Tenant shall have the right, at its sole option, to cure such Landlord defaults and/or to

terminate both this Lease and the Dialysis Space Lease. Should Tenant elect to cure Landlord's defaults, then in such event, within ten (10) days of written demand by Tenant for reimbursement of the costs, expenses and fees expended by it in curing same (including, without limitation, attorney's fees), Landlord shall reimburse all such amounts to Tenant. If Landlord fails to reimburse Tenant as contemplated hereby within the foregoing period, Landlord shall be in further default of this Lease and, among such other rights and remedies as may be available to it hereunder, Tenant may set-off and reduce the ensuing monthly/annual Rent(s) payable by it to Landlord by a sum equal to the amount outstanding to it from Landlord, plus interest at the Default Rate accruing from the time Tenant incurred the subject costs, expenses and/or fees. Landlord shall remain liable for any damages that may be due or sustained by Tenant prior to and during such default, and all reasonable costs, fees and expenses including, but not limited to reasonable attorney fees, costs and expenses incurred by Tenant in pursuit of its remedies hereunder. In the event of default by Landlord, Tenant agrees that Tenant shall use reasonable efforts to mitigate Tenant's damages.

13.5 Right to Terminate. Notwithstanding anything herein to the contrary, Tenant may terminate this Lease in the event the Dialysis Space Lease is terminated for any reason other than an uncured material default by Tenant of its obligations under this Lease or said Dialysis Space Lease.

ARTICLE 14 COVENANTS OF LANDLORD

14.1 Duties of Landlord. In addition to the duties of Landlord set forth in Section 6.1 herein and otherwise under this Lease, Landlord shall: (i) maintain at its expense all risk fire and extended coverage insurance on the Shopping Center, including the Leased Premises, and on the Common Areas, in such amounts as Landlord shall reasonably determine but in no event less than those required by any mortgagee or other secured party currently or hereafter having a secured interest in the Shopping Center and in no event at levels that would result in Landlord being a co-insurer of the Shopping Center improvements, and Landlord shall furnish evidence of such coverage to Tenant annually (if requested); (ii) maintain broad form comprehensive general liability insurance against claims for bodily injury, death or property damage occurring in or about the Shopping Center, including the Common Areas and the Land in such amounts as are commercially reasonable as reasonably determined by the Landlord but in no event less than those required by any mortgagee or other secured party currently or hereafter having a secured interest in the Shopping Center and in no event at levels that would result in Landlord being a co-insurer; (iii) maintain, repair and replace all aspects of any Common Areas as herein required; and (iv) pay when due all Real Estate Taxes and all Common Area maintenance expenses related to the Shopping Center.

14.2 Utilities. Landlord shall cause, at its cost and expense, all utilities necessary for Tenant's use of the Leased Premises (including water, sewer, electricity, gas and telephone) to be connected and separately metered to the Leased Premises and shall be responsible for the payment of connection or tap fees. Tenant shall be responsible for securing utility service (including the posting of any deposits) and for the payment of the customary utility charges for any utilities which are separately metered to the Leased Premises. In the event any of the utility services to the Leased Premises are materially diminished, interrupted or disconnected by an act of Landlord or someone under the control or direction of Landlord, or if Landlord fails to repair, maintain or, as necessary or appropriate, replace the equipment providing critical services (i.e., water, heat, cooling, ventilation) to the Leased Premises within five (5) days of notice of any problem (to the extent Landlord is obligated to do so pursuant to Section 6.1 hereof), Tenant may restore the same at its own cost and, in addition to any other remedy Tenant may have, may deduct the reasonable amount thereof from the Rent or any other payments that may thereafter become due hereunder, but only if Landlord shall fail or refuse to reimburse Tenant within ten (10) days after written demand for such reimbursement from Tenant.

ARTICLE 15 TENANT'S INSURANCE

15.1 Tenant's Obligation to Insure. Beginning on the Commencement Date, Tenant shall maintain, at Tenant's expense, (i) commercial general public liability insurance against claims for bodily injury, death or property damage occurring in, on or about the Leased Premises in a per occurrence limit of not less than One Million Dollars (\$1,000,000) and an aggregate limit of not less than Three Million Dollars (\$3,000,000), and (ii) all risk fire and extended coverage insurance on the value of its Tenant Improvements and Alterations made by it within the Leased Premises, and on all of its personal property, including removable trade fixtures, located on the Leased Premises. Said insurance contemplated by subpart (i) hereof may be secured by "blanket" policy coverage and shall name Landlord and any reasonable designee of Landlord having a material interest in the Shopping Center as additional insureds.

ARTICLE 16 ENVIRONMENTAL MATTERS

16.1 Definitions. For purposes of this Article 16, the following terms shall have the indicated meanings, unless the context or use indicates another or different meaning:

(a) "Applicable Environmental Laws" shall mean all federal, state, foreign and local statutory laws, rules or regulations, agreements with governments, court orders, administrative orders and case law pertaining to the health or the environment, or petroleum products or hazardous substances and all amendments, modifications and additions thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Resource Conservation and Recovery Act of 1976; the Superfund Amendments and Reauthorization Act of 1986; and the Toxic Substances Control Act.

(b) "Hazardous Substances" shall mean pollutants, contaminants, dangerous substances, toxic substances, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to any Applicable Environmental Law.

16.2 Landlord's Environmental Indemnification. Landlord hereby indemnifies and holds Tenant harmless and, if Tenant elects, defend it against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, without limitation, attorney's fees and fees for the employment of any environmental expert or consultant, as a result of the presence upon the Land or in the Shopping Center of any Hazardous Substance at the time of full execution of this Lease or caused to be present upon the Land or in the Shopping Center after the execution of this Lease, but excluding such Hazardous Substances or conditions first created within the Leased Premises after the Commencement Date by Tenant, its agents, employees, contractors or invitees. Landlord's indemnity, hold harmless and defense obligations hereunder shall include, without limitations, all claims, judgments, expenses, damages, penalties, fines, costs, liabilities or losses including attorney and consultants' fees, that are incurred by Tenant as a result of the contaminations contemplated by that No Further Remediation Letter referenced in Section 3.5(b) hereof, including, without limitation, Tenant's compliance with the requirements of such No Further Remediation Letter in undertaking its Tenant Improvements in or about the Leased Premises. Landlord acknowledges that the foregoing indemnification is a material inducement to Tenant given the stated contamination referenced in the No Further Remediation Letter and that, but for the indemnification, hold harmless and defend protection, Tenant would not enter into this Lease with Landlord.

16.3 Tenant's Environmental Covenant. Tenant shall not bring upon, or allow its agents, employees or those under its control and direction to bring upon, the Leased Premises and permit to remain upon the Leased Premises any Hazardous Substance, except for such Hazardous Substances used

in conjunction with its business operations which are kept, stored and disposed of in a manner that complies with Applicable Environmental Laws; and Tenant shall not permit the presence of Hazardous Substances in or on the Leased Premises as first caused to be placed thereon by Tenant, or those under its control and direction, to result in any contamination of the Leased Premises.

16.4 Tenant's Environmental Indemnity. If Tenant shall breach its obligations as stated in the preceding subsection 16.3, then, in any such event, Tenant shall indemnify and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, without limitation, diminution in the value of the Land and Shopping Center, reasonable attorney's fees, and fees for the employment of any environmental expert or consultant as a result of any such contamination, which arise during or after the Lease Term as a result of any such breach by Tenant or any contamination caused by Tenant. Notwithstanding the foregoing, Tenant shall not be obligated to or otherwise liable to Landlord, or anyone claiming by, under or through Landlord, including its successors and assigns, in any respect as pertains to any pre-existing contamination, condition or continued existence in or about the Leased Premises from circumstances existing prior to the Commencement Date of this Lease, including those conditions as generally described in the No Further Remediation Letter described in Section 3.5. The indemnification of Landlord by Tenant under this Section 16.4, as may hereafter be applicable, further includes, without limitation, all costs and expenses incurred in connection with any investigation of site conditions or any clean-up, remediation, removal, or restoration work required or approved by any federal, state or local governmental authority because of any Hazardous Substance being present in or on the Leased Premises or in the soil, ground water or soil vapor on, under or about the Leased Premises and any adjoining property as a result of any breach by Tenant of its obligations hereunder. Tenant's indemnification obligations under this Section 16.4 shall survive the termination or expiration of this Lease for a period of two (2) calendar years..

ARTICLE 17 SUBORDINATION NONDISTURBANCE AND ATTORNMENT

17.1 Subordination of Lease. Subject to Landlord's obligations under Section 17.2 below, Tenant agrees to subordinate this Lease to any first mortgage or deed of trust and related financing instruments which may now or hereafter affect the Leased Premises or the Land and Shopping Center, and to all renewals, modifications, consolidations, replacements, amendments and extensions thereof, provided that the secured party or holder (or their successors) of any such mortgage or deed of trust agrees with Tenant not to disturb the possession of Tenant in the Leased Premises following the foreclosure of such mortgage or deed of trust or other proceedings or actions to enforce such mortgage or deed of trust, so long as Tenant is not in default hereunder.

17.2 Nondisturbance. Landlord shall obtain the agreement (in a form reasonably acceptable to Tenant) of each existing and future holder of any and all mortgages, deeds of trust, mortgages or security instruments, ground leases or superior interest in, to or on the Land and Shopping Center and for the benefit of Tenant that it will not disturb the possession of Tenant in the Leased Premises following the foreclosure, taking of deed in lieu, termination (as may be the case) of such mortgage, deed of trust ground lease, or other proceedings or actions to enforce such mortgage, deed of trust or ground lease, so long as Tenant is not in default hereunder beyond the expiration of applicable cure periods.

17.3 Attornment. If any person shall succeed to all or part of Landlord's interest in the Leased Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, and if so requested or required by such successor in interest, Tenant shall, subject to Section 17.2 above, attorn to such successor in interest and shall execute such reasonable agreement in confirmation of such attornment as such successor in interest shall reasonably request.

ARTICLE 18 BROKERAGE FEES

18.1 Brokers. Landlord and Tenant each represent and warrant to the other that neither of them has employed or dealt with any broker, agent or finder in connection with this Lease, other than Mohr Partners, Inc. (on behalf of Tenant) (the "Broker"). The Landlord shall be solely responsible for the payment of all commissions precipitated by this Lease, the Dialysis Space Lease and/or any separate brokerage agreement as pertaining to this Lease and the Dialysis Space Lease involving the Broker. The parties hereto shall indemnify and hold each other harmless, including costs of any action and attorneys' fees, from any claim or claims for brokerage or other compensation asserted by any broker, agent or finder employed by the other party or with whom the other party has dealt, other than the Broker.

18.2 Sale of Land and Shopping Center. In the event of a sale or other conveyance or disposition of the Landlord's interest in the Land and Shopping Center, Landlord shall continue to be responsible to the Brokers the commissions described in Section 18.1 hereof and in the brokerage agreement, unless Landlord obtains a written assumption agreement for the payment obligations contained in Section 18.1 from any new owner or assignee of its interests in the Land and Shopping Center.

ARTICLE 19 ASSIGNMENT AND SUBLEASING

19.1 Assignment by Landlord. Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Leased Premises. In such event and upon such transfer, except as otherwise provided for hereunder, no further liability or obligation shall accrue against the assigning Landlord from the date of such transfer, but the assigning Landlord shall still be responsible for any liability arising out of acts or a failure to act prior to the date of such transfer.

19.2 Assignment or Sublease by Tenant. Except as set forth herein, Tenant shall not assign, transfer, mortgage or otherwise encumber this Lease or all or substantially all or any of Tenant's rights hereunder or interest herein or sublet all or substantially all of the Leased Premises, without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Landlord may not, however, demand financial or economic concessions from Tenant as a condition to granting such consent. Notwithstanding the foregoing, Landlord agrees that a transfer or assignment of this Lease in conjunction with the transfer of all or substantially all of the assets of Tenant, or of the stock of Tenant or the parent company of Tenant, shall not be deemed to be a transfer in violation of this paragraph or any other provision of this Lease and shall not require Landlord's prior approval (but shall be given prior written notice) so long as the surviving or purchasing entity has a financial position equal to or better than the Tenant entity being acquired. In the event of an assignment, transfer, or sublease, unless otherwise specifically agreed by Landlord, Tenant shall not be relieved of its obligations or liabilities hereunder.

19.3 Assignment or Sublease to Affiliate of Tenant. Notwithstanding anything to the contrary contained herein, and provided Tenant is not in default hereunder and Landlord is provided prior written notice, Landlord expressly consents to Tenant's assignment or subletting of the Leased Premises or any part thereof to any parent, subsidiary or affiliate of Tenant, provided Tenant or the parent entity of Tenant retains majority control of such entity, and such assignment or subletting shall not relieve or release Tenant from any obligations of Tenant under this Lease. Further, Tenant may also sublease or license any portion(s) of the Leased Premises to medical practitioners, third-party physicians, practice groups or professional corporations without the consent of Landlord, provided Tenant remains obligated hereunder.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES

20.1 Physical Condition of Shopping Center. Landlord warrants that the Shopping Center and the Common Areas, and the improvements and mechanical systems installed by Landlord therein, are, and shall be at all times during the Term, in good condition and working order.

20.2 Landlord Authority. Landlord is in good standing as an entity in all legally required jurisdictions and has authority to enter into and perform this Lease. Further, Landlord represents and warrants unto Tenant that it has full power and authority to enter into this Lease as Trustee and on behalf of Landlord.

