

ORIGINAL

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT July 2013 Edition

ORIGINAL

15-035

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

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

JUL 23 2015

This Section must be completed for all projects.

Facility/Project Identification

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility Name: Montgomery County Dialysis		
Street Address: 1822 Senator Miller Drive		
City and Zip Code: Hillsboro, IL 62049		
County: Montgomery	Health Service Area: 3	Health Planning Area: 3

Applicant /Co-Applicant Identification

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

Exact Legal Name: DaVita HealthCare Partners Inc.	
Address: 2000 16 th Street, Denver, CO 80202	
Name of Registered Agent: Illinois Corporation Service Company	
Name of Chief Executive Officer: Kent Thiry	
CEO Address: 2000 16 th Street, Denver, CO 80202	
Telephone Number: (303) 405-2100	

Type of Ownership of Applicant/Co-Applicant

☐ Non-profit Corporation	☐ Partnership
☒ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship
☐ Other	

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- 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]

Name: Tim Tincknell
Title: Administrator
Company Name: DaVita HealthCare Partners Inc.
Address: 1333 North Kingsbury Street, Suite 305 Chicago, Illinois 60642
Telephone Number: 312-649-9289
E-mail Address: timothy.tincknell@davita.com
Fax Number: 866-586-3214

Additional Contact

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

Name: Cindy Emley
Title: Regional Operations Director
Company Name: DaVita HealthCare Partners Inc.
Address: 2930 South Montvale Dr., Suite A, Springfield, IL 62704
Telephone Number: 217-547-1229
E-mail Address: Cindy.Emley@davita.com
Fax Number: 866.620.0543

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: Montgomery County Dialysis		
Street Address: 1822 Senator Miller Drive		
City and Zip Code: Hillsboro, IL 62049		
County: Montgomery	Health Service Area: 3	Health Planning Area: 3

Applicant /Co-Applicant Identification

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

Exact Legal Name: Total Renal Care Inc.	
Address: 2000 16 th Street, Denver, CO 80202	
Name of Registered Agent: Illinois Corporation Service Company	
Name of Chief Executive Officer: Kent Thiry	
CEO Address: 2000 16 th Street, Denver, CO 80202	
Telephone Number: (303) 405-2100	

Type of Ownership of Applicant/Co-Applicant

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Additional Contact

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

Name: Cindy Emley
Title: Regional Operations Director
Company Name: DaVita HealthCare Partners Inc.
Address: 2930 South Montvale Drive, Suite A, Springfield, IL 62704
Telephone Number: 8217-547-1229
E-mail Address: Cindy.Emley@davita.com
Fax Number: 866.620.0543

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: Charles Sheets
Title: Attorney
Company Name: Polsinelli PC
Address: 161 North Clark Street, Suite 4200, Chicago, Illinois 60601
Telephone Number: 312-873-3605
E-mail Address: csheets@polsinelli.com
Fax Number: 312-873-3793

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Palestra Properties, Inc.
Address of Site Owner: 808 Montparnasse Place, Newton, PA 19073
Street Address or Legal Description of Site: 1822 Senator Miller Drive, Hillsboro, IL 62049
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: Total Renal Care Inc.	
Address: 2000 16 th Street, Denver, CO 80202	
☐ Non-profit Corporation ☒ For-profit Corporation ☐ Limited Liability Company	☐ Partnership ☐ Governmental ☐ Sole Proprietorship
☐ Other	
- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - 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. 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

[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

[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

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.

DaVita HealthCare Partners Inc. and Total Renal Care Inc. (collectively, the "Applicants" or "DaVita") seek authority from the Illinois Health Facilities and Services Review Board (the "State Board") to establish an 8-station dialysis facility located at 1822 Senator Miller Drive, Hillsboro, Illinois 62049. The proposed dialysis facility will include a total of 3,978 gross square feet of clinical space, 708 gross square feet of non-clinical space for a total of 4,686 gross rentable square feet.

This project has been classified as substantive because it involves the establishment of a health care facility.

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	\$735,000	\$130,800	\$865,800
Modernization Contracts			
Contingencies	\$73,500	\$13,000	\$86,500
Architectural/Engineering Fees	\$70,000	\$12,000	\$82,000
Consulting and Other Fees	\$65,000	\$15,000	\$80,000
Movable or Other Equipment (not in construction contracts)	\$351,130	\$65,917	\$417,047
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$696,829	\$124,021	\$820,850
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$1,991,459	\$360,738	\$2,352,197
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	CLINICAL
Cash and Securities	\$1,294,630	\$236,717	\$1,531,347
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$696,829	\$124,021	\$820,850
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$1,991,459	\$360,738	\$2,352,197
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 \$ <u>549,234</u> .

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings:
☐ None or not applicable ☒ Schematics ☐ Preliminary ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): April 30, 2017
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
☐ APORS
☒ 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							
MRI							
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

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:

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

This Application for Permit is filed on the behalf of DaVita HealthCare Partners 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.

SIGNATURE

Arturo Sida

PRINTED NAME

Assistant Corporate Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

SIGNATURE

Michael D. Staffieri

PRINTED NAME

Chief Operating Officer, Kidney Care

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 16 day of April

Signature of Notary

Seal

*Insert EXACT legal name of the applicant



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On April 15, 2015 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

personally appeared ** Arturo Sida **

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kimberly Ann K. Burgo
Signature



OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Certification re CON Application (Montgomery County Dialysis)

Document Date: April 15, 2015 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☒ Other: Assistant Corporate Secretary

SIGNER IS REPRESENTING: Name of Person or Entity DaVita HealthCare Partners Inc.

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
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Arturo Sida

PRINTED NAME

Assistant Corporate Secretary

PRINTED TITLE

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this ____ day of ____

Signature of Notary

Seal

SIGNATURE

Michael D. Staffieri

PRINTED NAME

Chief Operating Officer, Kidney Care

PRINTED TITLE

Notarization:

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this 16 day of April

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Seal



*Insert EXACT legal name of the applicant

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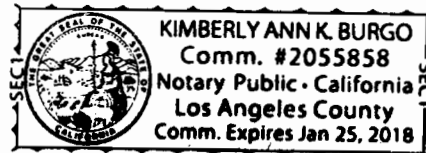
personally appeared ** Arturo Sida **

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kimberly Ann K. Burgo
Signature



OPTIONAL INFORMATION

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Document Date: April 15, 2015 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s): _____

☐ Individual

☒ Corporate Officer

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☒ Other: Assistant Secretary

SIGNER IS REPRESENTING: Name of Person or Entity Total Renal Care, Inc.

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 Board 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 IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

G. Criterion 1110.1430 - In-Center Hemodialysis

1. Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
2. Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
☒ In-Center Hemodialysis	0	8

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X

APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

4. Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1110.130 - "Discontinuation" and subsection 1110.1430(i) - "Relocation of Facilities".

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:**

<u>\$1,531,347</u>	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;
<u>\$820,850</u> (FMV of Lease)	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.
\$2,352,197	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT-36, 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. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. 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
4. 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-37, 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 38, 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 39, 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 40**, 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 41**, 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 HealthCare Partners Inc. and Total Renal Care Inc (collectively, the "Applicants" or "DaVita") are attached at Attachment – 1. Total Renal Care Inc. will be the operator of Montgomery County Dialysis. Montgomery County Dialysis is a trade name of Total Renal Care Inc. and is not separately organized. As the person with final control over the operator, DaVita HealthCare Partners Inc. is named as an applicant for this CON application. DaVita HealthCare Partners Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita HealthCare Partners 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 HEALTHCARE PARTNERS 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 FIFTEENTH DAY OF JULY, A.D. 2014.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DAVITA HEALTHCARE PARTNERS 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.

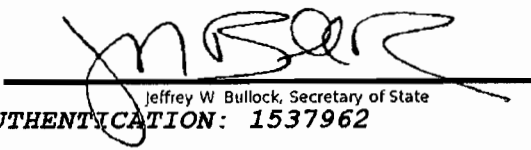
AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

2391269 8300

140958293

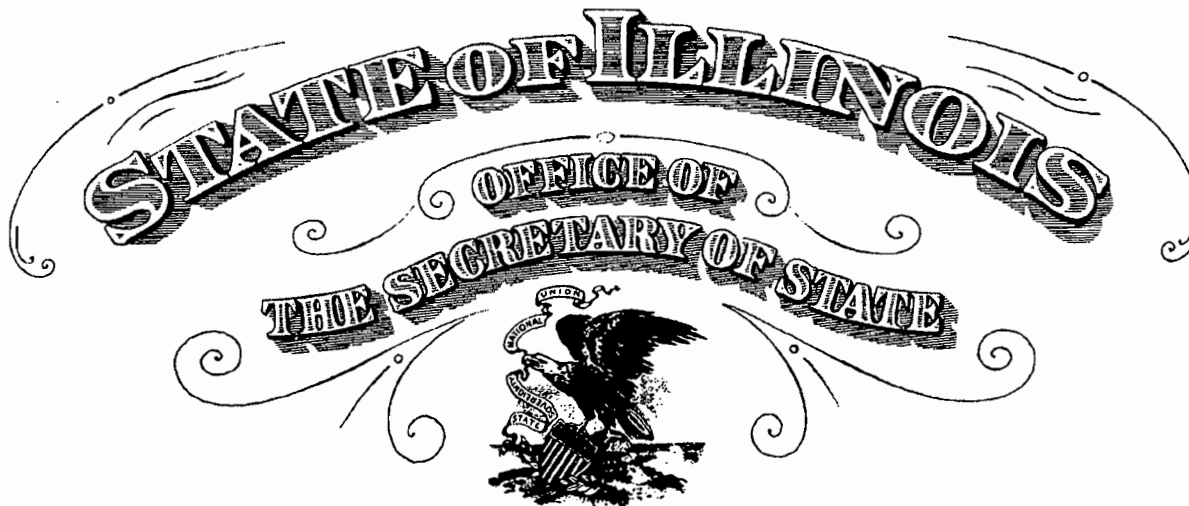
You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1537962

DATE: 07-15-14

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

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1409000508

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 31ST day of MARCH A.D. 2014 .

Jesse White

SECRETARY OF STATE

ATTACHMENT - 1

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

The letter of intent between Palestra Properties, Inc. and Total Renal Care Inc. to lease the facility located at 1822 Senator Miller Dr., Hillsboro, Illinois 62049 is attached at Attachment – 2.



JOHNSON CONTROLS REAL ESTATE SERVICES INC.

A JOHNSON CONTROLS COMPANY

June 26, 2015

Mr. Vince Curran
Palestra Real Estate Partners, Inc.
808 Montparnasse Place
Newtown Square, PA 19073

RE: LOI – 1822 Senator Miller Dr, Hillsboro, IL 62049

Dear Vince:

Johnson Controls Real Estate Services, Inc. ("JCP") has been exclusively authorized by Total Renal Care, Inc – a subsidiary of DaVita HealthCare Partners, Inc. ("DaVita") to assist in securing a lease requirement. DaVita is a Fortune 500 company with approximately 2,000 locations across the US and revenues of approximately \$11.5 billion.

Below is the proposal outlining the terms and conditions wherein the Tenant is willing to lease the subject premises:

<u>PREMISES:</u>	1822 Senator Miller Dr, Hillsboro, IL 62049 <i>Lot 1 Miller Place S13 T8 R4</i>
<u>TENANT:</u>	Total Renal Care, Inc. or related entity to be named
<u>LANDLORD:</u>	Palestra Properties, Inc or to be formed investment LLC
<u>SPACE REQUIREMENTS:</u>	Requirement is for approximately 4,686 SF of contiguous rentable square feet. Tenant shall have the right to measure space based on most recent BOMA standards.
<u>PRIMARY TERM:</u>	Fifteen (15) years
<u>BASE RENT:</u>	\$19.00 psf NNN Y1-Y5; \$20.90 psf NNN Y6-Y10; \$22.99 psf NNN Y11-Y15.
<u>ADDITIONAL EXPENSES:</u>	<i>Please provide an estimated annual cost per square foot for any and all additional operating expenses for which the Tenant will be responsible for paying including Taxes, Insurance and CAM.</i> All utilities separately metered to Tenant and Tenant responsibility. Estimated to be \$5.00 psf. Landlord to limit the controllable operating expense costs to \$5.00 psf in the first full lease year and no greater than 3% increases annually thereafter.
<u>LANDLORD'S MAINTENANCE:</u>	Landlord, at its sole cost and expense, shall be responsible for the structural and capitalized items (treated per GAAP standards) for the Property.

**POSSESSION AND
RENT COMMENCEMENT:**

Landlord shall deliver Possession of the Premises to the Tenant upon the later of completion of Landlord's required work (if any), mutual lease execution, waiver of CON contingency, or Landlord closing on the property, to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable. Rent Commencement shall be the earlier of seven (7) months from Possession or the date each of the following conditions have occurred:

- a. Construction improvements within the Premises have been completed in accordance with the final construction documents (except for nominal punch list items); and
- b. A certificate of occupancy for the Premises has been obtained from the city or county; and
- c. Tenant has obtained all necessary licenses and permits to operate its business.

DUE DILLIGENCE:

Tenant shall have the right to obtain Tenant's executive committee approval within 90 days following Lease execution. If Tenant does not receive executive committee approval during such 90 day period, Tenant may elect to terminate the Lease by written notice given not later than the 90th day following lease execution.