20.3 Landlord Representations/Warranties. In addition to its other covenants, representations and warranties under this Lease, Landlord further covenants with, and represents and warrants unto, Tenant that Landlord is the sole fee owner of the Shopping Center and all areas (except those which have been granted by bona fide and valid easements) over which, upon which and to which Tenant will have access during the Term hereof. Further, Landlord does hereby represent and warrant unto Tenant that: (a) all utilities serving the Shopping Center, including the Leased Premises, do or will run through bona fide publicly dedicated utility easements or privately granted, valid and recorded easements; (b) without limiting its continuing obligations under Article 17 hereof following the Commencement Date, Landlord shall obtain a consent, recognition and non-disturbance agreement in a form and of content acceptable to Tenant and its counsel in their discretion from each lender or other secured party having a mortgage, deed of trust or similar secured interest in the Shopping Center, or any portion thereof as pertains to the Leased Premises and the Rights granted hereby, as of the Effective Date of this Lease and thereafter, (c) there are no agreements, documents, instruments, restrictive covenants, declarations, or otherwise (to which Landlord or its predecessors-in-interest is a party) currently in effect placing any restrictions, pre-approved rights granted any third-party (including any lender and which have not been secured by Landlord), rules and/or regulations on the Land, the Shopping Center or the Leased Premises which may or would materially hinder, interfere with, impede, constrain or otherwise restrict or prohibit Tenant's occupancy and use of the Leased Premises for the Permitted Use or its use, on a non-exclusive basis with other tenants and occupants of the Shopping Center, of the Common Areas; and (d) Landlord does represent and warrant unto Tenant, its successors and assigns that Landlord will not, without the prior written consent of Tenant while this Lease, or any renewal or extension hereof, is in effect, agree to or undertake to make any modification, amendment or otherwise to such existing documents, instruments, declarations or restrictions, or otherwise create or enter into any new agreements, or take or fail to take any act which would violate the terms and provision of this Lease.

20.4 Tenant Authority. Tenant is in good standing as an entity in all legally required jurisdictions and has authority to enter into and perform this Lease.

ARTICLE 21 FORCE MAJEURE

21.1 Force Majeure. Neither the Landlord nor the Tenant shall be deemed to be in default in the performance of any obligation on such party's part to be performed under this Lease if and so long as the non-performance of such obligation shall be directly caused by Unavoidable Delays (as hereinafter defined); provided, that within ten (10) days after the commencement of such Unavoidable Delay, the non-performing party shall notify the other party in writing of the existence and nature of any such Unavoidable Delay and the steps, if any, that the non-performing party shall have taken or plans to take to eliminate such Unavoidable Delay. Thereafter, the non-performing party shall, from time to time, on written request of the other party, keep the other party fully informed, in writing, of further developments concerning such Unavoidable Delay and the effort being made by the non-performing party to perform

such obligation as to which it is in default. All provisions of this Lease shall be adjusted in accordance with such Unavoidable Delays. For purposes of this Article, Unavoidable Delays shall mean delays due to acts of God, acts of war, acts of terrorism, civil commotion, any pending or actual action or ruling by a court or administrative body prohibiting either party hereto from performing in accordance with the terms hereof, riot, governmental regulations not in effect at the date of execution of this Lease, conditions that could not have been reasonably foreseen by the claiming party, fire, unavoidable casualty or delays caused by arbitration (unless the arbitration was unreasonably requested by the claiming party), provided such matters are beyond the reasonable control of the party claiming such delay.

ARTICLE 22 GENERAL PROVISIONS

22.1 Amendments. This Lease may not be altered or amended, except by an instrument in writing signed by all parties hereto. This Lease shall be binding upon and inure to the benefit of the successors and assigns of Landlord, and to the extent assignment may be permitted by the terms and conditions hereof or otherwise approved by Landlord hereunder, Tenant's successors and assigns. The pronouns of any gender shall include the other genders, and either the singular or the plural shall include the other.

22.2 Governing Law. This Lease shall be governed, construed and enforced in accordance with the laws of the State. Landlord shall comply with all material applicable laws, ordinances, rules, regulations, and restrictive covenants of public record relating to the use, condition or occupancy of the Shopping Center. Landlord shall be solely responsible for all latent defects within the Shopping Center and upon the Leased Premises (except those brought about by the installation of Tenant's Improvements), and shall be responsible to comply, at its sole cost and expense, with all laws, statutes, ordinances, regulations or rules affecting the Shopping Center (including, without limitation, zoning, environmental, fire and the Americans with Disabilities Act) and not due solely to the Tenant's particular use of the Leased Premises for the Permitted Use.

22.3 Entire Agreement Merger. This Lease (and the Dialysis Space Lease) contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, proposals, representations and warranties between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not contained in this Lease (and, as applicable, the Dialysis Space Lease) shall not be of any force or effect.

22.4 INTENTIONALLY OMITTED.

22.5 Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed to have been duly given upon the earlier to occur of (i) when received; (ii) five (5) days after the sending party has deposited the notice in the United States mail, certified-return receipt requested and postage prepaid; or (iii) two (2) days after the sending party has deposited the notice with an overnight courier with a widely recognized, reputable organization. Any such notice(s) shall be postage prepaid and addressed to Landlord or Tenant, as the case may be, at the address specified in the preamble, or to such other address as either party may have been previously furnished in writing to the other party in the manner as herein provided. Further, a copy of any notice of default hereunder served by Landlord upon Tenant shall be delivered to Renal Care Group, Inc., 2525 West End Avenue, Suite 600, Nashville, Tennessee 37203, Attention: General Counsel. A copy of any notice hereunder shall also be delivered upon the mortgagee(s) of the Shopping Center with whom Tenant has entered into one or more subordination, non-disturbance and/or attornment agreements. The party sending any such notice shall also use reasonable efforts to send a copy of such notice to the other party hereunder via facsimile. Until

notice to the contrary, Landlord's facsimile number shall be (312) 332-2119 and Tenant's facsimile numbers shall be (708) 836-3812 and (615) 345-5501 - Attention: General Counsel.

22.6 Waiver of Subrogation Rights. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action, against the other, and/or its agents, officers, or employees, for any loss or damage that may occur to the Leased Premises or the Shopping Center, or any improvements thereto, or any personal property of such party therein, by reason of fire, the elements, or any other cause which loss is insured against under the terms of standard fire and extended coverage insurance policies regardless of cause or origin, including negligence of the other party hereto, its agents, officers or employees. Because this provision will preclude the assignment of any claim mentioned in it by way of subrogation (or otherwise) to an insurance company (or any other person), each party hereto agrees to give immediately to any insurer that has issued to it policies of fire and extended coverage insurance written notice of the mutual waiver contained in this provision (and to provide evidence of the source to the other party if requested) and to have such policies endorsed, if necessary, to prevent the invalidation of insurance coverage by reason of such mutual waiver.

22.7 Estoppel Letter. Tenant shall at any time, upon not less than twenty (20) days prior written request, execute and deliver an Estoppel Letter to Landlord and any lender or potential purchaser of the Shopping Center, which Estoppel Letter shall be in form and substance reasonably acceptable to Tenant. If such letter is to be delivered to a purchaser of the Leased Premises, it shall further include the agreement of Tenant to recognize such purchaser as Landlord under this Lease, and thereafter to pay Rent to the purchaser or its designee in accordance with the terms of this Lease. Landlord does, if requested, likewise agree to execute a similar estoppel letter for the benefit of Tenant's lender(s), assignees or sublessees within twenty (20) days of written request.

22.8 Time of the Essence: Counterparts. Time is of the essence with respect to each of Landlord's obligations under this Lease. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

22.9 Memorandum of Lease. This Lease shall not be recorded. At the option of Tenant, however, Landlord and Tenant shall execute, in recordable form, a short form memorandum of this Lease and shall record such memorandum at the expense of Tenant in the land records of the jurisdiction in which the Leased Premises are located.

22.10 Survival of Obligations. Any liability of either party existing hereunder as of the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination.

22.11 Surrender of Leased Premises: Return of Keys. Not later than twenty (20) days following expiration of the Term, Tenant shall surrender to Landlord the Leased Premises and all Tenant's Improvements and Alterations comprising non-removable fixtures in good condition and broom clean (ordinary wear and tear and casualty and eminent domain/condemnation loss excepted). Specifically excepted from the foregoing are those items and materials which Tenant has the right to remove under the provisions of this Lease, including under Section 7.4 hereof. Tenant shall remove all its equipment, trade fixtures, furniture and all of its personal property within the above stated time, and Tenant shall take good faith efforts to repair damage, if any, made necessary by the removal of any removable Tenant Improvements or Alterations which Tenant may elect to remove as provided for by this Lease or as regards Tenant's removal of its property within the time periods stated in this Section 22.11. Tenant shall be obligated to Landlord for a prorated share of Rents payable at the end of the Term for each day beyond the termination or expiration of the Lease Term that Tenant continues to possess the Leased Premises and

fails to surrender possession thereof to Landlord. Further, at such time as Tenant surrenders the Leased Premises upon the expiration or earlier termination of the Lease Term, Tenant shall deliver to Landlord all keys to the Leased Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant, and shall inform Landlord of the combination of each lock, safe and vault, if any, remaining in the Leased Premises.

22.12 Attorneys Fees. In the event that litigation should arise with respect to this Lease, the prevailing party in such litigation shall be entitled to recover, in addition to the relief granted, the reasonable fees of its counsel in such litigation and all court costs.

22.13 Waiver of Landlord's Lien. Landlord expressly waives any and all liens, interests and claims which it may have as of the effective date of this Lease, Beneficial Occupancy Date, the Commencement Date hereof and/or during the Term of this Lease arising by statute or by operation of law, in and to Tenant's personal property, equipment, trade fixtures, furniture or other moveable property of Tenant (herein, "Tenant's Personal Property") in or on the Leased Premises, and Landlord agrees that Tenant's Personal Property (including any hereafter acquired personal property) shall not become part of the Leased Premises regardless of the manner in which the same may be attached or affixed to the Leased Premises by Tenant, provided that the same can be removed by Tenant without materially damaging or altering the Leased Premises, and any such damage shall be repaired promptly by Tenant. Further, Landlord agrees that it will not prevent any lender of Tenant, or such lender's designee, from entering upon the Leased Premises during the Term at reasonable times to inspect and remove Tenant's Personal Property, provided that said lender agrees to repair promptly and fully any and all damage resulting to the Leased Premises. Additionally, if, after the Commencement Date of the Term hereof, Landlord intends to terminate this Lease or otherwise exercise any right granted to Landlord hereunder to require Tenant to surrender the Leased Premises or to remove any portion of Tenant's Personal Property, Landlord agrees to notify Tenant's lender (of which Landlord has received written notice from Tenant, including such lender's name, notice address and telephone number), and Landlord shall grant to such lender the right to enter upon the Leased Premises during the Term of this Lease to do any or all of the following with respect to Tenant's Personal Property: (i) assemble, have appraised, sever, remove, maintain, inspect, repair, lease and/or transfer; provided in any such case that such lender's presence on and/or occupancy of the Leased Premises shall be upon and subject to all of the terms, covenants and conditions of this Lease, including the payment by such lender to Landlord, periodically, a per diem occupancy fee equivalent to the monthly rental and other charges payable by Tenant hereunder, based on a thirty (30) day month, for the actual number of days such lender uses and/or occupies the Leased Premises pursuant hereto. Further, nothing in this Lease shall give Landlord the right to use, possess or retain any of Tenant's records, files, patient's names or records.

22.14 Request Response Time. In the event Landlord does not respond to a written request by Tenant for Landlord's consent, permission or approval submitted under this Lease within ten (10) business days after Tenant's delivery of the same, it shall thereafter be automatically deemed that Landlord has consented to or approved such request by Tenant or that Landlord has given its permission thereto. In the event, Landlord does respond and does not consent or give its approval, Landlord shall specify the reason(s) therefore in writing.

22.15 Landlord's Cooperation. Landlord agrees to reasonably assist Tenant in (i) the procurement of any licenses, permits, "sign-offs", approvals, or certificates which may be required by any governmental or quasi-governmental agency or authority, with respect to Tenant's Improvements, alterations or other leasehold improvements permitted under the terms hereof in and to the Leased Premises, and with respect to (ii) the obtaining of any services, utilities or facilities from any utility company or companies supplying the same to the Shopping Center.

22.16 Draftsmanship. Landlord and Tenant each acknowledge that it has read this Lease, consulted with an attorney regarding its terms, and agrees with its terms as though that party had drafted this Lease itself. Landlord and Tenant agree that although this Lease was, by necessity, printed and assembled by one of the parties or its agents or attorneys, this Lease reflects the terms as agreed to by Landlord and Tenant, and each such party that assembled this Lease should merely be considered only the scrivener for the document. If a term or terms of this Lease is considered ambiguous, neither party shall be considered the draftsman for the purpose of causing the terms of this Lease to be construed against that party.

22.17 Rights and Remedies Not Waived. No course of dealing or course of performance between Landlord and Tenant, or any failure or delay on the part of either of them in exercising any rights or remedies hereunder, shall operate as a waiver of any rights or remedies and no single or partial exercise of any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder.

22.18 General. If any term or provision of this Lease or any application thereof shall be deemed invalid or unenforceable, the remainder of this Lease and any other application of such term(s) or provision(s) shall not be effected thereby.

[Remainder of page left blank]

IN WITNESS WHEREOF, the parties hereto have executed the foregoing Lease as of the date first set forth in the opening paragraph hereof.

WITNESSES:

Megan L. Barber
Printed: Megan L. Barber

Julie Y. Talbot
Printed: Julie Y. Talbot

WITNESSES:

Alesa M. Sumner
Printed: Alesa M. Sumner

Ellen W. McCurdie
Printed: Ellen W. McCurdie

LANDLORD:

AMALGAMATED BANK OF
CHICAGO, AS TRUSTEE
UNDER TRUST AGREEMENT
DATED AUGUST 6, 1999 AND
KNOWN AS TRUST NUMBER
5885 NATIONAL SHOPPING
PLAZAS, INC.,

By: [Signature]
Printed: [Signature]
Title: Notary Public

TENANT:

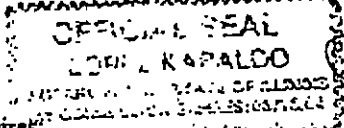
RENAL CARE GROUP BUFFALO
GROVE, LLC
a Delaware limited liability company

By: [Signature]
Printed: R. Dick Allison
Title: Vice President of Manager

STATE OF)
COUNTY OF COOK) SS.