LEASE FORM:

Similar to prior Whitehall, PA base lease form where applicable.

USE:

The operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Tenant and related office and administrative uses or for any other lawful purpose.

PARKING:

Tenant shall receive a minimum of four (4) non-exclusive stalls per 1,000 rsf, and two (2) handicapped stalls or such greater number as is required by applicable law or regulation to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

BASE BUILDING:

Tenant shall take possession of the premises in its "as is" condition to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

Premises shall be broom clean and ready for interior improvements by Tenant; free and clear of any components, asbestos or material that is in violation of any EPA standards of acceptance and local hazardous material jurisdiction standards.

TENANT IMPROVEMENTS:

Landlord will provide a \$275,000 allowance to be used to demise the premises and provide the base building improvements as outlined in Schedule A. Any unused base building allowance can be used towards Tenant's tenant improvements.

OPTION TO RENEW:

Tenant desires three, five-year options to renew the lease. Option rent shall be increased by 10% after Year 15 of the initial term and following each successive

five-year option period to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

**RIGHT OF FIRST OPPORTUNITY
ON ADJACENT SPACE:**

Tenant shall have the on-going right of first opportunity on any adjacent space that may become available during the initial term of the lease and any extension thereof, under the same terms and conditions of Tenant's existing lease.

**FAILURE TO DELIVER
PREMISES:**

If Landlord has not delivered the premises to Tenant by 90 days from the later of lease execution, waiver of CON contingency, or Landlord closing on property, Tenant may elect to a) terminate the lease by written notice to Landlord or b) elect to receive one day of rent abatement for every day of delay beyond the 90 day delivery period.

HOLDING OVER:

Tenant shall be obligated to pay 110% for the then current rate to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

TENANT SIGNAGE:

Tenant shall have the right to install building, monument and pylon signage at the Premises, subject to compliance with all applicable laws and regulations and per Section 29 of Schedule A. Landlord, at Landlord's expense, will furnish Tenant with any standard building directory signage.

BUILDING HOURS:

Tenant requires building hours of 24 hours a day, seven days a week.

SUBLEASE/ASSIGNMENT:

Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita, Inc. without the consent of the Landlord, or to unrelated entities with Landlord reasonable approval to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

ROOF RIGHTS:

Tenant shall have the right to place a satellite dish on the roof at no additional fee.

NON COMPETE:

Landlord agrees not to lease space to another dialysis provider within a five mile radius of the Premises.

HVAC:

Existing units in as-is condition.

DELIVERIES:

Delivery method to be determined.

OTHER CONCESSIONS:

None.

**GOVERNMENTAL
COMPLIANCE:**

After the initial improvements to demises and built out the Premises as a dialysis facility, Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s).

CERTIFICATE OF NEED:

Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to seven (7) months from the latter of an executed LOI or subsequent filing date. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenant a CON permit to establish a dialysis center on the Premises within seven (7) months from the latter of an executed LOI or subsequent filing date, neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent.

BROKERAGE FEE:

Landlord recognizes as the Tenant's sole representative Johnson Controls Real Estate Services, Inc. and shall pay a brokerage fee equal to two-percent (2%) of the aggregate net rental value of the first ten (10) years of the lease term, 50% shall be due upon the later of lease execution, waiver of CON contingency, or Landlord closing on the property, and 50% shall be due upon occupancy. The Tenant shall retain the right to offset rent for failure to pay the brokerage fee.

PLANS:

Floorplan is attached.

CONTINGENCIES:

This proposal and timing is subject to all necessary governmental, city and adjoining landowner approval.

In the event the Tenant is not successful in obtaining all necessary approvals including, but not limited to, zoning and use, prior to Landlord's closing on the Property, the Tenant shall have the right, but not the obligation to terminate the lease.

This proposal is subject to the Landlord securing and closing on the subject parcel.

Please submit your response to this LOI via e-mail to: Matt.Gramlich@jci.com. It should be understood that this LOI is subject to the terms of Exhibit A attached hereto. The information in this email is confidential and may be legally privileged. It is intended solely for the addressee. Access to this information by anyone but addressee is unauthorized. Thank you for your time and consideration to partner with DaVita.

Sincerely,

Matthew J. Gramlich

Cc: DaVita Team Genesis Real Estate, DaVita Regional Operational Leadership, JCI

SIGNATURE PAGE

LETTER OF INTENT:

1822 Senator Miller Dr, Hillsboro, IL 62049

AGREED TO AND ACCEPTED THIS 30 DAY OF JUNE 2015

By: Mary Anderson

On behalf of Total Renal Care, a wholly owned subsidiary of DaVita Healthcare Partners, Inc.

("Tenant")

AGREED TO AND ACCEPTED THIS 28th DAY OF JUNE 2015

By: 5765 VANCE LLC, its Assigns or NOMINEES

Vance - Auth Member
("Landlord")

EXHIBIT A

NON-BINDING NOTICE

NOTICE: THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT ARE AN EXPRESSION OF THE PARTIES' INTEREST ONLY. SAID PROVISIONS TAKEN TOGETHER OR SEPERATELY ARE NEITHER AN OFFER WHICH BY AN "ACCEPTANCE" CAN BECOME A CONTRACT, NOR A CONTRACT. BY ISSUING THIS LETTER OF INTENT NEITHER TENANT NOR LANDLORD (OR JCI) SHALL BE BOUND TO ENTER INTO ANY (GOOD FAITH OR OTHERWISE) NEGOTIATIONS OF ANY KIND WHATSOEVER. TENANT RESERVES THE RIGHT TO NEGOTIATE WITH OTHER PARTIES. NEITHER TENANT, LANDLORD NOR JCI INTENDS ON THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT TO BE BINDING IN ANY MANNER, AS THE ANALYSIS FOR AN ACCEPTABLE TRANSACTION WILL INVOLVE ADDITIONAL MATTERS NOT ADDRESSED IN THIS LETTER, INCLUDING, WITHOUT LIMITATION, THE TERMS OF ANY COMPETING PROJECTS, OVERALL ECONOMIC AND LIABILITY PROVISIONS CONTAINED IN ANY LEASE DOCUMENT AND INTERNAL APPROVAL PROCESSES AND PROCEDURES. THE PARTIES UNDERSTAND AND AGREE THAT A CONTRACT WITH RESPECT TO THE PROVISIONS IN THIS LETTER OF INTENT WILL NOT EXIST UNLESS AND UNTIL THE PARTIES HAVE EXECUTED A FORMAL, WRITTEN LEASE AGREEMENT APPROVED IN WRITING BY THEIR RESPECTIVE COUNSEL. JCI IS ACTING SOLELY IN THE CAPACITY OF SOLICITING, PROVIDING AND RECEIVING INFORMATION AND PROPOSALS AND NEGOTIATING THE SAME ON BEHALF OF OUR CLIENTS. UNDER NO CIRCUMSTANCES WHATSOEVER DOES JCI HAVE ANY AUTHORITY TO BIND OUR CLIENTS TO ANY ITEM, TERM OR COMBINATION OF TERMS CONTAINED HEREIN. THIS LETTER OF INTENT IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER TERMS; ANY SPECIAL CONDITIONS IMPOSED BY OUR CLIENTS; AND WITHDRAWAL WITHOUT NOTICE. WE RESERVE THE RIGHT TO CONTINUE SIMULTANEOUS NEGOTIATIONS WITH OTHER PARTIES ON BEHALF OF OUR CLIENT. NO PARTY SHALL HAVE ANY LEGAL RIGHTS OR OBLIGATIONS WITH RESPECT TO ANY OTHER PARTY, AND NO PARTY SHOULD TAKE ANY ACTION OR FAIL TO TAKE ANY ACTION IN DETRIMENTAL RELIANCE ON THIS OR ANY OTHER DOCUMENT OR COMMUNICATION UNTIL AND UNLESS A DEFINITIVE WRITTEN LEASE AGREEMENT IS PREPARED AND SIGNED BY TENANT AND LANDLORD



**[OPTION 2: FOR EXISTING BUILDING]
[SUBJECT TO MODIFICATION BASED ON INPUT FROM TENANT'S PROJECT MANAGER WITH RESPECT TO
EACH CENTER PROJECT]**

SCHEDULE A - TO WORK LETTER

MINIMUM BASE BUILDING IMPROVEMENT REQUIREMENTS

(Note: Sections with an Asterisk (*) have specific requirements for 1.1.2 in California and other select States – see end of document for changes to that section)

Any MBBI work completed by the Landlord will need to be coordinated and approved by the Tenant and their Consultants prior to any work being completed, including shop drawings and submittals reviews.

1.0 - Building Codes & Design *

All Minimum Base Building Improvements (MBBI) are to be performed in accordance with all local, state, and federal building codes including any related amendments, fire and life safety codes, barrier-free regulations, energy codes State Department of Public Health, and other applicable and codes as it pertains to Dialysis. All Landlord's work will have Governmental Authorities Having Jurisdiction ("GAHJ") approved architectural and engineering (Mechanical, Plumbing, Electrical, Structural, Civil, Environmental) plans and specifications prepared by a licensed architect and engineer.

Tenant shall have full control over the selection of the General Contractor for the tenant improvement work.

2.0 - Zoning & Permitting

Building and premises must be zoned to perform services as a dialysis clinic without the need for special-use approval by the AHJ. Landlord to provide all Zoning information related to the base building. Any new Zoning changes/variances necessary for use of the premises as a dialysis clinic shall be the responsibility of the Tenant with the assistance of the Landlord to secure Zoning change/variance. Permitting of the interior construction of the space will be by the Tenant.

3.0 - Common Areas

Tenant will have access and use of all common areas i.e. Lobbies Hallways, Corridors, Restrooms, Stairwells, Utility Rooms, Roof Access, Emergency Access Points and Elevators. All common areas must be code and ADA compliant (Life Safety, ADA, etc.) per current federal, state and local code requirements.

4.0 - Demolition

Landlord will be responsible for demolition of all interior partitions, doors and frames, plumbing, electrical, mechanical systems (other than what is designated for reuse by Tenant) and finishes of the existing building from slab to roof deck to create a "Vanilla box" condition. Space shall be broom clean and ready for interior improvements specific to the buildout of a dialysis facility. Building to be free and clear of any components, asbestos or material that is in violation of any EPA standards of acceptance and local hazardous material jurisdiction standards.

5.0 - Foundation and Floor *

Existing Foundations and Slab on Grade in Tenant space must be free of cracks and settlement issues. Any cracks and settlement issues evident at any time prior commencement of tenant improvement work shall be subject to inspection by a Licensed Structural Engineer stating that such cracks and / or settlement issues are within limits of the structural integrity and performance anticipated for this concrete and reinforcement design for the term of the

lease. Landlord to confirm that the site does not contain expansive soils and to confirm the depth of the water table. Existing concrete slabs shall contain control joints and structural reinforcement.

All repairs will be done by Landlord at his cost and be done prior to Tenant acceptance of space for construction. Any issues with slab during Tenant construction will be brought up to Landlord attention and cost associated with slab issue to repair will be paid by Landlord.

Any slab replacement will be of the same thickness of the adjacent slab (or a minimum of 5") with a minimum concrete strength of 4,000-psi with wire or fiber mesh, and/or rebar reinforcement over 10mil vapor barrier and granular fill. Infill slab/trenches will be pinned to existing slab at 24" O.C. with # 4 bars or greater x 16" long or as designed per higher standards by Tenant's structural engineer depending on soils and existing slab condition.

Existing Concrete floor shall not have more than 3-lbs. of moisture per 1,000sf/24 hours is emitted per completed calcium chloride testing results. Means and methods to achieve this level will be sole responsibility of the Landlord.

6.0 - Structural *

Existing exterior walls, lintels, floor and roof framing shall remain as-is and be free of defects. Should any defects be found repairs will be made by Landlord at his cost. Any repairs will meet with current codes and approved by a Structural Engineer and Tenant.

Landlord shall supply Tenant (if available) structural engineering drawings of space

7.0 – Existing Exterior Walls

All exterior walls shall be in good shape and properly maintained. Any damaged drywall and or Insulation will be replaced by Landlord prior to Tenant taking possession.

It will be the Landlord's responsibility for all cost to bring exterior walls up to code before Tenant takes possession.

8.0 – Demising walls

New or Existing demising walls shall be a 1 or 2hr fire rated wall depending on local codes, state and or regulatory requirements (NFPA 101 – 2000) whichever is more stringent. If it does not meet this, Landlord will bring demising wall up to meet the ratings/UL requirements. Walls to be fire caulked in accordance with UL standards at floor and roof deck. Demising walls will have minimum 3-inch thick mineral wool sound attenuation batts from floor to underside of deck.

At Tenant's option and as agreed upon by Landlord, any new demising wall interior drywall to Tenant's space shall not be installed until after Tenant's improvements are complete in the wall.

9.0- Roof Covering *

The roof shall be properly sloped for drainage and flashed for proper water shed. The roof, roof drains and downspouts shall be properly maintained to guard against roof leaks and can properly drain. Landlord will provide Tenant the information on the Roof and Contractor holding warranty. Landlord to provide minimum of R30 roof insulation at roof deck. If the R30 value is not meet, Landlord to increase R-Value by having installed additional insulation to meet GAHJ requirements to the underside of the roof structure/deck.

Any new penetrations made during buildout will be at the Tenant's cost. Landlord shall grant Tenant that right to conceal or remove existing skylights as deemed appropriate by Tenant and their Consultants.

10.0 – Canopy *

Landlord shall allow Tenant to design and construct a canopy structure for patient arrival and if allowed local code.

11.0 – Waterproofing and Weatherproofing

Landlord shall provide complete water tight building shell inclusive but not limited to, Flashing and/or sealant around windows, doors, parapet walls, Mechanical / Plumbing / Electrical penetrations. Landlord shall properly seal the building's exterior walls, footings, slabs as required in high moisture conditions such as (including but not limited to) finish floor sub-grade, raised planters, and high water table. Landlord shall be responsible for replacing any damaged items and repairing any deficiencies exposed during / after construction of tenant improvement.

12.0 – Windows

Any single pane window systems must be replaced by Landlord with code compliant Energy efficient thermal pane windows with Low -E thermally broken aluminum frames. Broken, missing and/or damaged glass or frames will be replaced by Landlord. Landlord shall allow Tenant, at Tenant's discretion, to apply a translucent film to the existing windows (per manufactures recommendations) per Tenant's tenant improvement design.

13.0 – Thermal Insulation

Landlord to replace any missing and/or damaged wall or ceiling insulation with R-13, 19 or R30 insulation. Any new roof deck insulation is to be installed to the underside of the roof deck.

14.0 – Exterior Doors

All exterior doors shall meet all barrier-free requirements including but not limited to American Disabilities Act (ADA), Local Codes and State Department of Health requirements for egress. If not Landlord at his cost will need to bring them up to code, this will include installing push paddles and/or panic hardware or any other hardware for egress. Any missing weather stripping, damage to doors or frames will be repaired or replaced by Landlord.

Landlord will provide, if not already present, a front entrance and rear door to space. Should one not be present at each of the locations Landlord, to have them installed per the following criteria:

- Front/ Patient Entry Doors: Provide Storefront with insulated glass doors and Aluminum framing to be 42" width including push paddle/panic bar hardware, push button programmable lock, power assist opener, continuous hinge and lock mechanism.
- Service Doors: Provide 48" wide door (Alternates for approval by Tenant's Project Manager to include:
a) 60" or 72"-inch wide double doors (with 1 - 24" and 1 - 36" leaf or 2- 36" leaves), b) 60" Roll up door,) with 20 gauge insulated hollow metal , painted with rust inhibiting paint, Flush bolts, T astragal, heavy duty aluminum threshold, continuous hinge each leaf, door viewer (peep), panic bar hardware (if required by code), push button programmable lockset.

Any doors that are designated to be provided modified or prepared by Landlord; Landlord shall provide to Tenant, prior to door fabrication, submittals containing specification information, hardware and shop drawings for review and acceptance by Tenant and Tenant's architect.

15.0 – Utilities

All utilities to be provided at designated utility entrance points into the building at locations approved by the Tenant at a common location for access. Landlord is responsible for all tap/connection and impact fees for all new utilities required for a dialysis facility. All Utilities to be coordinated with Tenant's Architect.

16.0 – Plumbing *

Landlord to provide a building water service sized to support Tenant's potable water demand, building fire sprinkler water demand (if applicable), and other tenant water demand (if applicable). Final size to be determined by building potable and sprinkler water combined by means of the total building water demand based on code derived water supply fixture unit method and the building fire sprinkler water hydraulic calculations, per applicable codes and in accordance to municipality and regulatory standards. Landlord to provide a minimum potable water supply to support 30 (60) GPM with a constant 50 PSI water pressure, or as determined by Tenant's Engineer based on

Tenant's water demand. Maximum water pressure to Tenant space to not exceed 80 PSI, and where it does water supply to be provided with a pressure reducing valve. Landlord to provide Tenant with a current water flow test results (within current year) indicating pressure and flow, for Tenant's approval. Final location of new water service to be in Tenants space and determined by Tenant's Engineer.

Where suitable building water already exists, Landlord to provide Tenant with a potable water supply to meet the above minimum requirements. Water flow and pressure to Tenant's space to be unaffected by any other building water requirements such as other tenant water requirements or irrigation systems. Landlord to bring water to Tenant's space, leaving off with a valve and cap for Tenant extension per Tenant direction or Tenant design plans.

Potable water supply to be provided with water meter and two (2) reduced pressure zone (RPZ) backflow devices arranged in parallel for uninterrupted service and sized to support required GPM demand. Backflow devices to be provided with adequate drainage per code and local authority. Meter to be per municipality or water provider standards.

Any existing hose bibs will be in proper working condition prior to Tenants possession of space.

Building sanitary drain size will be determined by Tenant's Mech Engineer based on total combined drainage fixture units (DFU's) for entire building, but not less than 4 inch diameter. The drain shall be stubbed into the building per location coordinated by Tenant at an elevation no higher than 4 feet below finished floor elevation, to a maximum of 10 feet below finished floor elevation. (Coordinate actual depth and location with Tenant's Architect and Engineer.) Provide with a cleanout structure at building entry point. New sanitary building drain shall be properly pitched to accommodate Tenant's sanitary system design per Tenant's plumbing plans, and per applicable Plumbing Code(s). Lift station/sewage ejectors will not be permitted.

Sanitary drain to be stubbed into Tenant's space with a minimum invert level of 42 inches below finished slab. Sanitary drain to be sized based on the calculated drainage fixture unit (DFU) method in accordance to code for both the Tenant's DFU's combined with any other tenant DFU's sharing the drain however, in no case less than 4 inch diameter. Ejectors or lift stations are prohibited. Landlord to clean, power jet and televise existing sanitary drain and provide Tenant with a copy of results. Any drains displaying disrepair or improper pitch shall be corrected by Landlord prior to acceptance by Tenant. Where existing conditions are not met, Landlord to provide new sanitary drain to meet such requirements at Landlord's cost and include all relevant Sanitary District and local municipality permit, tap and other fees for such work.

Landlord to provide a plumbing vent no less than 4 inch diameter stubbed into Tenant's space as high as possible with an elevation no less than the bottom of the lowest structural element of the framing to the deck above. Where deck above is the roof, Landlord to provide roof termination and all required roof flashing and waterproofing. Plumbing roof terminations to maintain a minimum separation of 15 feet, or more if required by local code, from any mechanical rooftop equipment with fresh air intake. Where required separation does not exist, Landlord to relocate to be within compliance at Landlord's cost.

Sanitary sampling manhole if required by local municipality on new line.

Landlord to provide and pay for all tap fees related to new sanitary sewer and water services in accordance with local building and regulatory agencies.

17.0 - Fire Suppression and Alarm System

Fire Sprinkler Systems and building fire alarm control panel shall be maintained by Landlord. Landlord to provide pertinent information on systems for Tenant Engineers for design. Landlord to provide current vendor for system and monitoring company.

A Sprinkler system will be installed if required by AHJ or if required by Tenant. Any single story standalone building or that could expand to greater than 10,000 will require a sprinkler system. Landlord to provide cost, to

be included in lease rate, for the design and installation of a complete turnkey sprinkler system (less drops and heads in Tenant space) that meets all local building, fire prevention and life safety codes for the entire building. This system to be on a dedicated water line independent of Tenant's potable water line requirements. Landlord to include all municipal approved shop drawings, service drops and sprinkler heads at heights per Tenant's reflective ceiling plan, flow control switches wired and tested, alarms including wiring and an electrically/telephonically controlled fire alarm control panel connected to a monitoring systems for emergency dispatch.

18.0 – Electrical;

Service size to be determined by Tenant's engineer dependent on facility size and gas availability (400amp to 1,000amp service) 120/208 volt, 3 phase, 4 wire derived from a single metered source and consisting of dedicated CT cabinet per utility company standards feeding a distribution panel board in the Tenant's utility room (location to be per National Electrical Code (NEC) and coordinated with Tenant and their Architect) for Tenant's exclusive use in powering equipment, appliances, lighting, heating, cooling and miscellaneous use. Landlord's service provisions shall include utility metering, tenant service feeder, and distribution panel board with main and branch circuit breakers. Tenant will not accept multiple services to obtain the necessary capacity. Should this not be available Landlord to upgrade electrical service to meet the following criteria:

Provide new service (preferably underground) with a dedicated meter via a new CT cabinet per utility company standards. Service size to be determined by Tenant's engineer dependent on facility size and gas availability (400amp to 1,000amp service) 120/208 volt, 3 phase, 4 wire to a distribution panel board in the Tenant's utility room (location to be per NEC and coordinated with Tenant and their Architect) for Tenant's exclusive use in powering equipment, appliances, lighting, heating, cooling and miscellaneous use. Landlord's service provisions shall include transformer coordination with utility company, transformer pad and grounding, and underground conduit and wire sized for service inclusive of excavation, trenching and restoration, utility metering, distribution panel board with main and branch circuit breakers, and electrical service and building grounding per NEC.

Tenant's Engineer shall have the final approval on the electrical service size and location and the size and quantity of circuit breakers to be provided in the distribution panel board. If 480V power is supplied, Landlord to provide step down transformer to Tenant requirements above.

If combined service meter cannot be provided then Landlord shall provide written verification from Power Utility supplier stating multiple meters are allowed for use by the facility for the duration of the lease term.

If lease space is in a multi-tenant building then Landlord to provide meter center with service disconnecting means, service grounding per NEC, dedicated combination CT cabinet with disconnect for Tenant and distribution panel board per above.

Landlord will allow Tenant to have installed, at Tenant cost, Transfer Switch for temporary generator hook-up, or permanent generator.

Existing electrical raceway, wire, and cable extending through the Tenant's space but serving areas outside the Tenant's space shall be re-routed outside the Tenant's space and reconnected as required at the Landlord's cost.

Fire Alarm system shall be maintained and in good working order by Landlord prior to Tenant acceptance of space. Landlord to provide pertinent information on systems for Tenant's design. Landlord to provide current vendor for system and monitoring company. Landlord's Fire Alarm panel shall include supervision of fire suppression system(s) and connections to emergency dispatch or third party monitoring service in accordance with the local authority having jurisdiction. If lease space is in a multi-tenant building then Landlord to provide an empty conduit stub in Tenant space from Landlord's Fire Alarm panel. If Fire Alarm system is unable to accommodate Tenant requirements and/or FA system is not within applicable code compliance, Landlord to upgrade panel at Landlord's cost.

Fire Alarm system equipment shall be equipped for double detection activation if required.

19.0 - Gas Service

Existing Natural gas service at a minimum to have a 6" water column pressure and be able to supply 800,000-BTU's. Natural gas line shall be individually metered and sized per demand by Engineer.

20.0 - Mechanical /Heating Ventilation Air Conditioning *

Landlord to provide a detailed report from a HVAC company on all existing HVAC units i.e. age, CFM's, cooling capacity, service records etc. for review by Tenant. HVAC Units, components and equipment that Tenant intends to reuse shall be left in place 'as is' by Landlord. Landlord shall allow Tenant, at Tenant's discretion to remove, relocate, replace or modify existing unit(s) as needed to meet HVAC code requirements and design layout requirements.

If determined by Tenant that the units need to be replaced and or additional units are needed, Landlord will be responsible for the cost of the replacement/additional HVAC units, Tenant will complete the all work with the replacement/additional HVAC Units. Units replaced or added will meet the design requirements as stated below.

The criteria is as follows:

- | | | |
|--|---|---|
| <ul style="list-style-type: none">• Equipment to be Lennox RTU's• Supply air shall be provided to the Premises sufficient for cooling and ventilation at the rate of 275 to 325 square feet per ton to meet Tenant's demands for a dialysis facility and the base building Shell loads.• RTU Ductwork drops shall be concentric for air distribution until Tenant's General Contractor modifies distribution to align with Tenant's fit-out design criteria and layout and shall be extended 5' into the space for supply and return air. Extension of system beyond 5-feet shall be by Tenant's General Contractor.• System to be a fully ducted return air design and will be by Tenant's General Contractor for the interior fit-outAll ductwork to be externally lined except for the drops from the units.• Provide 100% enthalpy economizer• Units to include Power Exhaust | <ul style="list-style-type: none">• Control system must be capable of performing all items outlined in the Sequence of Operations specification section• RTU controller shall be compatible with a Building Management System using BACnet communication protocol.• Provide high efficiency inverter rated non-overloading motors• Provide 18" curbs, 36" in Northern areas with significant snow fall• Units to have disconnect and service outlet at unit• Units will include motorized dampers for OA, RA & EA• System shall be capable of providing 55deg supply air temperature when it is in the cooling mode | <ul style="list-style-type: none">• |
|--|---|---|

Equipment will be new and come with a full warranty on all parts including compressors (minimum of 5yrs) including labor. Work to include, but not limited to, the purchase of the units, installation, roof framing, mechanical curbs, flashings, gas & electrical hook-up, coordination with Building Management System supplier, temporary construction thermostats, start-up and commissioning. Anticipate minimum up to five (5) zones with programmable thermostat and or DDC controls (Note: The 5 zones of conditioning may be provided by individual constant volume RTU's, or by a VAV or VVT system of zone control with a single RTU). Tenant's engineer shall have the final approval on the sizes, tonnages, zoning, location and number of HVAC units based on Tenants' design criteria and local and state codes.