I, LORI L. KAPALDO, a Notary Public in and for said County in the State aforesaid, do hereby certify George D. Hanus, a Trustee of Amalgamated Bank of Chicago, as Trustee under Trust Agreement No. 5835, dated August 6, 1999, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such he, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of and on behalf of said Trustee, for the uses and purposes set forth therein.

Given under my hand and Notarial seal on March 25th, 2003.



Lori L. Kapaldo
Notary Public

My Commission Expires:

STATE OF TENNESSEE)
COUNTY OF DAVIDSON) SS.

I, Nancy Orndorff, a Notary Public in and for said County in the State aforesaid, do hereby certify that R. Dirk Allison, Vice President of Manager of Renal Care Group Buffalo Grove, LLC, a Delaware limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President of Manager, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of and on behalf of said limited liability company, for the uses and purposes set forth therein.

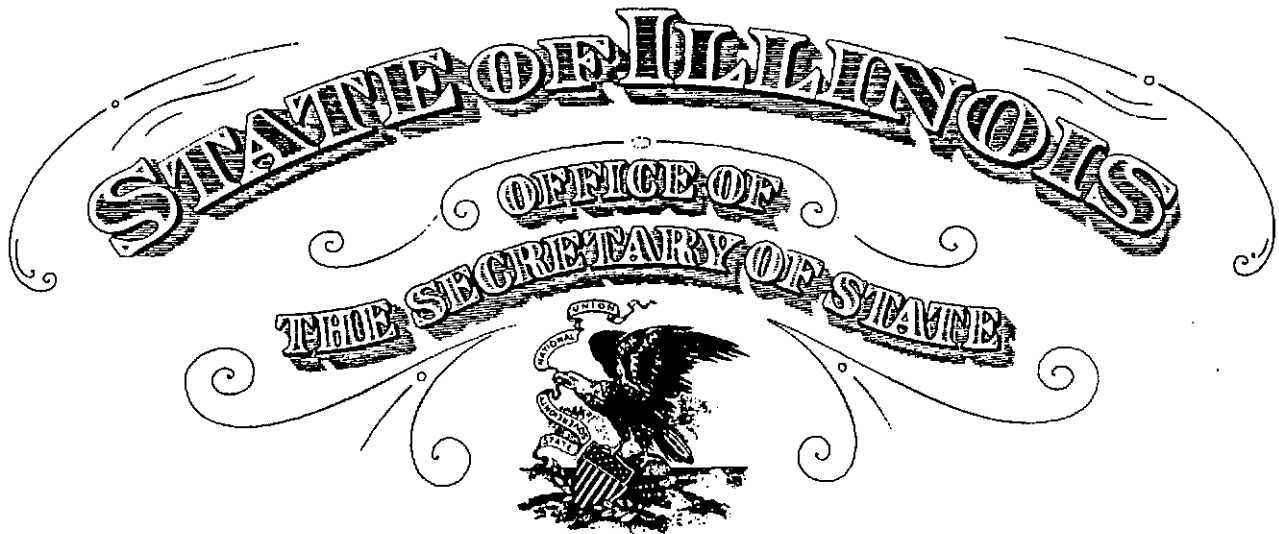
Given under my hand and Notarial seal on March 17, 2003.

Nancy Orndorff
Notary Public

My Commission Expires: 5-28-06

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

The Illinois Certificate of Good Standing for DSI Buffalo Grove, LLC is attached at Attachment – 3.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

DSI BUFFALO GROVE, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON DECEMBER 12, 2002, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 19TH day of MAY A.D. 2011

Jesse White

Authentication #: 1113901652

Authenticate at: <http://www.cyberdriveillinois.com>

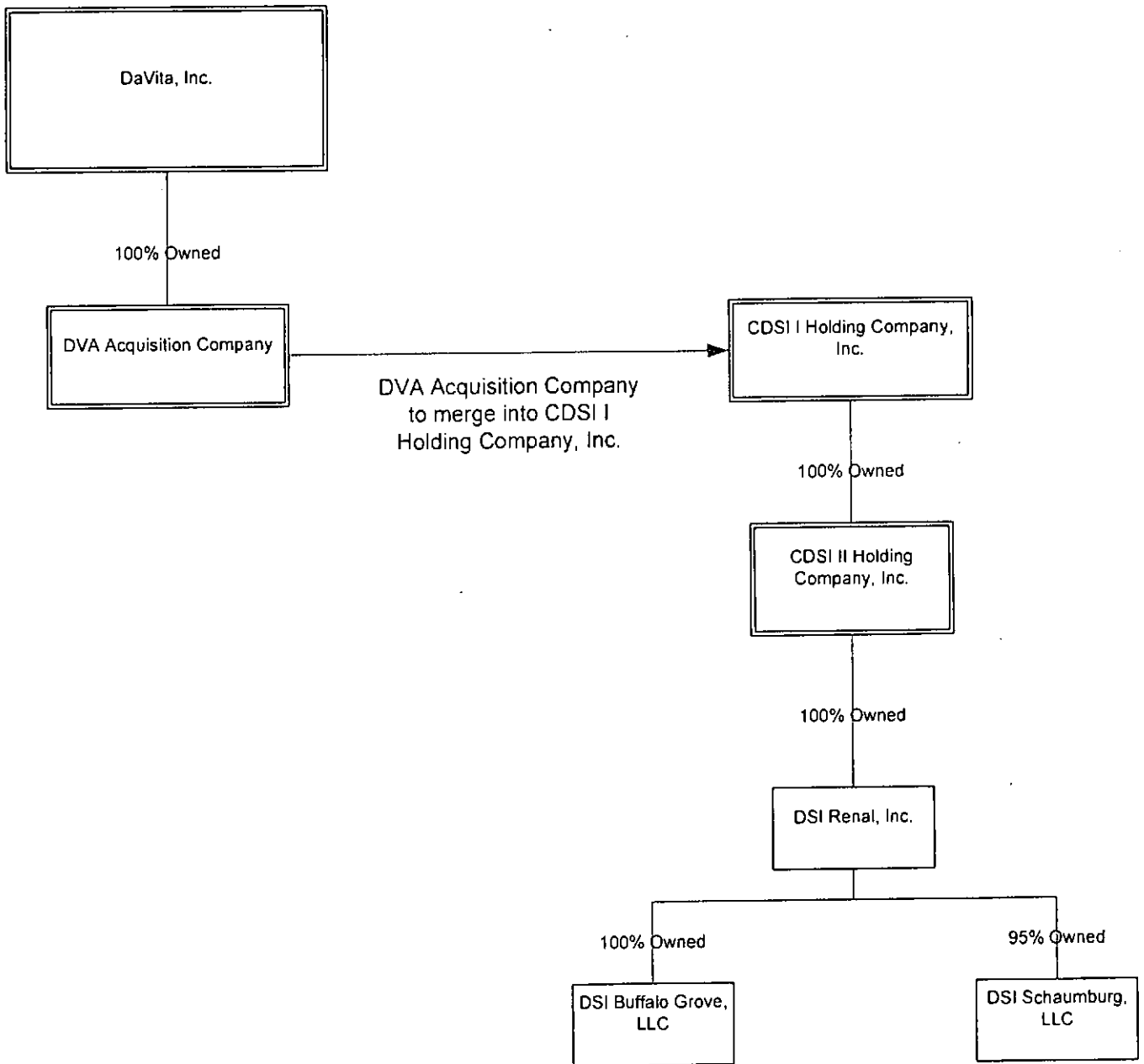
SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Organizational Relationships

The pre and post merger organizational charts for DaVita, Inc. and DSI Renal, Inc. are attached at Attachment - 4.

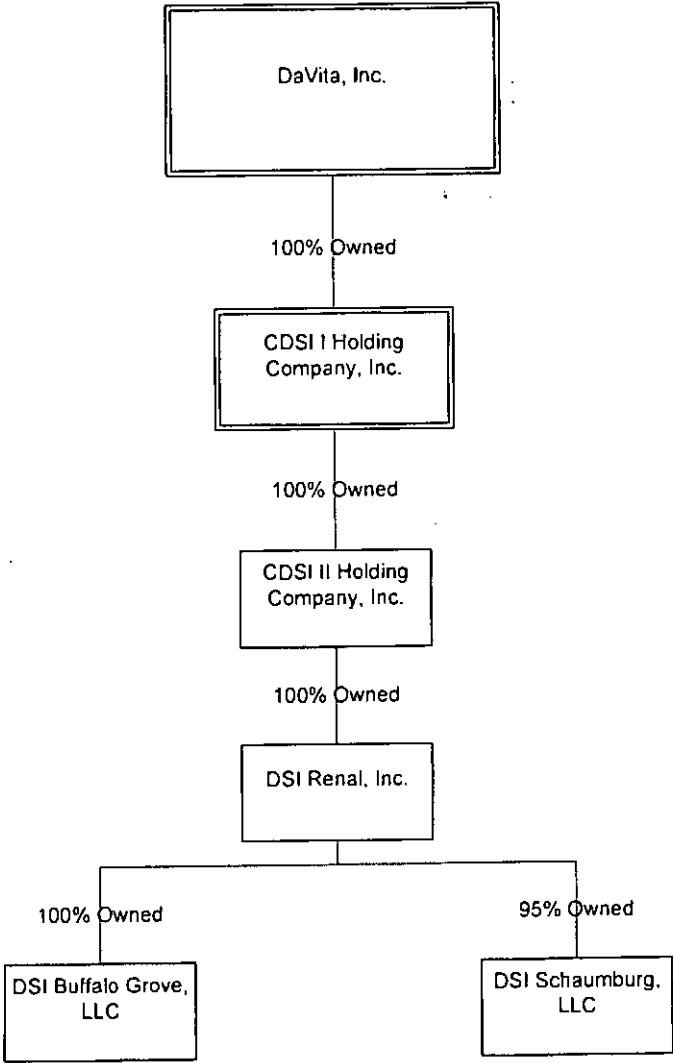
DaVita – DSI Renal, Inc.

Pre-Merger Organizational Chart



DaVita, Inc. – DSI Renal, Inc.

Post-Merger Organizational Chart



Section I, Identification, General Information, and Certification
Flood Plain Requirements

The Applicants propose a change of control of the operating entity, DSI Buffalo Grove, LLC. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Applicants propose a change of control of the operating entity, DSI Buffalo Grove, LLC. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

**Section I, Identification, General Information, and Certification
Cost Space Requirements**

Cost Space Table							
Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
ESRD	\$9,813,647	8,382					
Total Clinical	\$9,813,647	8,382	0	0	0	0	0
NON CLINICAL	\$0	0	0	0	0	0	0
Total Non-clinical	\$0	0	0	0	0	0	0
TOTAL	\$9,813,647	8,382	0	0	0	0	0

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230, Project Purpose, Background and Alternatives

Background of the Applicants

The Applicants are fit, willing and able, and have the qualifications, background and character to adequately provide a proper standard of health care services for the community. DaVita is a leading provider of dialysis services in the United States. The Applicants propose a change in control of the ultimate parent of DSI Buffalo Grove, LLC, CDSI I Holding Company, Inc. The proposed transaction includes the transfer of up to 106 in-center dialysis facilities to DaVita, including 10 facilities within Illinois, subject to adjustment following Federal Trade Commission Review. The DSI facilities will maintain their current locations but will be fully integrated with DaVita and will implement DaVita's operational processes and quality initiatives.

DaVita has taken on many initiatives to improve the lives of patients suffering from chronic kidney disease ("CKD") and end stage renal disease ("ESRD"). These programs include the EMPOWER, IMPACT, CathAway, and transplant assistance programs. Information on the EMPOWER, IMPACT and CathAway programs are attached at Attachment – 11A.

There are over 26 million patients with CKD and that number is expected to rise. Current data reveals a troubling trend:

- The prevalence of CKD stages 1 to 4 has increased from 10% to 13.1% between 1988 and 2004¹
- Increasing prevalence of diabetes and hypertension, the two major causes of CKD

Additionally, approximately 65% of CKD Medicare patients (patients 67 and older) have never been evaluated by a nephrologist.² Timely CKD care, however, is imperative because adverse outcomes of CKD can often be prevented or delayed through early detection and treatment. Several studies have shown that early detection, intervention and care of CKD may result in improved patient outcomes:

- Reduced GFR is an independent risk factor for morbidity and mortality,
- A reduction in the rate of decline in kidney function upon nephrologists referrals has been associated with prolonged survival of CKD patients,
- Late referral to a nephrologists has been correlated with lower survival during the first 90 days of dialysis, and
- Timely referral of CKD patients to a multidisciplinary nephrology team may improve outcomes and reduce cost.

A care plan for patients with CKD includes strategies to slow the loss of kidney function, manage comorbidities, and prevent or treat cardiovascular disease and other complications of CKD, as well as ease the transition to kidney replacement therapy. Through the EMPOWER program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. The EMPOWER program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

The IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. In fact, since piloting in October 2007, the program has not only shown to reduce mortality rates by 8 percent but has also resulted in improved patient outcomes.

¹ US Renal Data System, USRDS 2007 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases; 2007.

² Id.

The CathAway program seeks to reduce the number of patients with central venous catheters ("CVC") through arteriovenous fistula ("AV fistula") placement. AV fistulas have superior patency, lower complication rates, improved adequacy, lower cost to the healthcare system, and decreased risk of patient mortality compared to CVCs. In July 2003, the Centers for Medicare and Medicaid Services, the End Stage Renal Disease Networks and key providers jointly recommended adoption of a National Vascular Access Improvement Initiative ("NVAII") to increase the appropriate use of AV fistulas for hemodialysis. The CathAway program is designed to comply with NVAII through patient education outlining the benefits for AV fistula placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal.

DaVita's transplant referral and tracking program ensures every dialysis patient is informed of transplant as a modality option and promotes access to transplantation for every patient who is interested and eligible for transplant. The social worker or designee obtains transplant center guidelines and criteria for selection of appropriate candidates and assists transplant candidates with factors that may affect their eligibility, such as severe obesity, adherence to prescribed medicine or therapy, and social/emotional/financial factors related to post-transplant functioning.

In an effort to better serve all kidney patients, DaVita believes in requiring that all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients, the monetary result of which is \$210M to \$230M in hospitalization savings to the health care system and the American taxpayer.

Neither the Centers for Medicare and Medicaid Services or the Illinois Department of Public Health has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any of the applicants, or against any Illinois health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application.

1. Health care facilities owned or operated by the Applicants:

A list of health care facilities owned or operated by DaVita in Illinois is attached at Attachment – 11B.

A list of health care facilities owned or operated by DSI Renal, Inc. in Illinois is attached at Attachment – 11C.

Dialysis facilities are not subject to State Licensure.

2. Certification that no adverse action has been taken against any of the Applicants, or against any health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application is attached at Attachment – 11D.

3. An authorization permitting the Illinois Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11D.



Office of the Chief
Medical Officer (OCMO)
Allen R. Nissenson, MD
Chief Medical Officer
Meredith Mathews, MD
Robert Provenzano, MD
John Robertson, MD
David B. Van Wyck, MD

601 Hawaii Street, El Segundo, CA 90245 | 1-800-313-4672 | www.davita.com/physicians

April 30, 2009

Dear Physicians:

As your partner, DaVita® and OCMO are committed to helping you achieve unprecedented clinical outcomes with your patients. As part of OCMO's Relentless Pursuit of Quality™, DaVita will be launching our top two clinical initiatives; IMPACT and CathAway™, at our annual 2009 Nationwide Meeting. Your facility administrators will be orienting you on both programs upon their return from the meeting in early May.



IMPACT: The goal of IMPACT is to reduce incident patient mortality. IMPACT stands for Incident Management of Patients Actions Centered on Treatment. The program focuses on three components: patient intake, education and management and reporting. IMPACT has been piloting since October 2007 and has demonstrated a reduction in mortality. The study recently presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN. In addition to lower mortality rates, patient outcomes improved - confirming this vulnerable patient population is healthier under DaVita's relentless pursuit of quality care.



CathAway: Higher catheter use is associated with increased infection, morbidity, mortality and hospitalizations ^{(1) (2)}. The 7-step Cathaway Program supports reducing the number of patients with central venous catheters (CVCs). The program begins with patient education outlining the benefits of fistula placement. The remaining steps support the patient through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. For general information about the CathAway program, see the November 2008 issue of QUEST, DaVita's Nephrology Journal.

Here is how you can support both initiatives in your facilities:

- **Assess incident patients regularly in their first 90 days:** Discuss patients individually and regularly. Use the IMPACT scorecard to prompt these discussions.
- **Adopt "Facility Specific Orders":** Create new facility specific orders using the form that will be provided to you.
- **Minimize the "catheter-removal" cycle time:** Review each of your catheter patients with your facility teammates and identify obstacles causing delays in catheter removal. Work with the team and patients to develop action plans for catheter removal.
- **Plan fistula and graft placements:** Start AV placement plans early by scheduling vessel mapping and surgery evaluation appointments for Stage 4 CKD patients. Schedule fistula placement surgery for those patients where ESRD is imminent in the next 3-6 months.

Launch Kits:

In May, Launch Kits containing materials and tools to support both initiatives will be arriving at your facilities. IMPACT kits will include a physician introduction to the program, step by step implementation plan and a full set of educational resources. FAs and Vascular Access Leaders will begin training on a new tool to help identify root-causes for catheter removal delays.

Your support of these efforts is crucial. As always, I welcome your feedback, questions and ideas. Together with you, our physician partners, we will drive catheter use to all-time lows and help give our incident patients the quality and length of life they deserve.

Sincerely,



Allen R. Nissenson, MD, FACP
Chief Medical Officer, DaVita

- (1) Dialysis Outcomes and Practice Patterns Study (DOPPS): 2 yrs/7 Countries / 10,000 pts.
- (2) Pastan et al: Vascular access and increased risk of death among hemodialysis patients.



DaVita.



Knowledge is power.

EMPOWER® is an educational program by DaVita®. The program includes a series of free community based classes for patients with chronic kidney disease (CKD). These classes encourage you to take control of your kidney disease and prepare for dialysis by making healthy choices about your kidney care

Taking Control Of Kidney Disease

Learn how to slow the progression of kidney disease.

- Kidney disease and related conditions
- Behavior modification
- Dietary guidelines
- Common medications
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

Making Healthy Choices

Learn how to prepare for dialysis.

- Kidney disease and related conditions
- Behavior modification
- Dietary guidelines
- Common medications
- Treatments that allow you to stay active and continue to work
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

Treatment Choices

An in-depth look at all of your treatment choices.

- Kidney disease and related conditions
- Treatments that allow you to stay active and continue to work
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

To register for a class, call 1-888-MyKidney (695-4363).

EMPOWER®
1-888-MyKidney (695-4363) | DaVita.com/EMPOWER

DaVita®

IMPACT stands for Incident Management of Patients, Actions Centered on Treatment. It's a comprehensive patient management program designed to focus on incident patients throughout their first three months of dialysis. The first days of dialysis are particularly challenging for patients, families and health care teams.

These patients require more education and closer management than patients who have been receiving dialysis for a longer period because of their compromised conditions and high mortality risk. IMPACT is focused on easing the process for patients transitioning to dialysis.

The desired goal of this program are to provide comprehensive patient education, target key monitoring points in the first 90 days for better adherence to treatment, improved outcomes and reduced mortality.

Achieve "Top Two" status in 2010.

What's the significance of achieving Top Two status?

Reducing both incident patient mortality and the number of catheter patients are DaVita's top two clinical goals for 2010. Medical Directors, FAs and RODs who achieve both program goals in 2010 will achieve Top Two status for the year.

These initiatives are tied to strong clinical outcomes and improved quality of life. Reaching the Top Two goals means a high level of care for your patients, and special recognition and honors.

To reach your 2010 IMPACT Goal:
Achieve a graduate grade of 75% or better
by December 31 for September new admits

To reach your 2010 CathAway Goal:
Achieve Day-90 catheter percentage
of 18% or lower by December 31





Dear Physician Partners:

IMPACT™ is an initiative focused on reducing incident patient mortality. The program provides a comprehensive onboarding process for incident patients, with program materials centered on four key clinical indicators—access, albumin, anemia, and adequacy.

Medical Directors: How can you support IMPACT in your facilities?

- Customize the new Standard Admission Order template into facility-specific orders. Drive use of the standard order with your attending physicians
- Review your facility IMPACT scorecard at your monthly QIFMM meeting
- Talk about IMPACT regularly with your attending physicians

Attending Physicians: How can you support IMPACT in your facilities?

- Use the IMPACT scorecard to assess incident patients
- Educate teammates about the risk incident patients face and how IMPACT can help

How was IMPACT developed? What are the initial results?

From October 2007 to April 2009, IMPACT was piloted in DaVita® centers. Early results, presented at the National Kidney Foundation’s Spring Clinical Meeting in Nashville, TN this April, showed an 8% reduction in annualized mortality. In addition to lower mortality, IMPACT patients showed improvements in fistula placement rates and serum albumin levels. The results are so impressive that we are implementing this program throughout the Village.

Your support of this effort is crucial.

If you have not seen the IMPACT order template and scorecard by the end of June, or if you have additional questions about the program, email impact@davita.com. Together we can give our incident patients the quality and length of life they deserve.

Sincerely,

Dennis Kogod
Chief Operating Officer

Allen R. Nissenson, MD, FACP
Chief Medical Officer



Corporate Office | 601 Hawaii Street, El Segundo, CA 90245 | 800.477.4828 | davita.com



Davita^{*}



FOR IMMEDIATE RELEASE

DaVita's IMPACT Program Reduces Mortality for New Dialysis Patients

Study Shows New Patient Care Model Significantly Improves Patient Outcomes

El Segundo, Calif., (March, 29, 2009) – DaVita Inc., a leading provider of kidney care services for those diagnosed with chronic kidney disease (CKD), today released the findings of a study revealing DaVita's IMPACT™ (Incident Management of Patients, Actions Centered on Treatment) pilot program can significantly reduce mortality rates for new dialysis patients. The study presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN details how the IMPACT patient care model educates and manages dialysis patients within the first 90 days of treatment, when they are most unstable and are at highest risk. In addition to lower mortality rates, patient outcomes improved - confirming the health of this vulnerable patient population is better supported under DaVita's *Relentless Pursuit of Quality*™ care.

The pilot program was implemented with 606 patients completing the IMPACT program over a 12 month period in 44 DaVita centers around the nation. IMPACT focuses on patient education and important clinical outcomes - such as the measurement of adequate dialysis, access placement, anemia, and albumin levels - monitoring the patient's overall health in the first 90 days on dialysis. Data reflects a reduction in annualized mortality rates by eight percent for IMPACT patients compared with non-IMPACT patients in the DaVita network. Given that DaVita has roughly 28,000 new patients starting dialysis every year, this reduction affects a significant number of lives.

In addition, a higher number of IMPACT patients versus non-IMPACT patients had an arteriovenous fistula (AVF) in place. Research shows that fistulas - the surgical connection of an artery to a vein - last longer and are associated with lower rates of infection, hospitalization and death compared to all other access choices.

Allen R. Nissenson, MD, Chief Medical Officer at DaVita says, "The IMPACT program is about quality patient care starting in the first 90 days and extending beyond. Improved outcomes in new dialysis patients translates to better long term results and healthier patients overall."

Researchers applaud the IMPACT program's inclusion of all patients starting dialysis, regardless of their cognitive ability or health status. Enrolling all patients at this early stage in their treatment allows them to better understand their disease and care needs while healthcare providers work to improve their outcomes. Through this program, DaVita mandates reporting on this particular population to better track and manage patients through their incident period.

Dennis Kogod, Chief Operating Officer of DaVita says, "We are thrilled by the promising results IMPACT has had on our new dialysis patients. DaVita continues to be the leader in the kidney care community, and we look forward to rolling out this program to all facilities later this year, to improve the health of all new dialysis patients."

DaVita, IMPACT and *Relentless Pursuit of Quality* are trademarks or registered trademarks of DaVita Inc. All other trademarks are the properties of their respective owners.

Poster Presentation
NKF Spring Clinical Meeting
Nashville, TN
March 26-28, 2009

Incident Management of Hemodialysis Patients: Managing the First 90 Days

John Robertson¹, Pooja Goel¹, Grace Chen¹, Ronald Levine¹, Debbie Benner¹, and Amy Burdan¹
¹DaVita Inc., El Segundo, CA, USA

IMPACT (Incident Management of Patients, Actions Centered on Treatment) is a program to reduce mortality and morbidity in new patients during the first 3 months of dialysis, when these patients are most vulnerable. IMPACT was designed to standardize the onboarding process of incident patients from their 0 to 90-day period. We report on an observational (non-randomized), un-blinded study of 606 incident patients evaluated over 12 months (Oct77-Oct08) at 44 US DaVita facilities.

The study focused on 4 key predictive indicators associated with lower mortality and morbidity – anemia, albumin, adequacy and access (4As). IMPACT consisted of:

- (1) Structured New Patient Intake Process with a standardized admission order, referral fax, and an intake checklist;
- (2) 90-day Patient Education Program with an education manual and tracking checklist;
- (3) Tools for 90-day Patient Management Pathway including QOL; and
- (4) Data Monitoring Reports.

Data as of July, 2008 is reported. Patients in the IMPACT group were 60.6 ± 15.1 years old (mean±SD), 42.8% Caucasian, 61% male with 25% having a fistula. Results showed a reduction in 90-day mortality almost 2 percentage points lower (6.14% vs. 7.98%; $p < 0.10$) among IMPACT versus nonIMPACT patients. Changes among the 4As showed higher albumin levels from 3.5 to 3.6 g/dL (note that some IMPACT patients were on protein supplementation during this period) and patients achieving fistula access during their first 90-days was 25% vs. 21.4%, IMPACT and nonIMPACT, respectively ($p \leq 0.05$). However, only 20.6% of IMPACT patients achieved Hct targets ($33 \leq 3xHb \leq 36$) vs. 23.4% for controls ($p < 0.10$); some IMPACT patients may still have >36 -level Hcts. Mean calculated Kt/V was 1.54 for IMPACT patients vs. 1.58 for nonIMPACT patients ($p \leq 0.05$).

IMPACT is a first step toward a comprehensive approach to reduce mortality of incident patients. We believe this focus may help us to better manage CKD as a continuum of care. Long-term mortality measures will help determine if this process really impacts patients in the intended way, resulting in longer lives and better outcomes.

IMPACT Tools

Here's how the IMPACT program will help the team record data, educate patients and monitor their progress in your facilities.

- 1 Standard Order Template, a two-page form with drop-down menus that can be customized into a center-specific template
- 2 Intake Checklist to gather registration and clinical data prior to admission
- 3 Patient Announcement to alert teammates about new incident patients
- 4 Patient Education Book and Flip Chart to teach patients about dialysis
- 5 Tracking Checklist for the team to monitor progress over the first 90 days
- 6 IMPACT Scorecard to track monthly center summary and patient level detail for four clinical indicators: access, albumin, adequacy, anemia

A two-page form with various fields and checkboxes for patient registration and clinical data. It includes sections for patient information, insurance, and clinical notes.