21.0 - Telephone

If in a multi-tenant building Landlord to provide a 1" conduit from Building Demark location to phone room location in Tenant space.

22.0 – Cable or Satellite TV

Tenant shall have the right to place a satellite dish on the roof and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee. Landlord shall reasonably cooperate and grant "right of access" with Tenant's satellite or cable provider to ensure there is no delay in acquiring such services.

23.0 - Handicap Accessibility *

Full compliance with ADA and all local jurisdictions' handicap requirements. Landlord shall comply with all ADA regulations affecting the Building and entrance to Tenant space including, but not limited to, the elevator, exterior and interior doors, concrete curb cuts, ramps and walk approaches to / from the parking lot, detectable warnings, parking lot striping for four (4) dedicated handicap stalls for a unit up to 20 station clinic and six (6) HC stalls for units over 20 stations inclusive of pavement markings and stall signs with current local provisions for handicap parking stalls, delivery areas and walkways.

Landlord shall provide pavement marking; curb ramp and accessible path of travel for a dedicated delivery access in the rear of the building. The delivery access shall link the path from the driveway paving to the designated Tenant delivery door and also link to the accessible path of travel.

24.0 - Generator

Landlord to allow a generator to be installed onsite if required by code or Tenant chooses to provide one.

25.0 – Existing Site Lighting

Landlord to provide adequate lighting per code and to illuminate all parking, pathways, for new and existing building access points. Parking lot lighting to be on a timer (and be programmed per Tenant business hours of operation) or photocell. Parking lot lighting shall be connected to and powered by Landlord house panel and equipped. If new lighting is provided it will need to be code compliant with a 90 minute battery back up at all access points.

26.0 – Exterior Building Lighting

Landlord to provide adequate lighting per code and to illuminate the building main and service entrance/exits with related sidewalks. Lighting shall be connected to and powered by Landlord house panel and equipped with a code compliant 90 minute battery back up at all access points.

27.0 – Parking Lot

Provide adequate amount of ADA curb cuts, handicap and standard parking stalls in accordance with dialysis use and overall building uses. Stalls to receive striping, lot to receive traffic directional arrows and concrete parking bumpers. Bumpers to be anchored in place onto the asphalt per stall layout.

28.0 – Refuse Enclosure *

If an area is not designated, Landlord to provide Refuse area for Tenant dumpsters. Landlord to provide a minimum 6" thick reinforced concrete pad approx. 100 to 150SF based and an 8' x 12' apron way to accommodate dumpster and vehicle weight. Enclosure to be provided as required by local codes.

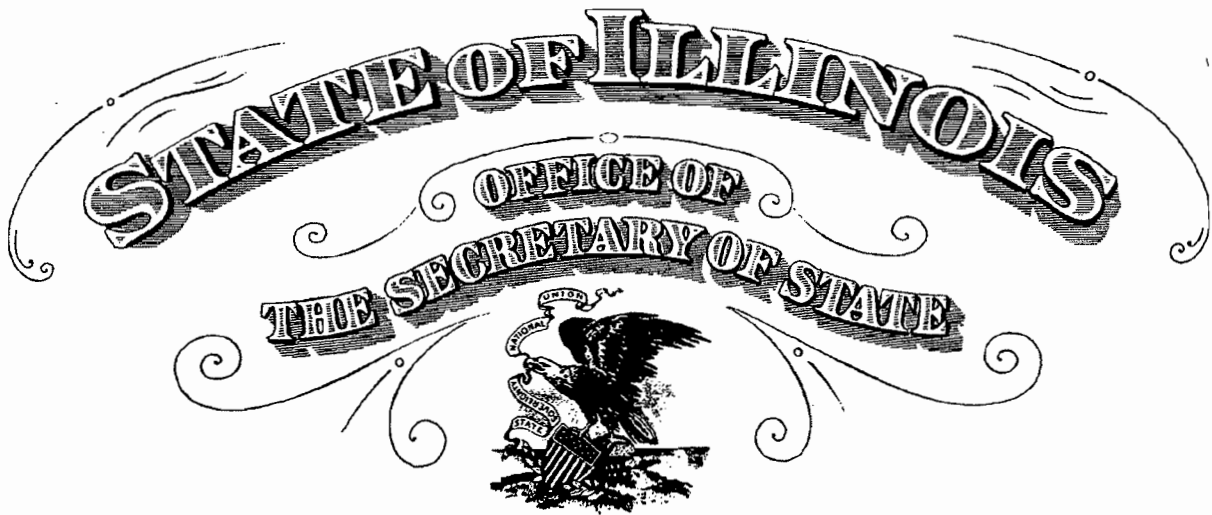
29.0 - Signage

Landlord to allow for an illuminated façade mounted sign and rights to add signage to existing Pylon/monument sign. Final sign layout to be approved by Tenant and the City.

Should Tenant request, Landlord to provide allowance of \$ 4,500 for an illuminated monument/pylon site sign with base and a \$ 7,000 allowance for a facade mounted sign which will include electrical to both. Final sign layout to be provided and approved by Tenant and City.

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

The Illinois Certificate of Good Standing for Total Renal Care Inc. 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

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1409000508

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 31ST
day of MARCH A.D. 2014 .

Jesse White

SECRETARY OF STATE

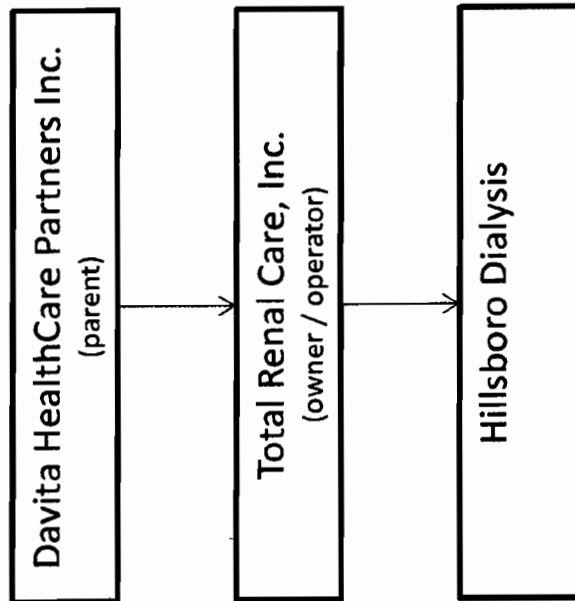
ATTACHMENT - 3

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

The organizational chart for DaVita HealthCare Partners Inc., Total Renal Care Inc., and Montgomery County Dialysis is attached at Attachment – 4.

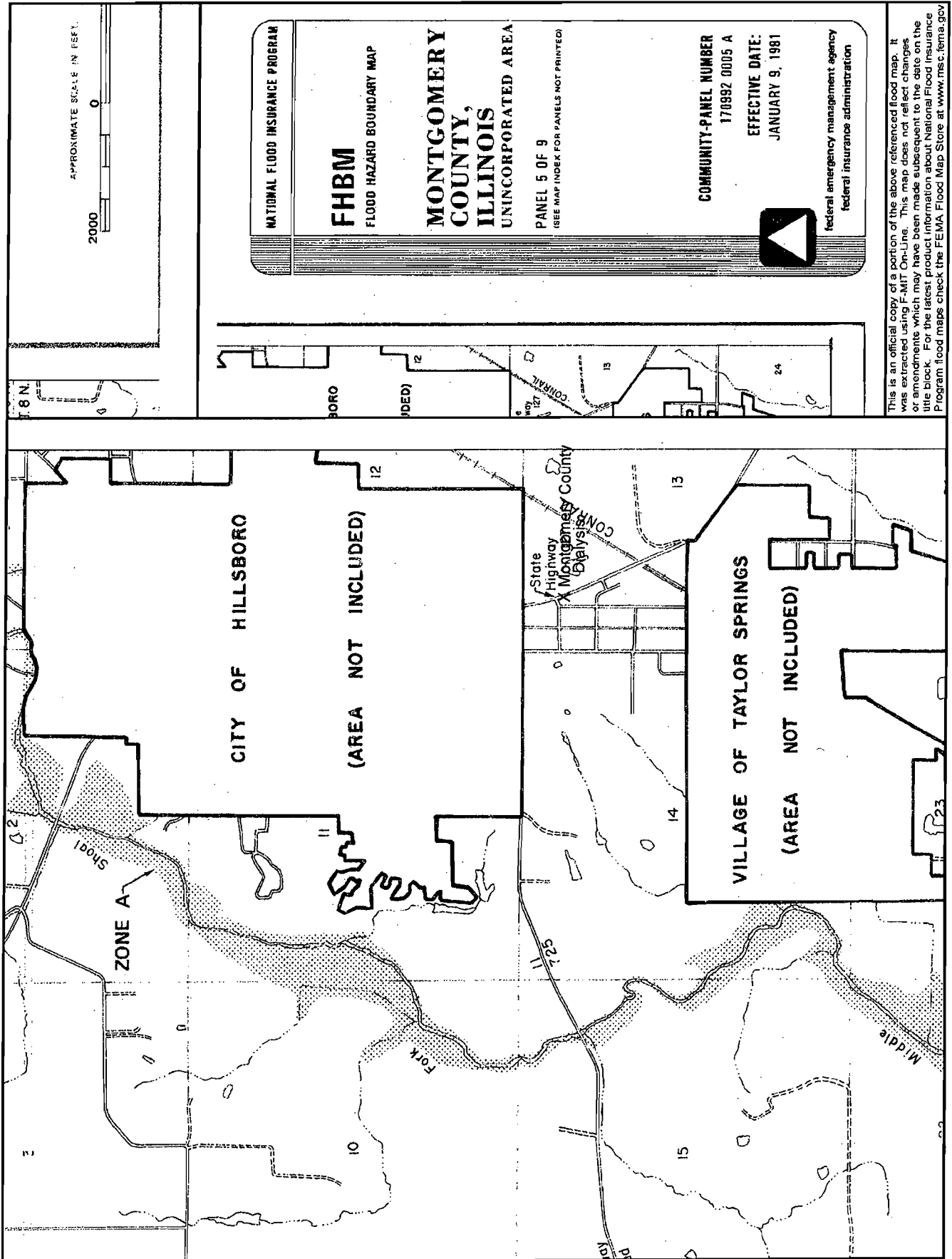
Organizational Structure

Hillsboro Dialysis



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

The site of the proposed dialysis facility complies with the requirements of Illinois Executive Order #2005-5. The proposed dialysis facility will be located at 1822 Senator Miller Dr., Hillsboro, Illinois 62049. As shown on the FEMA flood plain map attached at Attachment – 5, the site of the proposed dialysis facility is located outside of a flood plain.



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

The Historic Preservation Act determination from the Illinois Historic Preservation Agency is attached at Attachment – 6.



Illinois Historic Preservation Agency

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX (217) 524-7525

www.illinoishistory.gov

Montgomery County

Hillsboro

CON - Establish an 8-Station Dialysis Center

1822 Senator Miller Dr.

IHPA Log #022062615

July 8, 2015

Lynette Kelecich

Polsinelli

161 N. Clark St., Suite 4200

Chicago, IL 60601-3316

Dear Ms. Kelecich:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5031.

Sincerely,

Rachel Leibowitz, Ph.D.

Deputy State Historic

Preservation Officer

Section I, Identification, General Information, and Certification
Project Costs and Sources of Funds

Table 1120.110			
Project Cost	Clinical	Non-Clinical	Total
Modernization Contracts	\$735,000	\$130,800	\$865,800
Site Survey and Soil Investigation			
Contingencies	\$73,500	\$13,000	\$86,500
Architectural/Engineering Fees	\$70,000	\$12,000	\$82,000
Consulting and Other Fees	\$65,000	\$15,000	\$80,000
Moveable and Other Equipment			
Communications	\$70,500		\$70,500
Water Treatment	\$114,925		\$114,925
Bio-Medical Equipment	\$10,485		\$10,485
Clinical Equipment	\$142,480		\$142,480
Clinical Furniture/Fixtures	\$12,740		\$12,740
Lounge Furniture/Fixtures		\$3,065	\$3,065
Storage Furniture/Fixtures		\$4,487	\$4,487
Business Office Fixtures		\$25,265	\$25,265
General Furniture/Fixtures		\$23,500	\$23,500
Signage		\$9,600	\$9,600
Total Moveable and Other Equipment	\$351,130	\$65,917	\$417,047
Fair Market Value of Leased Space	\$696,829	\$124,021	\$820,850
Total Project Costs	\$1,991,459	\$360,738	\$2,352,197

Section I, Identification, General Information, and Certification
Project Status and Completion Schedules

The Applicants anticipate project completion within **24** months of project approval.

Further, although the Letter of Intent attached at Attachment – 2 provides for project obligation to occur after permit issuance, the Applicants will begin negotiations on a definitive lease agreement for the facility, with the intent of project obligation being contingent upon permit issuance.

**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	\$1,991,459		3,978		3,978		
Total Clinical	\$1,991,459		3,978		3,978		
NON REVIEWABLE							
NON-CLINICAL	\$360,738		708		708		
Total Non- Reviewable	\$360,738		708		708		
TOTAL	\$2,352,197		4,686		4,686		

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

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. The proposed project involves the establishment of an 8-station dialysis facility to be located at 1822 Senator Miller Drive, Hillsboro, IL 62049.