Two items: an 'INTAKE CHECKLIST' form with multiple checkboxes for data collection, and a 'Spring Team' patient announcement card. The card features a logo and the text: 'Attention, teammates! A new IMPACT patient is about to step up to the plate. Let's become their biggest fans. Let's coach and encourage them. And let's cheer them along every step of their first 90 days.'

IMPACT SCORECARD (90)

Facility: XYZ - Sample Facility
 Group: Sample Group
 Division: Sample Division
 Region: Sample Region 1
 Period: March 2008

Indicator	Target	Actual	%
Access	95%	92%	96.8%
Albumin	3.5	3.2	91.4%
Adequacy	1.2	1.1	91.7%
Anemia	11.5	11.2	97.4%

DVA IMPACT Dashboard Average

Indicator	Target	Actual	%
Access	95%	92%	96.8%
Albumin	3.5	3.2	91.4%
Adequacy	1.2	1.1	91.7%
Anemia	11.5	11.2	97.4%

IMPACT Education Checklist (90)

IMPACT Management Checklist (90)

First Day of Dialysis Order

Indicator	Target	Actual	%
Access	95%	92%	96.8%
Albumin	3.5	3.2	91.4%
Adequacy	1.2	1.1	91.7%
Anemia	11.5	11.2	97.4%

Two items: a 'Patient Education Book' with a 'Spring Team' logo and a 'Flip Chart' with a 'Spring Team' logo and a 'Dayita' logo at the bottom.



Headquarters
1627 Cole Blvd, Bldg 18
Lakewood CO 80401
1-888-200-1041

IMPACT

For more information, contact
1-800-400-8331

DaVita.com

Our Mission
To be the Provider,
Partner and Employer
of Choice

Core Values
Service Excellence
Integrity
Team
Continuous Improvement
Accountability
Fulfillment
Fun

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Logan Square Dialysis	2659 N MILWAUKEE AVE	1ST FL	CHICAGO	COOK	IL	60647-1643	14-2534
Lake County Dialysis Services	918 S MILWAUKEE AVE		LIBERTYVILLE	LAKE	IL	60048-3229	14-2552
Lincoln Park Dialysis	3157 N LINCOLN AVE		CHICAGO	COOK	IL	60657-3111	14-2528
Skyline Home Dialysis	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2560
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529
Olympia Fields Dialysis Center	4557B LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Freeport Dialysis	1028 S KUNKLE BLVD		FREERPORT	STEPHENSON	IL	61032-6914	14-2642
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Metro East Dialysis	5105 W MAIN ST		BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD		IL	62056-1775	14-2583
Mattoon Dialysis	200 RICHMOND AVE E		MATTOON	COLES	IL	61938-4652	14-2585
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	142599
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Woodridge Home Dialysis	7425 JAMES AVE	STE 103	WOODRIDGE	DUPAGE	IL	60517-2356	14-2696
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Stoncrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715
Lake Park Dialysis	1531 E HYDE PARK BLVD		CHICAGO	COOK	IL	60615-3039	14-2717
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718
Woodlawn Dialysis	1164 E 55TH ST		CHICAGO	COOK	IL	60615-5115	14-2310
Woodlawn Home Program	5841 S MARYLAND AVE	RM L-026	CHICAGO	COOK	IL	60637-1447	14-3524
Lockport Home Dialysis	16626 W 159TH ST	STE 703	LOCKPORT	WILL	IL	60441-8019	14-2697
Maryville Home Dialysis	21368 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2686
Kennedy Home Dialysis	5509 N CUMBERLAND AVE	STE 515	CHICAGO	COOK	IL	60656-4702	14-2691

DSI Renal Inc. Illinois Facilities

Facility	Address	City	Services	Number of Stations 3/20/2011	Average Utilization 04/01/2010 to 03/31/2011
DSI Loop Renal Center	1101 South Canal Street,	Chicago	In-Center Hemo, HHD	28	45.68%
DSI Scottsdale Renal Center	4651 West 79th Street, Suite 100	Chicago	In-Center Hemo, HHD	35	42.26%
DSI Evanston Renal Center	1715 Central Street	Evanston	In-Center Hemo	18	55.09%
DSI South Holland Renal Center	16136 South Park Avenue	South Holland	In-Center Hemo	20	92.29%
DSI Markham Renal Center	3053-3055 West 159th Street	Markham	In-Center Hemo	24	72.57%
DSI Hazel Crest Renal Center	3470 West 183rd Street	Hazel Crest	In-Center Hemo	17	87.50%
DSI Arlington Heights Renal Center	17 West Golf Road	Arlington Heights	In-Center Hemo	18	58.10%
DSI Buffalo Grove Renal Center	1291 W. Dundee Road	Buffalo Grove	In-Center Hemo	16	70.31%
DSI Schaumburg Renal Center	Town Center, NW Corner	Schaumburg	In-Center Hemo, HHD	14	86.61%
DSI Waukegan Renal Center	1616 North Grand Avenue	Waukegan	In-Center Hemo, HHD	22	75.95%

May 18, 2011

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

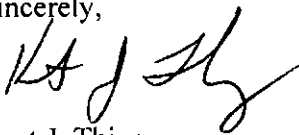
Re: Adverse Action and Access to Information

Dear Chairman Galassie:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated in Illinois by DaVita, Inc. during the three years prior to filing this application.

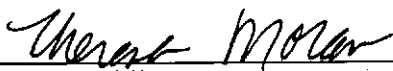
Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

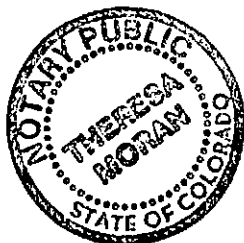


Kent J. Thiry
Chief Executive Officer
DaVita, Inc.

Subscribed and sworn to me
This 23 day of May, 2011



Notary Public



May 18, 2011

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

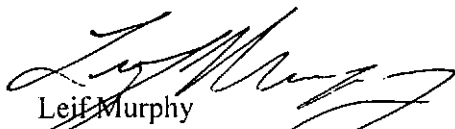
Re: Adverse Action and Access to Information

Dear Chairman Galassie:

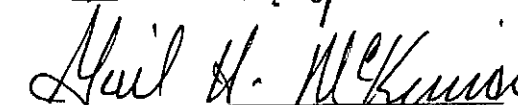
I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated in Illinois by DSI Buffalo Grove, LLC. during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,


Leif Murphy
Manager
DSI Buffalo Grove, LLC

Subscribed and sworn to me
This 24th day of May, 2011


Notary Public



Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(b), Project Purpose, Background and Alternatives

Purpose of the Project

1. The purpose of the proposed merger of DaVita and DSI Renal, Inc. is to ensure ESRD patients throughout the country have continued access to life sustaining dialysis services. Acquisition of the DSI facilities will create economies of scale, integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and allow the systems to share the resources and benefits of DaVita's infrastructure and processes and quality initiatives. Notably, on January 1, 2011, the Centers for Medicare and Medicaid Services ("CMS") implemented a new bundled prospective payment system for dialysis providers. This change in reimbursement is arguably the most dramatic change to the dialysis industry since the inclusion of chronic end-stage renal disease to the Medicare program. Under the new bundled payment system, CMS will make a single bundled payment to a dialysis facility for each dialysis treatment that will cover all services. This is a significant departure from the previous payment system where facilities were paid a composite rate for a defined set of items and services and paid separately for drugs, laboratory tests, and other services not included in the composite rate. The new bundled payment provides a fixed rate that encompasses all goods and services provided during dialysis treatment, including pharmaceuticals and most laboratory services that were historically reimbursed separately. Dialysis facilities whose costs are below the bundled payment will remain solvent while dialysis facilities whose costs exceed the bundled payment are liable for the difference and if their fixed cost structure is too high for this reimbursement model, their continued success would be in jeopardy.

To thrive in this new reimbursement environment, providers will need to provide dialysis in the most cost effective manner and DaVita is one of the best positioned providers to meet that challenge.

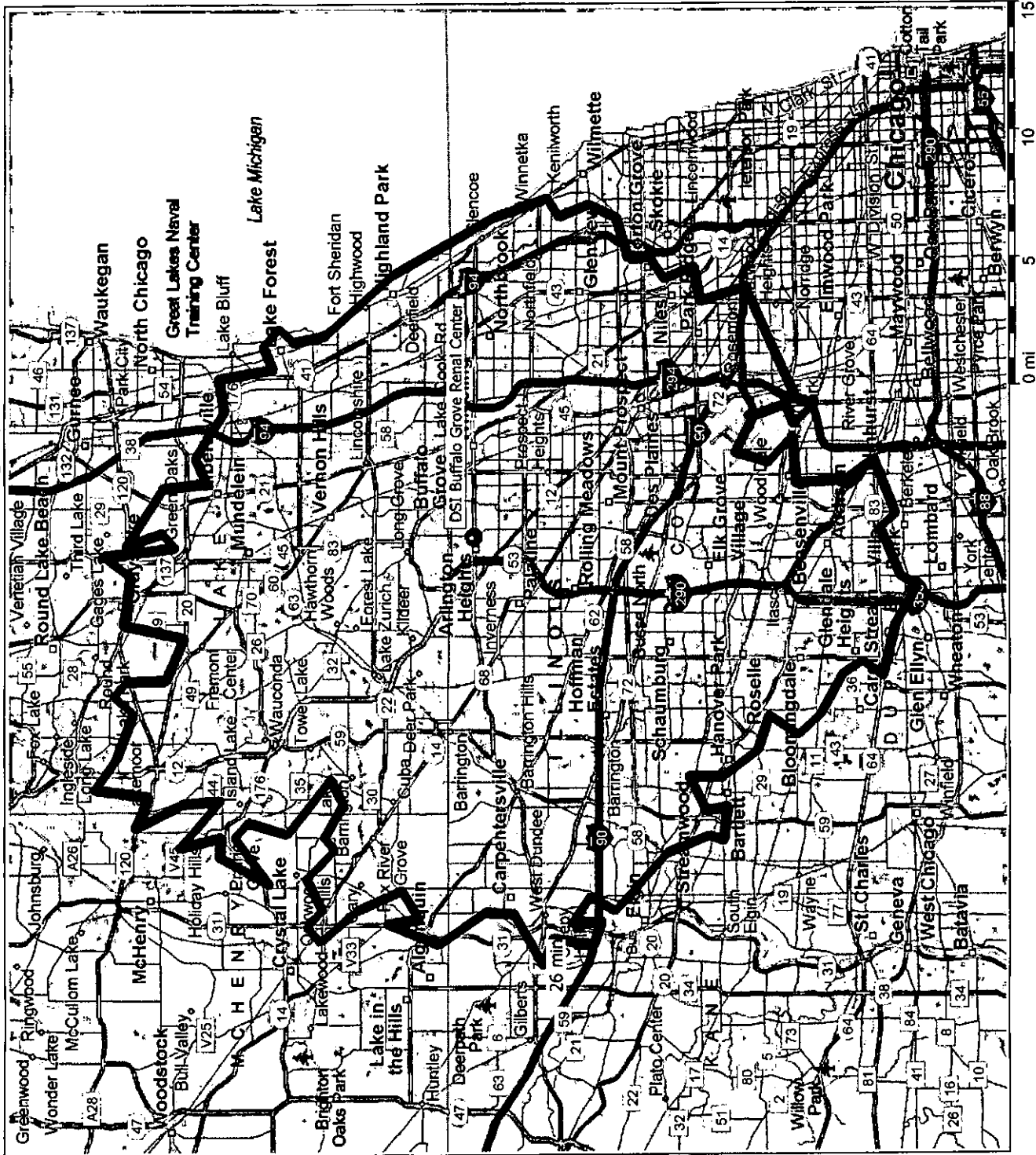
2. A map of the market area for DSI Buffalo Grove Renal Center is attached at Attachment – 12. The market area encompasses a 30 minute normal travel time radius around the facility.
3. DSI Buffalo Grove Renal Center is located in HSA 7. Based upon the May 20, 2011 Update to Inventory of Other Health Services, there is currently a need for 8 stations in HSA 7. The proposed merger of DaVita and DSI Renal, Inc. will ensure ESRD patients residing in HSA 7 retain access to life sustaining dialysis.
4. Reference

Illinois Health Facilities and Services Review Board, Update to Inventory of Other Health Services 8 (May 20, 2011) available at <http://www.hfsrb.illinois.gov/pdf/Other%20Services%20Update%205-20-2011.pdf> (last visited May 23, 2011).
5. DaVita and DSI Renal, Inc. are leading providers of dialysis in the United States. The merger of DSI Renal, Inc. into DaVita will allow DaVita to increase its operational efficiency in this new payment environment, improve quality and ensure dialysis patients have continued access to life sustaining dialysis services.
6. The acquired facilities will be integrated into DaVita's normal operational processes, including DaVita's quality outcomes programs, and, thus, are anticipated to have outcomes comparable to other DaVita facilities.

Additionally, in an effort to better serve all kidney patients, DaVita believes in requiring that all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of

quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients, the monetary result of which is \$210M to \$230M in hospitalization savings to the health care system and the American taxpayer.

DSI Buffalo Grove Renal Center Geographic Service Area



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Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(c), Project Purpose, Background and Alternatives

Alternatives

1. Do Nothing

DSI Renal, Inc. operates ten dialysis facilities in Illinois. These facilities are located in HSAs 6, 7, 8. Acquisition of the DSI facilities will create economies of scale, integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and allow the systems to share the resources and benefits of DaVita's infrastructure and processes and quality initiatives. Without a merger, these objectives cannot be achieved and, therefore, this option was rejected.

There is no cost associated with this alternative.