DaVita HealthCare Partners Inc. is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2014 Community Care report, some of which is outlined below, details DaVita's commitment to quality, patient centric focus and community outreach and was previously included in the application for Proj. No. 15-025.

As referenced in the report, DaVita led the industry in quality, with 50 percent of its dialysis centers earning four or five stars in the federal Five-Star Ratings, compared to the 21 percent industry average. DaVita also led the industry in Medicare's Quality Incentive Program, ranking No. 1 in three out of four clinical measures and receiving the fewest penalties.

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 Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Information on the Kidney Smart, IMPACT and CathAway programs was previously included in the application for Proj. No. 15-025.

There are over 26 million patients with CKD and that number is expected to rise. Current data reveals troubling trends, which help explain the growing need for dialysis services:

- Between 1988-1994 and 2007-2012, the overall prevalence estimate for CKD rose from 12.0 to 13.6 percent. The largest relative increase, from 25.4 to 39.5 percent, was seen in those with cardiovascular disease.¹
- Many studies have shown that diabetes, hypertension, cardiovascular disease, higher body mass index, and advancing age are associated with the increasing prevalence of CKD.²
- Nearly six times the number of new patients began treatment for ESRD in 2012 (approximately 115,000) versus 1980 (approximately 20,000).³
- Nearly eleven times more patients are now being treated for ESRD than in 1980 (approximately 637,000 versus approximately 60,000).⁴
- U.S. patients newly diagnosed with ESRD were 1 in 2,800 in 2011 versus 1 in 11,000 in 1980.⁵
- U.S. patients treated for ESRD were 1 in 526 in 2011 versus 1 in 3,400 in 1980.⁶

¹ US Renal Data System, USRDS 2014 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 15 (2014).

² Id.

³ Id. at 79

⁴ Id.

⁵ US Renal Data System, USRDS 2013 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 160 (2013).

⁶ Id.

- Increasing prevalence in the diagnosis of diabetes and hypertension, the two major causes of CKD; 44% of new ESRD cases have a primary diagnosis of diabetes; 28% have a primary diagnosis of hypertension.⁷
- Nephrology care prior to ESRD continues to be a concern. Since the 2005 introduction of the new Medical Evidence form (2728), with fields addressing pre-ESRD care, there has been little progress made in this area (pre-ESRD data, however, should be interpreted with caution because of the potential for misreporting). Forty-one percent of new ESRD patients in 2012, for example, had not seen a nephrologist prior to beginning therapy. And among these patients, 49 percent of those on hemodialysis began therapy with a catheter, compared to 21 percent of those who had received a year or more of nephrology care. Among those with a year or more of pre-ESRD nephrologist care, 54 percent began therapy with a fistula – five times higher than the rate among non-referred patients.⁸

Additionally, DaVita's Kidney Smart program helps to improve intervention and education for pre-ESRD patients. Approximately 69% of CKD Medicare patients have never been evaluated by a nephrologist.⁹ Timely CKD care is imperative for patient morbidity and mortality. 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 and reduce ESRD:

- 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 nephrologist has been correlated with lower survival during the first 90 days of dialysis, and
- Timely referral of CKD patients to a multidisciplinary clinical 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 Kidney Smart program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. DaVita's Kidney Smart program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

DaVita's IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. Through IMPACT, DaVita's physician partners and clinical team have had proven positive results in addressing the critical issues of the incident dialysis patient. The program has helped improve DaVita's overall gross mortality rate, which has fallen 28% in the last 13 years.

DaVita's CathAway program seeks to reduce the number of patients with central venous catheters ("CVC"). Instead patients receive 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

⁷ Id at 161.

⁸ US Renal Data System, USRDS 2014 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 107 (2014).

⁹ Id at 4.

education outlining the benefits for AV fistula placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. Since the inception of the program, DaVita has worked with its physician partners and clinical teammates to reduce catheter rates by 46 percent over the last seven years.

DaVita was recognized at the National Adult and Influenza Immunization Summit (NAIS) as the national winner in the "Healthcare Personnel Campaign" category of the 2014 Immunization Excellence Awards. In 2013, DaVita was the first large dialysis provider to implement a comprehensive teammate vaccination order, requiring all teammates who work in or whose jobs require frequent visits to dialysis centers to either be vaccinated against influenza or wear surgical masks in patient-care areas. By March 15, 2014 DaVita achieved 100 percent compliance with its teammate immunization-or-mask directive, with more than 86 percent of teammates choosing vaccination. As of the same date, 92.2 percent of patients were vaccinated for the flu, marking the fourth consecutive year that DaVita's patient vaccination rates exceeded the U.S. Department of Health and Human Services Healthy People 2020 recommendations.

In an effort to improve patient outcomes and experience during dialysis, on May 13, 2014, DaVita announced the first delivery of hemodiafiltration in the United States. It is delivering hemodiafiltration treatments to select patients at its North Colorado Springs Clinic as part of a six-month trial program. Hemodiafiltration incorporates the standard hemodialysis process but adds an extra step to remove even larger toxin particles. It is commonly practiced in Europe but until recently there was no FDA approved device for use in the U.S. DaVita clinical experts will determine whether there are improved outcomes of dialysis treatment and patient quality of life compared to hemodialysis.

For more than a decade, DaVita has been investing and growing its integrated kidney care capabilities, and on May 5, 2014, DaVita's approach to integrated care was recognized with two Dorland Health "Case in Point" Platinum Awards for its Pathways Care Management and VillageHealth Integrated Care Management programs. The Dorland Health awards recognize the most successful and innovative case-management programs working to improve health care across the continuum.

Through Patient Pathways, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement to reduce the length of hospital inpatient stays and readmissions. Importantly, Patient Pathways is not an intake program. An unbiased onsite liaison, who specializes in ESRD patient care, meets with both newly diagnosed and existing ESRD patients to assess their current ESRD care and provide information about insurance, treatment modalities, outpatient care, financial obligations before discharge, and grants available to ESRD patients. Patients choose a provider/center that best meets their needs for insurance, preferred nephrologists, transportation, modality and treatment schedule.

DaVita currently partners with over 350 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. Since its creation in 2007, Patient Pathways has impacted over 130,000 patients. The Patient Pathways program reduced overall readmission rates by 18 percent, reduced average patient stay by half-day, and reduced acute dialysis treatments per patient by 11%. Moreover, patients are better educated and arrive at the dialysis center more prepared and less stressed. They have a better understanding of their insurance coverage and are more engaged and satisfied with their choice of dialysis facility. As a result, patients have higher attendance rates, are more compliant with their dialysis care, and have fewer avoidable readmissions.

Since 1996, Village Health has innovated to become the country's largest renal National Committee for Quality Assurance accredited disease management program. VillageHealth's Integrated Care Management ("ICM") services partners with patients, providers and care team members to focus on the root causes of unnecessary hospitalizations such as unplanned dialysis starts, infection, fluid overload and medication management.

VillageHealth ICM services for payers and ACOs provide CKD and ESRD population health management delivered by a team of dedicated and highly skilled nurses who support patients both in the field and on the phone. Nurses use VillageHealth's industry-leading renal decision support and risk stratification

software to manage a patient's coordinated needs. Improved clinical outcomes and reduced hospital readmission rates have contributed to improved quality of life for patients. As of 2014, VillageHealth ICM has delivered up to a 15 percent reduction in non-dialysis medical costs for ESRD patients, a 15 percent lower year-one mortality rate over a three-year period, and 27 percent fewer hospital readmissions compared to the Medicare benchmark. Applied to DaVita's managed ESRD population, this represents an annual savings of more than \$30 million.

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. DaVita has improved clinical outcomes each year since 2000, generating an estimated \$204 million in net savings to the American healthcare system in 2013.

DaVita Rx, the first and largest licensed, full-service U.S. renal pharmacy, focuses on the unique needs of dialysis patients. Since 2005, DaVita Rx has been helping improve outcomes by delivering medications to dialysis centers or to patients' homes, making it easier for patients to keep up with their drug regimens. DaVita Rx patients have medication adherence rates greater than 80%, almost double that of patients who fill their prescriptions elsewhere, and are correlated with 40% fewer hospitalizations.

DaVita has been repeatedly recognized for its commitment to its employees (or teammates), particularly its more than 1,700 teammates who are reservists, members of the National Guard, military veterans, and military spouses. In June 2013, DaVita received the prestigious Secretary of Defense Employer Support Freedom Award. Presented annually by the Employer Support of the Guard and Reserve ("ESGR"), an arm of the Department of Defense, the Freedom Award recognizes employers for outstanding support of employees who serve in the Guard and Reserve. It is the highest military-friendly award presented by the U.S. government. G.I. Jobs has recognized DaVita as a Military Friendly Employer for six consecutive years. The ranking is based on a survey assessing companies' long-term commitment to hiring those with military service, recruiting and hiring efforts and results, policies for Reserve and National Guard members called to active duty, military spouse programs, and the presence of special military recruitment programs. DaVita was also named as a CivilianJobs.com Most Valuable Employer (MVE) for Military winner for five consecutive years. The MVE was open to all U.S.-based companies, and winners were selected based on surveys in which employers outlined their recruiting, training and retention plans that best serve military service members and veterans.

In May 2015, DaVita was certified by WorldBlu as a "Freedom-Centered Workplace." For the eighth consecutive year, DaVita appeared on WorldBlu's list, formerly known as "most democratic" workplaces. WorldBlu surveys organizations' teammates to determine the level of democracy practiced. For the fourth consecutive year, DaVita was recognized as a Top Workplace by *The Denver Post*. DaVita was named a Silver LearningElite organization for 2014 by *Chief Learning Officer* magazine for creating and implementing exemplary teammate development practices that deliver measurable business value. DaVita ranked No. 29 in a record breaking field of more than 200 companies. Finally, DaVita has been recognized as one of *Fortune*® Magazine's Most Admired Companies in 2015 – for the tenth consecutive year.

DaVita is also committed to sustainability and reducing its carbon footprint. In fact, it is the only kidney care company recognized by the Environmental Protection Agency for its sustainability initiatives. In

2010, DaVita opened the first LEED-certified dialysis center in the U.S. *Newsweek* Green Rankings recognized DaVita as a 2015 Top Green Company in the United States, and it has appeared on the list every year since the inception of the program in 2009. Furthermore, DaVita annually saves approximately 8 million pounds of medical waste through dialyzer reuse and it also diverts more than 85% of its waste through composting and recycling programs. It has also undertaken a number of similar initiatives at its offices and has achieved LEED Gold certification for its corporate headquarters. In addition, DaVita was also recognized as an "EPA Green Power Partner" by the U.S. Environmental Protection Agency.

DaVita consistently raises awareness of community needs and makes cash contributions to organizations aimed at improving access to kidney care. DaVita provides significant funding to kidney disease-awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. Its own employees, or members of the "DaVita Village," assisted in these initiatives and have raised approximately \$5 million, thus far, through the annual Tour DaVita bicycle ride, with \$1 million coming in 2013 alone. The Kidney Rock 5K Run/Walk raised an estimated \$1 million for Bridge of Life – DaVita Medical Missions in 2011 and 2012, combined. DaVita continued its "DaVita Way of Giving" program in 2014 with teammates at clinics across the nation selecting more than 950 nonprofits and community organizations to receive more than \$1.6 million in contributions. Nearly \$4 million has been donated through the DaVita Way of Giving since the program began.

DaVita does not limit its community engagement to the U.S. alone. In 2014, DaVita Village Trust completed 21 medical missions in 7 countries, bringing life-saving dialysis treatment to more than 250 patients around the world. Through its first primary care medical mission, it provided care and health education to more than 70 kidney donors and individuals. It provided CKD rapid-screenings for over 8,500 people through 38 domestic and two international CKD screening events. 32 screening events are planned for 2015 for people in at-risk and underserved communities in the U.S. and abroad.

1. Neither the Centers for Medicare and Medicaid Services nor 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.

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

Dialysis facilities are currently not subject to State Licensure in Illinois.

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

DaVita HealthCare Partners Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Arlington Heights Renal Center	17 WEST GOLF ROAD		ARLINGTON HEIGHTS	COOK	IL	60005-3905	14-2628
Barrington Creek	28160 W. NORTHWEST HIGHWAY		LAKE BARRINGTON	LAKE	IL	60010	14-2736
Belvidere Dialysis	1755 BELOIT ROAD		BELVIDERE	BOONE	IL	61008	
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
Buffalo Grove Renal Center	1291 W. DUNDEE ROAD		BUFFALO GROVE	COOK	IL	60089-4009	14-2650
Calumet City Dialysis	1200 SIBLEY BOULEVARD		CALUMET CITY	COOK	IL	60409	
Carpentersville Dialysis	2203 RANDALL ROAD		CARPENTERSVILLE	KANE	IL	60110-3355	14-2598
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Chicago Ridge Dialysis	10511 SOUTH HARLEM AVE		WORTH	COOK	IL	60482	
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715
Country Hills Dialysis	4215 W 167TH ST		COUNTRY CLUB HILLS	COOK	IL	60478-2017	14-2575
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	14-2599
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
Driftwood Dialysis	1808 SOUTH WEST AVE		FREEPORT	STEPHENSON	IL	61032-6712	14-2747
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529
Evanston Renal Center	1715 CENTRAL STREET		EVANSTON	COOK	IL	60201-1507	14-2511
Grand Crossing Dialysis	7319 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60619-1909	14-2728
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Garfield Kidney Center	3250 WEST FRANKLIN BLVD		CHICAGO	COOK	IL	60624-1509	14-2777
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Harvey Dialysis	16641 S HALSTED ST		HARVEY	COOK	IL	60426-6174	14-2698
Hazel Crest Renal Center	3470 WEST 183rd STREET		HAZEL CREST	COOK	IL	60429-2428	14-2622
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581

DaVita HealthCare Partners Inc.							
Illinois Facilities							
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
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Kenwood Dialysis	4259 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60653	14-2717
Lake County Dialysis Services	565 LAKEVIEW PARKWAY	STE 176	VERNON HILLS	LAKE	IL	60061	14-2552
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lawndale Dialysis	3934 WEST 24TH ST		CHICAGO	COOK	IL	60623	14-2768
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	3157 N LINCOLN AVE		CHICAGO	COOK	IL	60657-3111	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD	MONTGOMERY	IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2838 NORTH KIMBALL AVE		CHICAGO	COOK	IL	60618	14-2534
Loop Renal Center	1101 SOUTH CANAL STREET		CHICAGO	COOK	IL	60607-4901	14-2505
Machesney Park Dialysis	6950 NORTH PERRYVILLE ROAD		MACHESNEY PARK	WINNEBAGO	IL	61115	
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Marengo City Dialysis	910 GREENLEE STREET	STE B	MARENGO	MCHENRY	IL	60152-8200	14-2643
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 DEVELOPMENT DRIVE		CHARLESTON	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST		BELLEVEILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674
Olympia Fields Dialysis Center	45578 LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Palos Park Dialysis	13155 S LaGRANGE ROAD		ORLAND PARK	COOK	IL	60462-1162	14-2732
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708
Red Bud Dialysis	LOT 4 IN 1ST ADDITION OF EAST INDUSTRIAL PARK		RED BUD	RANDOLPH	IL	62278	14-2772
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620

DaVita HealthCare Partners Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Schaumburg Renal Center	1156 S ROSELLE ROAD		SCHAUMBURG	COOK	IL	60193-4072	14-2654
Shiloh Dialysis	1095 NORTH GREEN MOUNT RD		SHILOH	ST CLAIR	IL	62269	14-2753
Silver Cross Renal Center - Morris	1551 CREEK DRIVE		MORRIS	GRUNDY	IL	60450	14-2740
Silver Cross Renal Center - New Lenox	1890 SILVER CROSS BOULEVARD		NEW LENOX	WILL	IL	60451	14-2741
Silver Cross Renal Center - West	1051 ESSINGTON ROAD		JOLIET	WILL	IL	60435	14-2742
South Holland Renal Center	16136 SOUTH PARK AVENUE		SOUTH HOLLAND	COOK	IL	60473-1511	14-2544
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Springfield South	2930 SOUTH 6th STREET		SPRINGFIELD	SANGAMON	IL	62703	14-2733
Stoncrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
Tazewell County Dialysis	1021 COURT STREET		PEKIN	TAZEWELL	IL	61554	14-2767
Timber Creek Dialysis	1001 S. ANNIE GLIDDEN ROAD		DEKALB	DEKALB	IL	60115	14-2763
Tinley Park Dialysis	16767 SOUTH 80TH AVENUE		TINLEY PARK	COOK	IL	60477	
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693
Vermilion County Dialysis	22 WEST NEWELL ROAD		DANVILLE	VERMILION	IL	61834	
Waukegan Renal Center	1616 NORTH GRAND AVENUE	STE C	Waukegan	COOK	IL	60085-3676	14-2577
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719
West Side Dialysis	1600 W 13TH STREET		CHICAGO	COOK	IL	60608	
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648
Woodlawn Dialysis	5060 S STATE ST		CHICAGO	COOK	IL	60609	14-2310

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

Dear Chair Olson:

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 as defined in 77 IAC 1130.140 has been taken against any in-center dialysis facility owned or operated by DaVita HealthCare Partners Inc. or Total Renal Care, Inc. in the State of Illinois during the three year period 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,



Print Name: Arturo Sida
Its: Assistant Corporate Secretary
DaVita HealthCare Partners Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of ___, 2015

Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On April 15, 2015 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

personally appeared ** Arturo Sida **

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kimberly Ann K. Burgo
Signature



OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Letter to K. Olson (Montgomery County Dialysis)

Document Date: April 15, 2015 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s): _____

☐ Individual

☒ Corporate Officer

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☒ Other: Assistant Corporate Secretary

SIGNER IS REPRESENTING: Name of Person or Entity DaVita HealthCare Partners Inc.

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

Purpose of Project

The purpose of the project is to improve access to life sustaining dialysis services to the residents of Montgomery County. There is only one dialysis facility within 30 minutes of the proposed Montgomery County Dialysis. It was operating at 81% as of March 31, 2015 and lacks sufficient capacity to accommodate Dr. Tamizuddin's projected patient referrals. Based upon data from The Renal Network, there were 54 ESRD patients residing within 30 minutes of the proposed Montgomery County Dialysis, and that number is projected to increase. The U.S. Centers for Disease Control and Prevention estimates 10% of American adults have some level of CKD. Further, the National Kidney Fund of Illinois estimates over 1 million Illinoisans have CKD and most do not know it. Kidney disease is often silent until the late stages when it can be too late to head off kidney failure. As more working families obtain health insurance through the Affordable Care Act (or ACA)¹⁰ and 1.5 million Medicaid beneficiaries transition from traditional fee for service Medicaid to Medicaid managed care,¹¹ more individuals in high risk groups will have better access to primary care and kidney screening. As a result of these health care reform initiatives, there will likely be tens of thousands of newly diagnosed cases of CKD in the years ahead. Once diagnosed, many of these patients will be further along in the progression of CKD due to the lack of nephrologist care prior to diagnosis. It is imperative that enough stations are available to treat this new influx of ESRD patients, who will require dialysis in the next couple of years.

Dr. Ashraf Tamizuddin's practice, Central Illinois Kidney and Dialysis Associates, SC treated 104 CKD patients in 2014, who reside within approximately 30 minutes of the proposed Montgomery County Dialysis. 51 of these patients are at Stage 4 or 5 CKD. See Appendix – 1. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, Dr. Tamizuddin anticipates that at least 39 of these patients will initiate dialysis at the proposed facility within 12 to 24 months following project completion.

The establishment of an 8-station dialysis facility will improve access to necessary dialysis treatment for those individuals in Montgomery County who suffer from ESRD. ESRD patients are typically chronically ill individuals and adequate access to dialysis services is essential to their well-being.

1. A map of the market area for the proposed facility is attached at Attachment – 12. The market area encompasses an approximate 30 mile radius around the proposed facility. The boundaries of the market area are as follows:
 - North approximately 30 minutes normal travel time to Morrisonville, IL.
 - Northeast approximately 20 minutes normal travel time to Nokomis, IL.
 - East approximately 30 minutes normal travel time to Ramsey, IL.
 - Southeast approximately 30 minutes normal travel time to Brownston, IL.
 - South approximately 30 minutes normal travel time to St. Rose IL.
 - Southwest approximately 30 minutes normal travel time to Rosewood Heights, IL.
 - West approximately 30 minutes normal travel time to Gillespie, IL.
 - Northwest approximately 30 minutes normal travel time to Carlinville, IL.

¹⁰ According to data from the federal government 61,111 Illinois residents enrolled in a health insurance program through the ACA.

¹¹ In January 2011, the Illinois General Assembly passed legislation mandating 50% of the Medicaid population to be covered by a managed care program by 2015.

The purpose of this project is to improve access to life sustaining dialysis to residents of Montgomery County and the immediately surrounding areas. As discussed more fully above, there is insufficient capacity within the GSA to accommodate all of projected referrals.

2. The minimum size of a GSA is 30 minutes; however, many of the patients reside within the immediate vicinity of the proposed facility. The proposed facility is located in Hillsboro, Illinois. Dr. Tamizuddin expects at least 39 of the current 51 Stage 4 and 5 CKD patients that reside within approximately 30 minutes of the proposed site to require dialysis within 12 to 24 months of project completion.

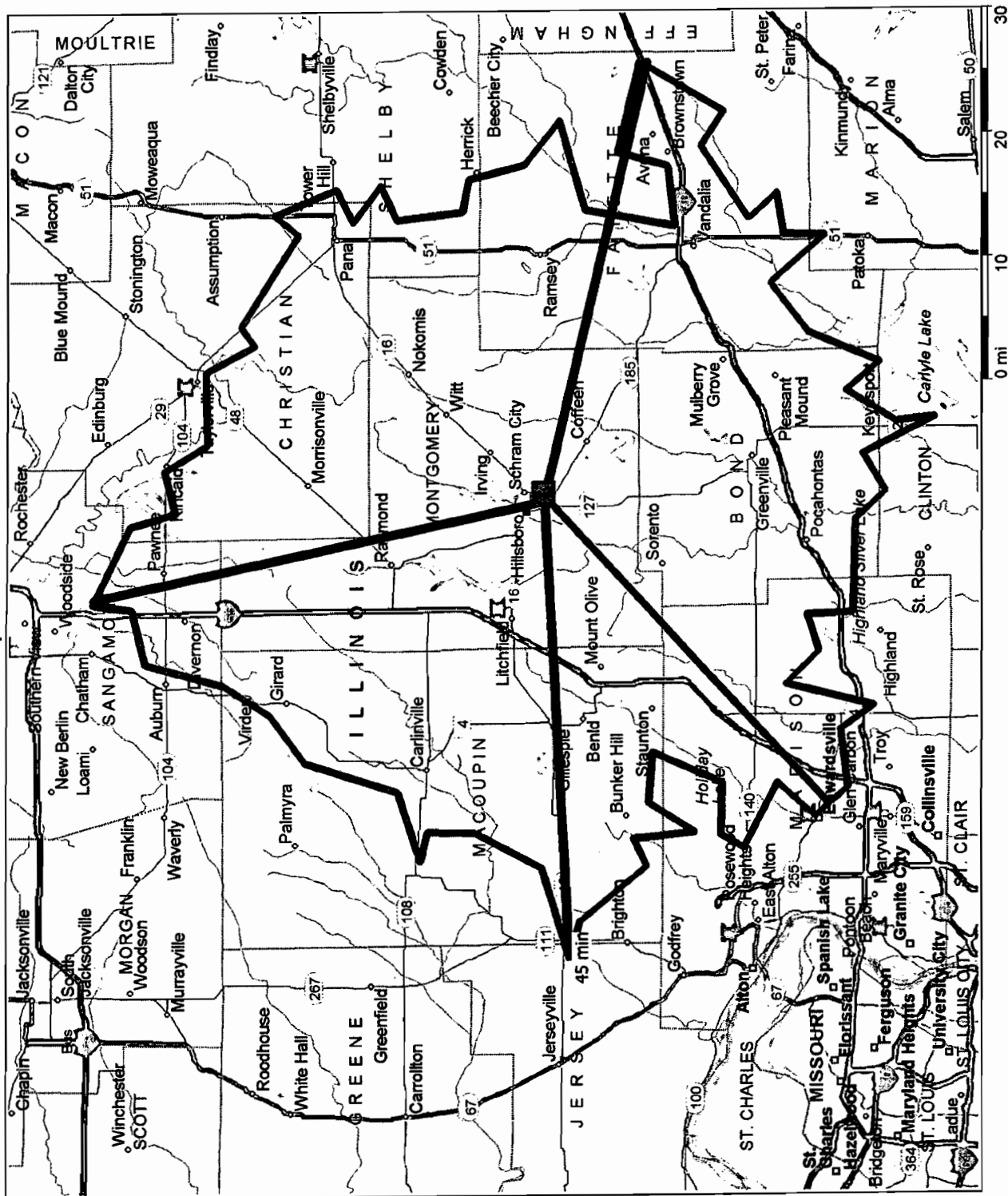
3. Source Information

US Renal Data System, USRDS 2013 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 (2013).

US Renal Data System, USRDS 2014 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD (2014).

5. The proposed facility will improve access to dialysis services to the residents of Montgomery County and the surrounding area by establishing the proposed facility. Given the high utilization in the GSA and the increasing size of Dr. Dr. Tamizuddin's patient-base, this facility is necessary to ensure sufficient access to dialysis services in this community.
6. The Applicants anticipate the proposed facility will have quality outcomes comparable to its other facilities. Additionally, in an effort to better serve all kidney patients, DaVita believes in requiring 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 more than \$1.5 billion in savings to the health care system and the American taxpayer from 2010 – 2012.

MapPoint 2



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Section III, Background, Purpose of the Project, and Alternatives
Criterion 1110.230(c) – Background, Purpose of the Project, and Alternatives

Alternatives

The Applicants considered two options prior to determining to establish an 8-station dialysis facility. The options considered are as follows:

1. Utilize Existing Facilities.
2. Establish a new facility.

After exploring these options, which are discussed in more detail below, the Applicants determined to establish an 8-station dialysis facility. A review of each of the options considered and the reasons they were rejected follows.