2. Exclude Illinois facilities from proposed acquisition

DaVita briefly considered excluding the Illinois facilities from the proposed merger. As set forth in Criterion 1120.230(b), operational efficiency will be a key to success in the new bundled payment environment. For smaller dialysis organizations, it will be difficult to obtain more favorable purchasing contracts or implement new systems to more effectively manage dialysis treatment and capture all qualifying adjustments for claims processing. Without the resources of a larger dialysis provider, the DSI Illinois facilities may find it difficult to survive in this payment reality and have to discontinue operations. As the purpose of the proposed transaction is to maintain access to dialysis services, this alternative was not feasible. Further, if the merger were to move forward without the Illinois facilities included the transaction would have to be restructured and this was not practical or desired.

There is no cost associated with this alternative.

3. Acquire DSI Renal, Inc., including Illinois facilities

DaVita carefully considered whether the DSI facilities fit with its mission, vision, values and business plan before entering into a definitive agreement to acquire DSI Renal, Inc. DSI Renal Inc. operates 106 dialysis facilities across the country, including 10 dialysis facilities in Illinois. Acquisition of the DSI facilities will allow DaVita to reach a new patient base and will improve DSI's operational efficiency. Through the acquisition, DaVita will be able to bring the broader line of chronic kidney disease services to DSI patients. These services will be beneficial for patients, physicians, payors, and taxpayers in providing more effective care and helping to reduce costs to the health care system. Accordingly, DaVita decided the acquisition of DSI Renal was the most feasible option.

The cost of this alternative is \$9,813,647.

**Table 1110.230(c)
Alternative to the Proposed Project
Cost-Benefit Analysis**

Alternative	Community Need	Access	Cost	Status
Do Nothing	Not met	Decreased	\$0	Reject
Exclude Illinois Facilities	Not met	Decreased	\$0	Reject
Acquire DSI Facilities	Met	Maintained	\$9,813,647	Accept

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(b), Impact Statement

Attached as a supplement to this application is a copy of the merger agreement between DaVita, Inc., DVA Acquisition Company, CDSI I Holding Company, Inc. and CDSI Representative, LLC.

1. Change in Services Currently Offered

No change in the number of ESRD stations is anticipated as a result of the proposed merger. The Applicants may decide to add stations under the Health Facilities Planning Act at a later date, should the need arise based upon capacity and utilization trends.

2. Operating Entity

No change in the operating entity is anticipated as a result of the proposed merger. DaVita will acquire 100% of the stock of CDSI I Holding Company, Inc., the ultimate parent of DSI Buffalo Grove, LLC, the current operating entity.

3. Reason for the Transaction

As set forth in Criterion 1110.230(b), the purpose for the transaction is to ensure ESRD patients have continued access to dialysis services. The merger of DaVita and DSI Renal, Inc. will allow DaVita to increase operational efficiency and improve quality and improve quality, which are vital for success in the new bundled payment environment.

4. Anticipated Additions or Reductions of Employees

No significant additions or reductions in employees are anticipated now or for the next two years as a result of the proposed merger. All current employees at DSI Buffalo Grove Renal Center will have the opportunity to continue their employment with DaVita after the merger. Both DSI Renal, Inc. and DaVita determine their staffing needs according to treatment needs. Staffing hours and/or positions will be added or reduced according to patient census and care needs. The Applicants anticipate no reduction in employees.

5. Cost-Benefit Analysis

As set forth throughout this application, the proposed transaction contemplates a change in control of the ultimate parent of DSI Buffalo Grove, LLC, CDSI I Holding Company, Inc. By way of merger, DaVita will acquire 100% of the outstanding stock of CDSI I Holding Company, Inc. for approximately \$690 million. The proposed transaction includes the transfer of 106 in-center hemodialysis facilities to DaVita, including 10 facilities within Illinois. While DaVita will incur costs inherent in operating the DSI facilities, the DSI facilities will likely achieve cost savings due to economies of scale and shared resources.

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(c), Access

1. Current Admissions Policy

A copy of the current admissions policy for DSI Renal, Inc. is attached as Attachment 19-A.

2. Proposed Admissions Policy

A copy of the admissions policy for DaVita, Inc. is attached as Attachment 19-B.

3. Admission Policy Certification

A letter from DaVita's CEO certifying the admissions policies of DSI Renal, Inc. will not become more restrictive is attached as Attachment 19-C.



DSI Renal, Inc.

100-16: POLICY/PROCEDURE: CRITERIA FOR ADMISSION TO THE DIALYSIS CLINIC

SCOPE: This policy applies to DSI Renal, Inc. clinics

PURPOSE: To define admission criteria in compliance with the Rehabilitation Act of 1973 and to delineate which patients will or will not be treated by the facility. This policy will apply to all patients equally, in accordance with The Nondiscrimination Act without regard to health status or method of payment, e.g. private pay, Medicare or Medicaid.

POLICY:

1. It is the policy of DSI Renal, Inc that certain criteria be met prior to admitting a patient to any DSI dialysis clinic.
2. It is the practice of DSI Renal, Inc to admit patients without regard to HIV status. Patients with communicable diseases will be admitted if adequate isolation facilities are available to accommodate the individual without jeopardizing the health and safety of other patients.
3. DSI is committed to a policy of equitable access to care.

PROCEDURE:

Ensure that the following are met:

1. Patient should be relatively stable on dialysis and must be willing to cooperate with those caring for them in the areas of diet, fluid restriction, medication regimen, etc.
2. All patients with a Tracheostomy must have approval from Senior Vice President prior to admission.
3. A staff Nephrologist has evaluated patient and a prescription for treatment is written. There is documentation of the following:
 - a. Primary cause of renal failure/diagnosis using ICD-9 code terminology (Uremia, ESRD or CRF alone are not acceptable).
 - b. Permanence or irreversibility of renal failure requiring a regular course of dialysis to maintain life.
 - c. Age, sex, weight and height.

- d. Need or necessity for chronic dialysis as determined by admitting nephrologist. A completed and signed 2728 must be submitted to the Network within 45 days.
- e. A member of the medical staff (physician, NP, or PA) must assess the patient before the initiation of the patient's first dialysis treatment in the facility. This evaluation could be accomplished by review of medical records and consultation with the referring physician, and is not intended to require the medical staff member to "see" the patient in the facility prior to this first treatment.

Note: These limits should be revised when factors such as age, body size or significant extrarenal disease(s) are present.

- 4. Other uremic symptoms, when attributable to chronic renal failure, may be a reason to initiate dialysis prior to the development of the conditions in #3.
 - a. Nausea and vomiting, anorexia, weight loss.
 - b. Weakness and fatigue that interferes with activity of daily living.
 - c. Lethargy, tremor, muscle cramps.
 - d. Bleeding tendency.
 - e. Pruritus.
 - f. Clouded sensorium asterixis.
 - g. Growth and development delay.
- 5. If the degree of renal impairment existing in conjunction with other medical conditions does not satisfy criteria #3 or #4, but dialysis is necessary to maintain life, these patients qualify for admission to the clinic with Senior Vice President Approval prior to admission. A 2728 will *not* be submitted to the Network on these patients. A 2728 may be submitted once the patient meets the Medicare requirements for qualifying for ESRD (see #3 and #4). Such conditions may include:
 - a. Volume overload proven unmanageable by conservative (non-dialytic) medical therapy.
 - b. Hyperkalemia proven unmanageable by conservative (non-dialytic) medical therapy.
 - c. Uremic pericarditis
 - d. Metabolic acidosis proven unmanageable by conservative (non-dialytic) medical therapy.
 - e. Uremic neuropathy

Note: Chronic dialysis therapy is not a benign therapy substitute for other disease states such as terminal congestive heart failure.

- 6. Patient should have supplemental insurance in addition to Medicare A and B or pay the 20% not covered by Medicare for each treatment.

7. Transportation arrangements are the responsibility of the patient and must be arranged prior to starting treatments.
8. Appropriate admission paperwork is completed on the first day of admission.
9. Patient is over 18 years of age. Patients less than 18 must have approval of Senior Management and the Chief Medical Officer.
10. The HBV serological status (i.e. HBsAg, total anti-HBc, and anti-HBs) of all patients should be known before admission to the hemodialysis unit. If the results of this testing are not known at admission, Hepatitis labs will be drawn on the 1st treatment. Until Hepatitis status is known, dialyze patient in designated area for unknown status- see policies regarding infection control/Hepatitis B.
 - a. Until laboratory results are available, treat the patient as if he/she were HBs Antigen-positive, using separate equipment (machine, BP cuff, etc.) and separate personal protective equipment, without placing the patient in an isolation area with HBs Antigen-positive patients.
 - b. Buffer the unknown status patient by patients who are HBs Antibody-positive.
11. On the first day of admission, draw a Pre BUN, Post BUN, and Hgb. If the start day is on Saturday or a day unable to send labs to the contracted national lab provider, store labs in the lab refrigerator and send on the first available day not to exceed 3 days. Place patient on clinic schedule for routine lab draw.
12. A patient evaluation by a Registered Nurse must be in place prior to the initiation of the first treatment. This assessment must include at minimum:
 - a. Neurologic: level of alertness/mental status, orientation, identification of sensory deficits
 - b. Subjective Complaints
 - c. Rest and comfort: pain status
 - d. Activity: ambulation status, support needs, fall risk
 - e. Access: assessment
 - f. Respiratory: respirations description, lung sounds
 - g. Cardiovascular: heart rate and rhythm, presence and location of edema
 - h. Fluid gains, blood pressure and temperature pretreatment
 - i. Integumentary: skin color, temperature and as needed type/location of wounds

TITLE: ACCEPTING PATIENTS FOR TREATMENT

PURPOSE: To establish requirements for patient admission to a DaVita dialysis facility and to allow DaVita to obtain necessary information from the patient and to enter the correct information into the appropriate information system prior to providing dialysis treatment to a patient at a DaVita dialysis facility.

DEFINITION(S):

Beneficiary Selection Form (CMS 382): Required by Medicare for home dialysis patients (home hemo or peritoneal). The patient selects whether they will obtain home treatment supplies from a Durable Medical Equipment (DME) provider (Method II) or from the facility that will provide home dialysis support services (Method I). DaVita currently only supports patients selecting Method I.

Guest patient: A patient who is visiting a facility and plans to return to his/her home facility within 30 days. A guest patient refers to patients visiting from a non-DaVita facility to a DaVita facility as well as visiting from a DaVita facility to another DaVita facility.

Medical Evidence Report Form (CMS 2728): Required by Medicare to determine if an individual is medically entitled to Medicare under the ESRD provisions of the law and to register patients with the United States Renal Data System. The 2728 form is used as the primary source in determining the COB for patients insurance. Physicians have a 45 day grace period to sign the 2728 form when the patients are new to dialysis. Patients are only required to complete the 2728 form once, not for every facility visit or transfer.

Medicare Secondary Payor Form (MSP): Determines if a commercial Employer Group Health Plan (EGHP) (or other insurance carrier) will be primary payor. This form is completed online in the Registration System and must be completed for all patients who have Medicare coverage when they start treatment at DaVita.

Patient Authorization and Financial Responsibility Form (PAFR): Form that informs patients of their financial obligations regarding services provided to them by DaVita. The form must be signed and witnessed prior to the start of the first dialysis treatment and annually thereafter. By signing the PAFR, the patient is assigning the payment for services provided by DaVita, directly to DaVita from insurance companies. The PAFR form must be signed annually at each DaVita facility where the patient treats.

Permanent patient: A patient who has selected a DaVita dialysis facility as his/her home facility.

Personal Representative: An individual who is legally appointed, designated and/or authorized pursuant to state law to: (a) make health care decisions on behalf of a patient, or (b) act on behalf of a deceased individual or a deceased individual's estate. Reference *Personal Representatives of Patients* (available on the HIPAA website on the VillageWeb).

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Origination Date: September 2006

Revision Date: March 2008, September 2008, December 2008, April 2009, September 2009, October 2010

Page 1 of 8

Policy: 3-01-03

Attachment 19B

Transfer patient: An existing dialysis patient who is permanently relocating from any dialysis facility to a DaVita dialysis facility. Once the transfer is complete, the patient will become a "permanent patient."

POLICY:

1. DaVita will accept and dialyze patients with renal failure needing a regular course of dialysis without regard to race, color, national origin, gender, sexual orientation, age, religion, or disability if:
 - a. The patient's care can be managed in an outpatient dialysis facility according to individual modality;
 - b. The patient is under the care of a nephrologist who is credentialed in the DaVita facility;
 - c. There is adequate treatment space and staffing available to provide appropriate care to the patient;
 - d. The patient (a) has been verified as Medicare or Medicaid eligible and/or has private insurance coverage issued by an Insurance Provider licensed and operating in the United States or United States Territories which has been verified, and from which an authorization for treatment has been received by DaVita as required, (b) accepts financial responsibility for care by signing the *Patient Authorization & Financial Responsibility (PAFR) Form*.
 - i. Patients who are uninsured must be authorized at the facility level with written approval by the facility's Divisional Vice President (DVP), or their designee, prior to treatment. (*Cash Payment Fee Schedule for Patients with no Insurance Coverage Policy (available on the ROPS website on the VillageWeb)*).
 - ii. Patients who have an out-of-state Medicaid plan that will not pay for treatment must be authorized at the facility level with written approval by the facility's DVP, or their designee, prior to treatment.
 - iii. Patients who are out-of-network and have no out of network benefits must be authorized at the facility level with written approval by the facility's DVP, or their designee, prior to treatment.
2. Patients without adequate medical insurance coverage will be responsible to pay their portion of the cost of providing treatment prior to actual treatment.
3. All visiting patients, including patients visiting a non-contracted facility, will be responsible to sign a new PAFR Form specific to the visiting facility.