Utilize Existing Facilities

There is only one dialysis facility within 30 minutes of the proposed Montgomery County Dialysis. It was operating at 81% as of March 31, 2015 and lacks sufficient capacity to accommodate Dr. Tamizuddin's projected patient referrals. Based upon data from The Renal Network, there were 54 ESRD patients residing within 30 minutes of the proposed Montgomery County Dialysis, and that number is projected to increase. The U.S. Centers for Disease Control and Prevention estimates 10% of American adults have some level of CKD. Further, the National Kidney Fund of Illinois estimates over 1 million Illinoisans have CKD and most do not know it. Kidney disease is often silent until the late stages when it can be too late to head off kidney failure. As more working families obtain health insurance through the Affordable Care Act (or ACA)¹² and 1.5 million Medicaid beneficiaries transition from traditional fee for service Medicaid to Medicaid managed care,¹³ more individuals in high risk groups will have better access to primary care and kidney screening. As a result of these health care reform initiatives, there will likely be tens of thousands of newly diagnosed cases of CKD in the years ahead. Once diagnosed, many of these patients will be further along in the progression of CKD due to the lack of nephrologist care prior to diagnosis. It is imperative that enough stations are available to treat this new influx of ESRD patients, who will require dialysis in the next couple of years.

Dr. Ashraf Tamizuddin's practice, Central Illinois Kidney and Dialysis Associates, SC treated 104 CKD patients in 2014, who reside within approximately 30 minutes of the proposed Montgomery County Dialysis. 51 of these patients are at Stage 4 or 5 CKD. See Appendix – 1. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, Dr. Tamizuddin anticipates that at least 39 of these patients will initiate dialysis at the proposed facility within 12 to 24 months following project completion.

Given the high utilization of the existing facility coupled with projected growth of ESRD patients due to health care reform initiatives, the only existing facility within the GSA will not have sufficient capacity to accommodate projected referrals. As a result, DaVita rejected this option.

There is no capital cost with this alternative.

¹² According to data from the federal government 61,111 Illinois residents enrolled in a health insurance program through the ACA.

¹³ In January 2011, the Illinois General Assembly passed legislation mandating 50% of the Medicaid population to be covered by a managed care program by 2015.

Establish a New Facility

As noted above, the only existing dialysis facility within the proposed Montgomery County Dialysis' GSA was operating at 81% utilization as of March 31, 2015 and lacks sufficient capacity to accommodate Dr. Tamizuddin's projected referrals.

The establishment of an 8-station dialysis facility will improve access to necessary dialysis treatment for those individuals in Montgomery County who suffer from ESRD. ESRD patients are typically chronically ill individuals and adequate access to dialysis services is essential to their well-being. As a result, DaVita chose this option.

The cost of this alternative is **\$2,352,197**.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(a), Size of the Project

The Applicants propose to establish a 8-station dialysis facility. Pursuant to Section 1110, Appendix B of the HFSRB's rules, the State standard is 360-520 gross square feet per dialysis station for a total of 2,880 – 4,160 gross square feet for 8 dialysis stations. The total gross square footage of the clinical space of the proposed Montgomery County Dialysis is 3,978 gross square feet (or 483.33 GSF per station). Accordingly, the proposed Facility meets the State standard per station.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD	3,978	2,880 - 4,160	N/A	Meets State Standard

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(b), Project Services Utilization

By the second year of operation, annual utilization at the proposed facility shall exceed HFSRB's utilization standard of 80%. Pursuant to Section 1100.1430 of the HFSRB's rules, facilities providing in-center hemodialysis should operate their dialysis stations at or above an annual utilization rate of 80%, assuming three patient shifts per day per dialysis station, operating six days per week. Dr. Tamizuddin is currently treating 104 CKD patients that reside within approximately 30 minutes of the proposed facility, and whose condition is advancing to ESRD. 51 of these CKD patients are at Stage 4 or 5 CKD. See Appendix - 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, it is estimated that 39 of these patients will initiate dialysis within 12 to 24 months following project completion.

Table 1110.234(b) Utilization					
	Dept./ Service	Historical Utilization (Treatments)	Projected Utilization	State Standard	Met Standard?
Year 2	ESRD	N/A	6,084	5,990	Yes

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(c), Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(d), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430, In-Center Hemodialysis Projects – Review Criteria

1. Planning Area Need

The Applicants propose to establish an 8-station dialysis facility to be located at 1822 Senator Miller Dr., Hillsboro, IL 62049. As shown in Attachment – 26A, there is only one dialysis facility within 30 minutes of the proposed Montgomery County Dialysis. It was operating at 81% as of March 31, 2015 and lacks sufficient capacity to accommodate Dr. Tamizuddin's projected patient referrals. Based upon data from The Renal Network, there were 54 ESRD patients residing within 30 minutes of the proposed Montgomery County Dialysis, and that number is projected to increase. The U.S. Centers for Disease Control and Prevention estimates 10% of American adults have some level of CKD. Further, the National Kidney Fund of Illinois estimates over 1 million Illinoisans have CKD and most do not know it. Kidney disease is often silent until the late stages when it can be too late to head off kidney failure. As more working families obtain health insurance through the Affordable Care Act (or ACA)¹⁴ and 1.5 million Medicaid beneficiaries transition from traditional fee for service Medicaid to Medicaid managed care,¹⁵ more individuals in high risk groups will have better access to primary care and kidney screening. As a result of these health care reform initiatives, there will likely be tens of thousands of newly diagnosed cases of CKD in the years ahead. Once diagnosed, many of these patients will be further along in the progression of CKD due to the lack of nephrologist care prior to diagnosis. It is imperative that enough stations are available to treat this new influx of ESRD patients, who will require dialysis in the next couple of years.

Ashraf Tamizuddin's practice, Central Illinois Kidney and Dialysis Associates, SC, treated 104 CKD patients in 2014, who reside within approximately 30 minutes of the proposed Montgomery County Dialysis. 51 of these patients are at Stage 4 or 5 CKD. See Appendix – 1. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, Dr. Tamizuddin anticipates that at least 39 of these patients will initiate dialysis at the proposed facility within 12 to 24 months following project completion. The establishment of an 8 station dialysis facility will improve access to necessary dialysis treatment for those individuals in Montgomery County who suffer from ESRD. ESRD patients are typically chronically ill individuals and adequate access to dialysis services is essential to their well-being.

2. Service to Planning Area Residents

The primary purpose of the proposed project is to maintain access to life-sustaining dialysis services to the residents of Montgomery County. As evidenced in the physician referral letter attached at Appendix - 1, all 104 pre-ESRD patients reside within approximately 30 minutes of the proposed facility.

¹⁴ According to data from the federal government 61,111 Illinois residents enrolled in a health insurance program through the ACA.

¹⁵ In January 2011, the Illinois General Assembly passed legislation mandating 50% of the Medicaid population to be covered by a managed care program by 2015.

3. Service Demand

Attached at Appendix - 1 is a physician referral letter from Dr. Tamizuddin and a schedule of pre-ESRD and current patients by zip code. A summary of CKD patients projected to be referred to the proposed dialysis facility within the first two years after project completion is provided in Table 1110.1430(b)(3)(B) below.

Table 1110.1430(c)(3)(B) Projected Pre- ESRD Patient Referrals by Zip Code	
Zip Code	Total Patients
61073	21
61111	48
61115	50
Total	119

4. Service Accessibility

As set forth throughout this application, the proposed facility is needed to maintain access to life-sustaining dialysis for residents of Montgomery County. Currently, there is only one dialysis facility within 30 minutes of the proposed Montgomery County Dialysis. It was operating at 81% as of March 31, 2015 and lacks sufficient capacity to accommodate Dr. Tamizuddin's projected patient referrals.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(c), Unnecessary Duplication/Maldistribution

1. Unnecessary Duplication of Services

- a. The proposed dialysis facility will be located at 1822 Senator Miller Dr., Hillsboro, IL 62049. A map of the proposed facility's market area is attached at Attachment – 26B. A list of all zip codes located, in total or in part, within 30 minutes normal travel time of the site of the proposed dialysis facility as well as 2010 census figures for each zip code is provided in Table 1110.1430(d)(1)(A).

Table 1110.1430(d)(1)(A) Population of Zip Codes within 30 Minutes of Proposed Facility		
ZIP Code	City	Population
62069	Mount Olive	3,313
62056	Litchfield	8,930
62086	Sorento	1,437
62246	Greenville	10,355
62019	Donnellson	490
62089	Taylor Springs	489
62049	Hillsboro	8,470
62560	Raymond	1,508
62017	Coffeen	1,185
62032	Fillmore	749
62094	Witt	1,152
62075	Nokomis	3,458
62262	Mulberry Grove	1,810
62538	Harvel	378
Total		43,724

Source: U.S. Census Bureau, Census 2010, American Factfinder
available at <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk> (last visited July 21, 2015).

- b. A list of existing and approved dialysis facilities located within 30 minutes normal travel time of the proposed dialysis facility is provided at Attachment – 26A.

2. Maldistribution of Services

The proposed dialysis facility will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of facilities, stations, and services characterized by such factors as, but not limited to: (1) ratio of stations to population exceeds one and one-half times the State Average; (2) historical utilization for existing facilities and services is below the HFSRB's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards. As discussed more fully below, the average utilization of existing and approved facilities is 81.0%, and sufficient population

exists to achieve target utilization. Accordingly, the proposed dialysis facility will not result in a maldistribution of services.

a. Historic Utilization of Existing Facilities

There is only one dialysis facility within 30 minutes of the proposed Montgomery County Dialysis, and it was operating at 81% as of March 31, 2015. There will be no maldistribution of services. Additional stations are necessary to adequately meet the rising demand of the pre-ESRD patient population in the area.

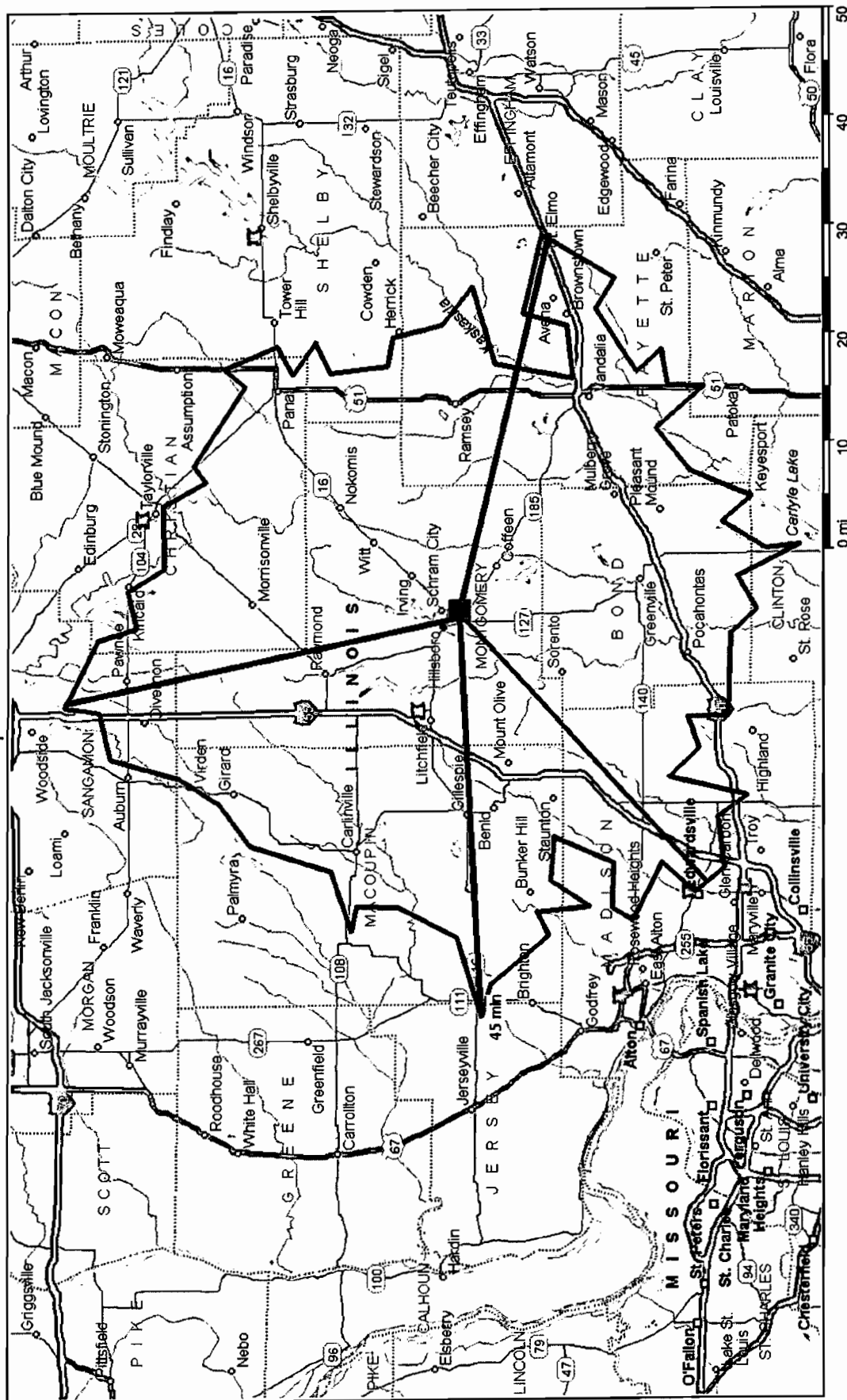
b. Sufficient Population to Achieve Target Utilization

The Applicants propose to establish an 8-station dialysis facility. To achieve the HFSRB's 80% utilization standard within the first two years after project completion, the Applicants would need 38 patient referrals. Dr. Tamizuddin is currently treating 51 patients, who are at Stage 4 or 5 CKD. See Appendix – 1. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, Dr. Tamizuddin anticipates that at least 39 of these patients will initiate dialysis at the proposed facility within 12 to 24 months following project completion. Accordingly, there is sufficient population to achieve target utilization

3. Impact to Other Providers

- a. The proposed dialysis facility will not have an adverse impact on existing facilities in the GSA. As discussed throughout this application, the only dialysis facility within 30 minutes of the proposed Montgomery County Dialysis is operating at 81% utilization. No patients are expected to transfer from the existing dialysis facility to of the proposed Montgomery County Dialysis.
- b. There is only one existing dialysis facility within the proposed Montgomery County Dialysis. As of March 31, 2015, it was operating above the State Board's operation standards.