4. A Purchase Order for services and treatments outside of their area is required prior to treatment for patients who have Indian Health Services coverage.
5. Any new patient who is uninsured must be approved for treatment by the facility's Operational Vice President, or their designee, prior to treatment.
6. DaVita dialysis facility will transmit the required information to the corresponding Corporate Business Office (CBO) ROPS registration teammate upon notification of a new or visiting patient.
7. ROPS registration teammate will verify all insurances and obtain authorization if needed to complete the registration process.
8. Guest patients must make payment for non-covered, and out of network (including out of state Medicaid plans that do not pay for treatment) services in the form of cashiers check, money order, travelers check, American Express, Visa, Discover or MasterCard prior to treatment. Please see *Money Received at Centers Policy* and *Credit Card Process Policy* (available on the ROPS website on the VillageWeb).
9. DaVita will bill using the name and number as it appears on the beneficiary Medicare card or other document confirming the patient's health care coverage through a third party, and as the patient's name is confirmed by two (2) additional forms of identification which has the patient's current legal name listed on it as outlined in section 9 of this policy. Please see *Entering Patient's Name Policy* (available on the ROPS website on the VillageWeb).
10. If any information on the beneficiary Medicare card is incorrect, DaVita will advise the beneficiary to contact their local servicing Social Security Office to obtain a new Medicare card.
11. If information contained on the insurance card is incorrect, DaVita will advise the policyholder to contact their insurance company to obtain a new insurance card. All insurance cards should match the patient's identification. The patient must produce evidence that a change was initiated with the appropriate insurance carrier within 90 days of the noted discrepancy.
12. There are three (3) mandatory data elements for any patient to be registered in Registration System. These fields must be completed accurately prior to treatment. Required Registration System fields are:
 - a. First and last name;
 - b. DOB (date of birth), and
 - c. Anticipated start date at DaVita.

13. Unless otherwise provided for under this policy, prior to the admission to the facility, all patients, including Transfer, Guest, and Permanent Patients will be given the following documents to read and sign:
- a. Patient's Rights;
 - b. Patient's Responsibilities;
 - c. Patient Authorization and Financial Responsibility Form (PAFR);
 - d. Patient's Standards of Conduct;
 - e. Patient Grievance Procedure;
 - f. Authorization for and Verification of Consent to Hemodialysis/Peritoneal Dialysis;
 - g. Reuse Information Consent form;
 - h. Caretaker Authorization form;
 - i. HIPAA Notice Acknowledgement form; and
 - j. Affidavit of Patient Identification form (Note: This form is only given if the patient or Personal Representative on behalf of the patient is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence upon admission or within seven (7) days of admission).
14. The patient will agree to follow the *Patient's Rights and Responsibilities, Patient's Standards of Conduct and the Patient Grievance Procedure*. (Refer to *Patient's Standards of Conduct; Patient Grievance Procedure; Patient Rights and Responsibilities* available on the Clinical P&P website in Volume 1 on the VillageWeb.)
15. Guest Patients are only required to sign the *Patient's Rights and Responsibilities, Patient's Standards of Conduct and the Patient Grievance Procedure* one time for each DaVita facility they visit, as long as these forms are visibly posted at the facility, unless there are changes made to any of those forms/policies, or state specifications require otherwise.
16. Listed below are the following documents that are required for hemodialysis patients and home dialysis patients prior to admission to a DaVita Dialysis facility:
- a. Two (2) forms of personal identification, in addition to the patient's insurance card, verifying the patient's legal name and current legal residence, one of which is a picture ID. Acceptable forms of personal identification may include:

- i. Federal or state government issued identification such as:
 - A. Driver's license;
 - B. Voter's registration card;
 - C. Passport;
 - D. ID card;
 - E. Marriage certificate;
 - F. Social Security card; or
 - G. US military photo ID card.
- ii. Divorce decree;
- iii. Credit card;
- iv. Utility bill;
- v. Pension statements;
- vi. Bank account and other financial asset records;
- vii. Property Deed;
- viii. Mortgage;
- ix. Lease Agreement;
- x. Auto registration;
- xi. Job paystub;
- xii. Letters from Social Security Office;
- xiii. US adoption papers;
- xiv. Court order for legal name change signed by a judge or county clerk;
- xv. Library card;
- xvi. Grocery store rewards card; or

- xvii. For minors, school records such as school identification card, nursery, or daycare records
- b. All copies of patient's current insurance cards-front and back;
- c. Copy of History and Physical (within the last year – must be legible);
- d. For Hepatitis and TB testing requirements, refer to policies: *Hepatitis Surveillance, Vaccination and Infection Control Measures* and *Tuberculosis Infection Control Policy* (available on the Clinical P&P website in Volume 1 on the VillageWeb);
Note: Hepatitis C testing is recommended, but not required.
- e. If patient is a new ESRD patient, pre dialysis labs including hematocrit or hemoglobin, albumin, BUN, creatinine, and, if available, creatinine clearance and/or urea clearance drawn within 45 days prior to first day of dialysis;
- f. Monthly labs within 30 days prior to first treatment date including hematocrit, hemoglobin, URR and electrolytes;
- g. Copies of three (3) flowsheets within two (2) weeks of requested treatment(s) for patients who have previously dialyzed;
- h. Copy of current hemodialysis orders for treatment;
- i. EKG, if available, OR if patient has known heart condition;
- j. Patient demographics;
- k. Copies of most recent Long Term Program, Patient Care Plan, Nursing, Dietary and Social Work Assessments and most recent progress notes for patients who have previously dialyzed;
- l. Current list of medications being administered to patient in-center and at home;
- m. Advance Directives, if applicable;
- n. Initiation of CMS 2728. Once completed, within the 45-day guideline, it should include the patients and nephrologist's signature and date. This is the official document of the patient's first date of dialysis ever, first dialysis modality, and provides transplant information, if applicable;
- o. *Patient Authorization & Financial Responsibility Form (PAFR)*. Must be signed and witnessed prior to the start of the first dialysis treatment. This form allows DaVita to receive payment from insurance companies and informs the patient of the financial responsibilities regarding treatment provided to them. Without a signed PAFR Form, we may not be reimbursed for services provided to the patient;

- p. CMS 382 Form. Required only for home dialysis patients (home hemo or peritoneal);
 - q. Medicare Secondary Payor Form (MSP). Determines if a commercial Employer Group Health Plan (EGHP) will be primary payor. Must be completed for all patients who have Medicare coverage when they start treatment at DaVita;
 - r. DaVita's *Notice of Privacy Practices*. Each patient will be provided with the notice.
17. If the patient, or Personal Representative on behalf of the patient, is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence, the teammate admitting the patient should follow the procedures set forth in the *Patient Identification and Verification Policy* (available on the Clinical P&P website in Volume 3 on the VillageWeb), and any other relevant policies based on the situation at hand.
18. Any conflict with the criteria established or refusal to sign appropriate consents and authorization to bill would constitute a need for prior written authorization by the facility's DVP or designee.
19. A permanent DaVita patient may be treated at a DaVita facility other than his /her home facility without completing the required documentation, excluding the PAFR, when:
- a. The attending nephrologist has privileges at both the facilities in question (the patient's home facility and the anticipated visiting facility);
 - b. A visiting record is generated by the home facility at least one hour before the scheduled treatment;
 - c. The Facility Administrator (FA) at the visiting facility agrees to treat the patient; and
 - d. The visiting facility has the space and resources to treat the patient.
 - e. PAFR is always required.
20. All other exceptions to this policy are subject to approval by the DVP for the region/division.

ATTACHMENTS:

Attachment A: Procedures for Accepting Patients for Treatment

Teammates are expected to report possible violations of this policy and procedure. You may make your report to an appropriate DaVita manager, to the Corporate Compliance Hotline (1-888-458-5848 or DaVitaComplianceHotline.com) or to DaVita's Corporate Compliance Department (1-888-200-1041 x156037). DaVita has a Non-Retaliation policy and will not tolerate any form of retaliation against anyone who files a Compliance report in good faith. Reports can be made anonymously or you may request confidentiality. Questions regarding this policy should be directed to the QUESTionline@davita.com.

**TITLE: PROCEDURES FOR ACCEPTING PATIENTS FOR
TREATMENT**

PURPOSE: To establish procedures for accepting patients for treatment in accordance with the *Accepting Patients for Treatment* policy.

DEFINITIONS:

Personal Representative: An individual who is legally appointed, designated and/or authorized pursuant to state law to: (a) make health care decisions on behalf of a patient, or (b) act on behalf of a deceased individual or a deceased individual's estate. Reference the *Personal Representatives of Patients* (available on the HIPAA website on the VillageWeb).

POLICY:

1. DaVita dialysis facility will gather all the required documents and patient information (for new patients) to properly register the patient into the Registration System and Snappy information systems.

PROCEDURE(S):

A. Patient Registration Procedures for all New or Visiting patients:

1. The facility's Social Worker (SW) or designee will interview all new patients to determine whether a patient has adequate medical insurance coverage.
2. If patient is an established DaVita patient, the patient's current Patient Financial Evaluation (PFE) will follow the patient to the DaVita facility they are visiting.
3. Prior to scheduling the patient for treatment, the following fields must be completed:
 - a. First and last name;
 - b. Date of birth; and
 - c. Anticipated start date at DaVita.
4. Insurance information is required on all patients regardless of insurance type or coverage. The insurance information must include:
 - a. Insurance Company/Companies and phone number(s) (patient may have more than one type of insurance); and
 - b. Insurance Policy ID number (for each insurance).

5. The facility will then transmit the initial key information to the appropriate CBO/Registration Teammate as soon as notified of intent to treat a patient at a DaVita dialysis facility. The transmission of the additional information listed below will help complete the registration process.
 - a. Demographics;
 - b. Address, permanent and billing;
 - c. Social Security number;
 - i. Ethnicity;
 - ii. Emergency numbers;
 - iii. Provider information;
 - iv. Credentialed nephrologist;
 - v. Clinical Information;
 - vi. First Date of Dialysis (FDOD);
 - vii. Modality type;
 - viii. Primary diagnosis for dialysis;
 - ix. Primary cause for ESRD from CMS 2728 form;
 - x. Method (home patient supplies);
 - xi. Employed Status (required on patient, spouse, guardian or child) if there is an Employer Group Health Plan (EGHP). A Registration Teammate can unlock the Insurance Change Request (ICR) so the facility may complete this information. If the insurance subscriber is someone other than the patient, Registration Teammate will require the DOB of the subscriber;
 - xii. Date(s) of previous transplant(s), if applicable; and
 - xiii. MSP Form completed online in Registration System (if patient is Medicare eligible).
6. If the patient does not have a Social Security Number (SSN); please call Palms Customer Support at DaVita Laboratories @ 1-800-944-5227 to obtain a Reflab number. The Reflab number will be used by DaVita Laboratories and populated into Registration System.

7. Prior to the start of the first dialysis treatment, the patient or the patient's Personal Representative must sign, and have witnessed by a Registered Nurse, the Authorization for and Verification of Consent to Hemodialysis Procedure Form or the Authorization for and Verification of Consent to Peritoneal Dialysis Procedure Form.
8. The *Patient Authorization & Financial Responsibility (PAFR) Form* must be signed and dated by the patient or the patient's Personal Representative annually at each DaVita facility the patient is treated, and witnessed, prior to the start of the first dialysis treatment.
9. The facility will give the patient or the patient's Personal Representative DaVita's *Notice of Privacy Practices* (available on the HIPAA website on the VillageWeb). The HIPAA Notice Acknowledgement Form must be signed by the patient or the patient's Personal Representative or by a teammate prior to the start of the first dialysis treatment.
10. The patient/Personal Representative or a DaVita teammate must sign the Notice of Acknowledgement Form attesting that the patient received DaVita's *Notice of Privacy Practices*.
11. All additional forms, specific to the patient's modality, are to be signed prior to, or within 30 days of the first treatment.
12. The following documents must be scanned into Registration System prior to or within seven (7) days of the first treatment:
 - a. An insurance card for each insurance;
 - b. Insurance letter for Authorization/Referral if the insurance carrier requires an authorization; and
 - c. Two (2) forms of personal identification, in addition to the patient's insurance card, verifying the patient's legal name and current legal residence, one of which is a picture ID. Acceptable forms of personal identification may include:
 - i. Federal or state government issued identification such as:
 - A. Driver's license;
 - B. Voter's registration card;
 - C. Passport;
 - D. ID card;
 - E. Marriage certificate;

- F. Social Security card; or
- G. US military photo ID Card;
- ii. Divorce decree;
- iii. Credit card;
- iv. Utility bill;
- v. Pension statements;
- vi. Bank account and other financial asset records;
- vii. Property Deed;
- viii. Mortgage;
- ix. Lease Agreement;
- x. Auto registration;
- xi. Job paystub;
- xii. Letters from Social Security Office;
- xiii. US adoption papers;
- xiv. Court order for a legal name change signed by a judge or court clerk;
- xv. Library card;
- xvi. Grocery store rewards card; or
- xvii. For minors, school records such as school identification card, nursery or daycare records

13. If the patient, or Personal Representative on behalf of the patient, is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence, the teammate admitting the patient will follow the procedures set forth in the *Patient Identification and Verification Policy* (available on the Clinical P&P website in Volume 3 on the VillageWeb).

14. A signed CMS 2728 form must be completed, signed and scanned into Registration System within 45 days of the first treatment date. This is scanned into Registration System one (1) time only.

15. The dialysis facility will fax the following required documents to 1-888-720-4008 for electronic imaging:
- a. CMS 382 Beneficiary Selection (PD patients)-this is faxed one (1) time only or if modality changes and then is faxed in January;
 - b. Patient Authorization & Financial Responsibility Form (PAFR);
 - c. Authorization for and Verification of Consent to Hemodialysis Procedure Form;
 - d. Authorization for and Verification of Consent to Peritoneal Dialysis Procedure Form (if applicable);
 - e. Reuse Information Consent Form (if applicable);
 - f. Patient's Rights;
 - g. Patient's Responsibilities;
 - h. Patient's Standards of Conduct;
 - i. Patient Grievance Procedure;
 - j. Dialysis Emergency Form/Emergency Evacuation Acknowledgement (Hemodialysis patients);
 - k. Patient's Choice of Transportation; and/or
 - l. Caretaker Authorization.

16. The facility will file all original documents in the patient's medical record.

B. Visiting DaVita Patient Procedures:

1. The facility will verify that the documents and patient information for existing patients are current within the Registration System.
2. PAFR must be signed specific to the clinic being visited.
3. The home facility must setup a transfer record for a returning DaVita patient. This may be entered up to 30 days in advance.
4. The facility will transmit the required information to the corresponding CBO/Registration Teammate as soon as possible upon notification of a returning visiting patient.
5. ROPS registration teammate will verify all insurances and obtain authorization if needed to complete the registration process .

C. Registration Teammate Procedures:

1. Registration teammate will complete the system driven tasks generated from Registration System for the new patient to continue the patient intake process within 48 hours of receipt of patient information.
 - a. Registration teammate will complete one Benefits Verification Form (BVF) for each insurance.
 - b. Registration teammate will obtain authorization if required by the insurance carrier. If no authorization can be obtained, the Registration teammate Representative will update Registration System Notes and notify the Facility Administrator with the information.
 - c. Contact the facility for any additional information required to register the patient into Registration System.
 - d. Registration Teammate will respond to inquires made by the dialysis facility within a 24-hour period.

D. Exceptions to these Procedures:

1. The documentation requirement for visiting DaVita to DaVita patients may be waived by the facility administrator under specific conditions described here:
 - a. The referring physician has privileges at both the home and the visiting facility;
 - b. A transfer record has been created at least one hour before the patient arrives for treatment; and
 - c. The visiting facility has the resources and space to accept the patient for dialysis.
2. Under this exception, the visiting facility must have the patient sign:
 - a. *Patient Authorization & Financial Responsibility Form (PAFR); and*
 - b. *Authorization and Consent for Treatment (Hemodialysis / Peritoneal Dialysis)*

Teammates are expected to report possible violations of this policy and procedure. You may make your report to an appropriate DaVita manager, to the Corporate Compliance Hotline (1-888-458-5848 or DaVitaComplianceHotline.com) or to DaVita's Corporate Compliance Department (1-888-200-1041 x156037). DaVita has a Non-Retaliation policy and will not tolerate any form of retaliation against anyone who files a Compliance report in good faith. Reports can be made anonymously or you may request confidentiality. Questions regarding this policy should be directed to the QUESTIONline@davita.com.

May 18, 2011

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Admissions Policies

Dear Chairman Galassie:

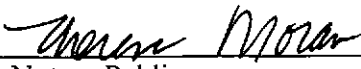
I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that the admissions policy for DSI Buffalo Grove, LLC d/b/a DSI Buffalo Grove Renal Center will not become more restrictive as a result of the proposed merger of DaVita, Inc. and DSI Renal, Inc.

Sincerely,



Kent J. Thiry
Chief Executive Officer
DaVita, Inc.

Subscribed and sworn to me
This 23 day of May, 2011



Notary Public



DaVita, Inc. Illinois Facilities

Facility	Address	City	Services	Number of Stations 3/31/2011	Average Utilization 04/01/2010 to 03/31/2011
Stonecrest Dialysis	1302 East State Street	Rockford	In-Center Hemo, CAPD	10	58.33%
Sycamore Dialysis	2200 Gateway Drive	Sycamore	In-Center Hemo, CAPD	12	72.22%
Churchview Dialysis	5970 Churchview Drive	East Rockford	In-Center Hemo, CAPD	24	55.73%
Freeport Dialysis Unit	1028 Kunkle Avenue	Freeport	In-Center Hemo	10	92.08%
Rockford Memorial Hospital	2400 North Rockton Avenue	Rockford	In-Center Hemo	20	86.04%
Whiteside Dialysis	2600 North Locust	Sterling	In-Center Hemo	15	66.67%
Dixon Kidney Center	1131 North Galena Avenue	Dixon	In-Center Hemo	8	52.60%
Roxbury Dialysis	612 Roxbury Road	Rockford	In-Center Hemo	16	91.15%
Jacksonville Dialysis	1515 West Walnut	Jacksonville	In-Center Hemo	14	65.77%
Lincoln Dialysis	2100 West 5th Street	Lincoln	In-Center Hemo	14	21.43%
Litchfield Dialysis	915 St. Francis Way	Litchfield	In-Center Hemo	11	65.15%
Springfield Central Dialysis	932 North Rutledge Street	Springfield	In-Center Hemo, CAPD, HDD	21	76.19%
Taylorville Dialysis	901 West Spreser	Taylorville	In-Center Hemo	10	50.42%
Springfield Montvale Dialysis	2930 Montvale Drive, Suite A	Springfield	In-Center Hemo	17	76.23%
Springfield South Dialysis	2930 South 6th Street	Springfield	In-Center Hemo, CAPD, HDD	12	N/A
Rushville Dialysis	Route 67 & Route 24, RR #1	Rushville	In-Center Hemo	7	52.98%
Pittsfield Dialysis	640 West Washington Street	Pittsfield	In-Center Hemo	5	22.50%
Adams County Dialysis	1005 Broadway	Quincy	In-Center Hemo, CAPD	17	49.51%
Macon County Dialysis	1016 West McKinley Avenue	Decatur	In-Center Hemo	21	61.90%
Mattoon Dialysis	200 Richmond Avenue, East	Mattoon	In-Center Hemo	16	45.05%
Decatur East Wood Dialysis	794 East Wood Street	Decatur	In-Center Hemo, CAPD, HDD	16	62.50%
Illini Renal Dialysis	507 E. University Avenue	Champaign	In-Center Hemo, CAPD, HDD	10	58.33%
Mount Vernon Dialysis	1800 Jefferson Avenue	Mount Vernon	In-Center Hemo, CAPD, HDD	16	57.81%
Marion II	324 South 4th Street	Marion	In-Center Hemo, CAPD, HDD	13	71.47%
Effingham Dialysis	904 Medical Park Drive, Suite #1	Effingham	In-Center Hemo, CAPD, HDD	16	52.34%
Benton Dialysis	1151 West Route #14	Benton	In-Center Hemo, CAPD, HDD	13	68.27%
Centralia Dialysis	1231 State Illinois Route 161 E.	Centralia	In-Center Hemo, CAPD	12	71.53%
Olney Dialysis Center	117 North Boone	Olney	In-Center Hemo	7	48.81%
Wayne County Dialysis	303 NW 11th Street	Fairfield	In-Center Hemo, CAPD	8	45.31%
Vandalia Dialysis	301 Mattes Road	Vandalia	In-Center Hemo, CAPD	8	36.46%
Robinson Dialysis	1215 North Allen Street	Robinson	In-Center Hemo	8	21.88%
Woodlawn Dialysis	1164 East 55th Street	Chicago	In-Center Hemo, CAPD, HDD	20	112.50%
Lincoln Park Dialysis	3155-57 N. Lincoln Avenue	Chicago	In-Center Hemo	22	80.11%
Emerald Dialysis	710 W 43rd Street	Chicago	In-Center Hemo, CAPD	24	87.67%
Logan Square Dialysis	2659 North Milwaukee Ave.	Chicago	In-Center Hemo	20	91.67%

188

DSI Renal Inc. Illinois Facilities					
Facility	Address	City	Services	Number of Stations 3/20/2011	Average Utilization '04/01/2010 to '03/31/2011
DSI Loop Renal Center	1101 South Canal Street	Chicago	In-Center Hemo, HHD	28	45.68%
DSI Scottsdale Renal Center	4651 West 79th Street, Suite 100	Chicago	In-Center Hemo, HHD	35	42.26%
DSI Evanston Renal Center	1715 Central Street	Evanston	In-Center Hemo	18	55.09%
DSI South Holland Renal Center	16136 South Park Avenue	South Holland	In-Center Hemo	20	92.29%
DSI Markham Renal Center	3053-3055 West 159th Street	Markham	In-Center Hemo	24	72.57%
DSI Hazel Crest Renal Center	3470 West 183rd Street	Hazel Crest	In-Center Hemo	17	87.50%
DSI Arlington Heights Renal Center	17 West Golf Road	Arlington Heights	In-Center Hemo	18	58.10%
DSI Buffalo Grove Renal Center	1291 W. Dundee Road	Buffalo Grove	In-Center Hemo	16	70.31%
DSI Schaumburg Renal Center	Town Center, NW Corner	Schaumburg	In-Center Hemo, HHD	14	86.61%
DSI Waukegan Renal Center	1616 North Grand Avenue	Waukegan	In-Center Hemo, HHD	22	75.95%

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(d), Health Care System

1. Impact on Other Area Providers

There will be no change in the scope of services as a result of the merger of DaVita, Inc. with DSI Renal, Inc. DaVita intends to continue to provide dialysis services to patients in the City of Chicago and surrounding areas through the existing facilities. All anticipated changes will be operational to align the DSI facilities with the operations and resources available within DaVita and which are customary for all DaVita facilities. The merger will not impact other unaffiliated area dialysis facilities as the transaction consists of a change of control of the operating entity.

2. Facilities within Applicant's Health Care System

A list of all DaVita and DSI facilities in Illinois is attached at Attachment 19-D. The list includes the name, address, number of stations, list of services, and utilization for the most recent 12 month period.

3. Present and Proposed Referral Agreements

There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

4. Time and Distance for Proposed Referrals

There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

5. Use of Care System Providers

The change of control of the operating entity will have no impact on area in-center hemodialysis facilities. The change of control will not restrict the use of other area health care providers and the DaVita facilities, including the integrated DSI facilities, will have open medical staffs and admit patients pursuant to a non-discriminatory admission policy.

6. Duplication of Services

The proposed transaction contemplates a change in control of the ultimate parent of the operating entity, DSI Renal, Inc. The proposed transaction will involve the transfer of 106 existing in-center hemodialysis facilities to DaVita, including 10 facilities in Illinois. Because the proposed transaction involves the transfer of existing in-center hemodialysis facilities, there will be no duplication of services.

7. Services Not Available to the Community

DaVita will continue to provide dialysis services currently provided in the DSI facilities, including in-center hemodialysis, peritoneal dialysis (CAPD and CCPD), and home hemodialysis. No new services are planned for the acquired DSI facilities; however, as new treatment options and technology evolve, DaVita will implement new treatment modalities as warranted.

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

Included as a supplement to this application is a copy of DaVita's December 31, 2010 10-K Statement, which includes audited financial statements, evidencing sufficient funds to finance the project.

Section IX, Financial Feasibility
Criterion 1120.130 – Financial Viability Waiver

The project will be funded with \$9,813,647 in cash. A copy of DaVita's most recent 10-K Statement, which includes audited financial statements, evidencing sufficient funds to finance the project is included as a supplement to this application.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment 42-A is a letter from Kent J. Thiry, Chief Executive Officer of DaVita, Inc. attesting the total estimated project costs will be funded in total with cash.

May 18, 2011

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Chairman Galassie:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total with cash and cash equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation.

Sincerely,



Kent J. Thiry
Chief Executive Officer
DaVita, Inc.

Subscribed and sworn to me
This 23 day of May, 2011



Notary Public



Section X, Economic Feasibility Review Criteria
Criterion 1120.140(b), Conditions of Debt Financing

The project will be funded entirely with cash. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(c), Reasonableness of Project and Related Costs

The Applicants propose a change of control of the operating entity, DSI Buffalo Grove, LLC. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(d), Projected Operating Costs

Operating Expenses: \$1,902,295

Treatments: 9,503

Operating Expense per Treatment: \$200.18

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(e), Total Effect of Project on Capital Costs

Capital Costs: \$271,566

Treatments: 9,503

Capital Costs per Treatment: \$28.58

Section XI, Safety Net Impact Statement

The Applicants propose a change of control of the operating entity of DSI Buffalo Grove Renal Center, DSI Buffalo Grove, LLC. A change of control constitutes a non-substantive project. Accordingly, this criterion is not applicable.

Section XII, Charity Care Information

The table below provides charity care information for all dialysis facilities located in the State of Illinois that are owned or operated by the Applicants.

CHARITY CARE			
	2008	2009	2010
Net Patient Revenue	\$157,223,604	\$166,573,387	\$174,373,288
Amount of Charity Care (charges)	\$297,508	\$575,803	\$957,867
Cost of Charity Care	\$297,508	\$575,803	\$957,867

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	20-22
2	Site Ownership	23-136
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	138
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	139-141
5	Flood Plain Requirements	142
6	Historic Preservation Act Requirements	143
7	Project and Sources of Funds Itemization	
8	Obligation Document if required	
9	Cost Space Requirements	144
10	Discontinuation	
11	Background of the Applicant	145-162
12	Purpose of the Project	1163-1168
13	Alternatives to the Project	1166-1167
14	Size of the Project	
15	Project Service Utilization	
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	1168-190
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	
27	Non-Hospital Based Ambulatory Surgery	
28	General Long Term Care	
29	Specialized Long Term Care	
30	Selected Organ Transplantation	
31	Kidney Transplantation	
32	Subacute Care Hospital Model	
33	Post Surgical Recovery Care Center	
34	Children's Community-Based Health Care Center	
35	Community-Based Residential Rehabilitation Center	
36	Long Term Acute Care Hospital	
37	Clinical Service Areas Other than Categories of Service	
38	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	
39	Availability of Funds	191
40	Financial Waiver	192
41	Financial Viability	
42	Economic Feasibility	193-198
43	Safety Net Impact Statement	199
44	Charity Care Information	200