MapPoint 2



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End Stage Renal Disease Facility	Address	City	Distance	Drive Time	03-31-2015 Stations	03-31-2015 Patients	03-31-2015 Utilization
GAMBRO Healthcare – Litchfield	915 St Francis Way	Litchfield	8.69	12	12	58	80.56%

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(e), Staffing

1. The proposed facility will be staffed in accordance with all State and Medicare staffing requirements.
 - a. Medical Director: Ashraf Tamizuddin, M.D. will serve as the Medical Director for the proposed facility. A copy of Dr. Tamizuddin's curriculum vitae is attached at Attachment – 26C.
 - b. Other Clinical Staff: Initial staffing for the proposed facility will be as follows:

Administrator
Registered Nurse (1.35 FTE)
Patient Care Technician (2.36 FTE)
Biomedical Technician (0.20 FTE)
Social Worker (licensed MSW) (0.30 FTE)
Registered Dietitian (0.30 FTE)
Administrative Assistant (0.30 FTE)

As patient volume increases, nursing and patient care technician staffing will increase accordingly to maintain a ratio of at least one direct patient care provider for every 4 ESRD patients. At least one registered nurse will be on duty while the facility is in operation.
 - c. All staff will be training under the direction of the proposed facility's Governing Body, utilizing DaVita's comprehensive training program. DaVita's training program meets all State and Medicare requirements. The training program includes introduction to the dialysis machine, components of the hemodialysis system, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used. In addition, it includes in-depth theory on the structure and function of the kidneys; including, homeostasis, renal failure, ARF/CRF, uremia, osteodystrophy and anemia, principles of dialysis; components of hemodialysis system; water treatment; dialyzer reprocessing; hemodialysis treatment; fluid management; nutrition; laboratory; adequacy; pharmacology; patient education, and service excellence. A summary of the training program is attached at Attachment – 26D.
 - d. As set forth in the letter from Arturo Sida, Assistant Corporate Secretary of DaVita HealthCare Partners Inc. and Total Renal Care Inc., attached at Attachment – 26E, Montgomery County Dialysis will maintain an open medical staff.

CURRICULUM VITAE

ASHRAF TAMIZUDDIN, M.D.

PERSONAL INFORMATION

Date of Birth: November 22, 1956
Place of Birth: Rawalpindi, Pakistan
Citizenship: United States of America

Professional address: Central Illinois Kidney and Dialysis Associates, S.C.
3401 Conifer Drive
Springfield, Illinois 62711
USA

EDUCATION/POST GRADUATE TRAINING

College:	1974	C.B. Sir Syed College, Rawalpindi, Pakistan	F.Sc
Medical School:	1981	King Edward Medical College, Lahore, Pakistan	M.B.B.S.
Post Graduate:	1988	Member of the Royal College of Physicians United Kingdom	MRCP (UK)
Residency:	1996	Southern Illinois University School of Medicine, Springfield, Illinois	
Fellowship:	1998	Medical College of Wisconsin, Milwaukee, Wisconsin	
Other	1993	U.S.M.L.E.	
	1993	F.L.E.X.	

MEDICAL LICENSURE

Illinois

Wisconsin

Pakistan: Full Registration with Pakistan Medical and Dental Council

United Kingdom: Full Registration with General Medical Council UK

BOARD CERTIFICATION

1996 American Board of internal Medicine

1998 American Board of Nephrology

PRESENT POSITION

1. Attending Nephrologist
 Central Illinois Kidney and Dialysis Associates, S.C.
 Springfield, Illinois
2. Clinical Associate Professor
 Southern Illinois University School of Medicine
 Springfield, Illinois

PREVIOUS PROFESSIONAL POSITIONS AND APPOINTMENTS

Mayo Hospital, Lahore, Pakistan

06/13/1981 - 06/19/1984

I did my internship at the Mayo Hospital, Lahore, Pakistan, the main teaching hospital affiliated to King Edward Medical College. The year was divided into six months each of Internal Medicine and General Surgery. Then I was trained as a Senior House Officer and Registrar in Internal Medicine for two years. During this appointment, I had the routine responsibilities of the "inpatient" and "outpatient" care of the patients. I was associated with a nephrologist trained in the U.S.A. and I learned the diagnosis and management of various renal diseases and fluid electrolyte problems.

Wrexham Maelor Hospital, Wrexham, U.K.

08/01/1984 - 06/19/1994

I proceeded to the United Kingdom in 1984. After passing my entrance examination and few locum jobs I received most of my training at Wrexham Maelor Hospital. During this period I rotated through most of the major medical specialties including nephrology. I worked as a Registrar for four years during that time. I was trained in specialized procedures such as colonoscopies, esophagogastroduodenoscopies and fiber-optic bronchoscopes.

Southern Illinois University School of Medicine, Springfield, Illinois

06/26/1994 - 06/25/1996

I came to the United States in June 1994 and did my Residency in Internal Medicine at Southern Illinois University School of Medicine, Springfield. The American Board of Internal Medicine granted me a waiver for one year because of my previous training, so I completed my residency in June 1996. This was a very comprehensive training program, which provided me with a wide experience in all aspects of Internal Medicine.

Fellowship in Nephrology, Medical College of Wisconsin, Milwaukee, Wisconsin

07/01/1996 - 06/30/1998

The fellowship program was designed to give a well balanced experience of clinical and research nephrology. The first year provided extensive clinical experience in the care of acute dialysis, intensive care and transplant patients. The center performed about 150 transplants a year. The second year was a mixture of clinical and research experience. My research projects were related to signal transduction and changed in the expression of cytoskeletal proteins in various forms of experimental glomerular injury.

TEACHING ACTIVITIES

Since an early stage of my training in Pakistan I have been involved in teaching and supervision of undergraduate medical students and House Officers. I was also involved in organizing the clinical examination of the undergraduate medical students. I was able to continue this experience in the United Kingdom where I was involved in clinical teaching of undergraduate medical students from the medical schools of Manchester and Cardiff. The Department also organized clinical teaching for doctors preparing for Postgraduate Examinations.

In the Wrexham Maelor Hospital I used to organize and conduct the weekly Journal Club. The Hospital also organized weekly multi-disciplinary case conferences in which I participated regularly.

I was a member of the **Board of Postgraduate Studies** at the Wrexham Maelor Hospital.

Sophomore Medical Student Teaching of clinical skills at Medical College of Wisconsin.

Undergraduate Nephrology for SIU School of Medicine.

Mentor for second year students at SIU School of Medicine.

Resident Teaching for SIU School of Medicine.

Regularly contribute examination questions to American Board of Internal Medicine, Nephrology Certification Exam

Regularly review examination questions for Clinical Relevance submitted to American Board of Internal Medicine, Nephrology Certification Exam

HOSPITAL COMMITTEE APPOINTMENTS

Bed Management Committee, Wrexham Maelor Hospital, Wrexham, U.K.

I.V. Infusion Pump Committee, Wrexham Maelor Hospital, Wrexham, U.K.

ADMINISTRATIVE ACTIVITIES

1989 - 1990

I worked as Senior Medical Research Officer at Pakistan Medical Research Council (PMRC). The PMRC is an academic body, which conducts, supervises and promotes research in medical schools all over the country. I had the administrative and research responsibilities of Army Medical College Center, Rawalpindi. I was closely associated with the publication of the Journal of Pakistan Society of Pathology.

2002 - 2004

Central Illinois Kidney and Dialysis Associates, Security and Privacy Officer for Health Insurance Portability and Privacy Act (HIPPA)

HONORS AND AWARDS

- | | |
|-------------|--|
| 1974 | National Talent Scholarship in pre-medical studies |
| 1994 - 1995 | Resident of the year, SIU School of Medicine |
| 2003 | Best Full-Time Faculty Teacher of the Year Award, SIU School of Medicine |
| 2005 | Fellow of the American College of Physicians |

PROFESSIONAL AND SOCIETY MEMBERSHIPS

American College of Physicians - American Society of Internal Medicine

American Society of Nephrology

International Society of Nephrology

National Kidney Foundation

State Medical Society of Illinois

EDITORIAL ACTIVITIES

Journal of Pakistan Society of Pathology

INVITED LECTURES

Role of Beta Blockers in Hypertension. Islamabad Physicians Association
Pakistan

Medical Grand rounds. Cardiorenal Failure. SIU School of Medicine

Cardiovascular Disease in Renal Transplant Patients
Heart Transplant Support Group Springfield

Intensive Care Nephrology for Nurses
Nurses Education Day, Memorial Medical Center, Springfield, Illinois

COMMUNITY ACTIVITIES

Physician Free Medical Clinic, Chakwal, Pakistan

Habitat for Humanity, Springfield, Illinois

PAPERS PRESENTED

1. The use of ORS in management of childhood diarrhea by mothers in the suburbs of Rawalpindi/Islamabad. 10th Biennial Pediatric Conference, Quetta, May 1990.
2. The effect of social conditions of the incidence of diarrhea. Pakistan Medical Research Council's Medical Research Congress, Quetta, May 1990.
3. Case Presentation at Belzer Conference on Transplantation, Greenlake, Wisconsin, 1996.

PUBLICATIONS

1. Enhanced Expression of Cytoskeleton - Associated Protein - Paxillin in Experimental Nephrotic Syndrome. Journal of Investigative Medicine. Vol, 46, No. 6, August 1998.
2. Enhanced Expression of the Cytoskeleton-Associated Proteins Paxillin and Focal Adhesion Kinase in Glomerular Immune Injury. J Lab Clin Med 1999;134:173-79.

TITLE: BASIC TRAINING PROGRAM OVERVIEW

Mission

DaVita's Basic Training Program for Hemodialysis provides the instructional preparation and the tools to enable teammates to deliver quality patient care. Our core values of *service excellence, integrity, team, continuous improvement, accountability, fulfillment and fun* provide the framework for the Program. Compliance with State and Federal Regulations and the inclusion of DaVita's Policies and Procedures (P&P) were instrumental in the development of the program.

Explanation of Content

Two education programs for the new nurse or patient care technician (PCT) are detailed in this section. These include the training of new DaVita teammates **without** previous dialysis experience and the training of the new teammates **with** previous dialysis experience. A program description including specific objectives and content requirements is included.

This section is designed to provide a *quick reference* to program content and to provide access to key documents and forms.

The **Table of Contents** is as follows:

- I. Program Overview (TR1-01-01)
- II. Program Description (TR1-01-02)
 - Basic Training Class Outline (TR1-01-02A)
 - Basic Charge Nurse Training Class Outline (TR1-01-02B)
- III. Education Enrollment Information (TR1-01-03)
- IV. Education Standards (TR1-01-04)
- V. Verification of Competency
 - New teammate without prior experience (TR1-01-05)
 - New teammate with prior experience (TR1-01-06)
 - Medical Director Approval Form (TR1-01-07)
- VI. Evaluation of Education Program
 - Program Evaluation
 - Basic Training Classroom Evaluation (TR1-01-08A)
 - Basic Charge Nurse Training Classroom Evaluation (TR1-01-08B)
 - Curriculum Evaluation
- VII. Additional Educational Forms
 - New Teammate Weekly Progress Report for the PCT (TR1-01-09)
 - New Teammate Weekly Progress Report for Nurses (TR1-01-10)
 - Training hours tracking form (TR1-01-11)
- VIII. State-specific information/forms (as applicable)

**TITLE: BASIC TRAINING FOR HEMODIALYSIS PROGRAM
DESCRIPTION**

Introduction to Program

The Basic Training Program for Hemodialysis is grounded in DaVita's Core Values. These core values include a commitment to providing *service excellence*, promoting *integrity*, practicing a *team* approach, systematically striving for *continuous improvement*, practicing *accountability*, and experiencing *fulfillment* and *fun*.

The Basic Training Program for Hemodialysis is designed to provide the new teammate with the theoretical background and clinical skills necessary to function as a competent hemodialysis patient care provider.

DaVita hires both non-experienced and experienced teammates. Newly hired teammates must meet all applicable State requirements for education, training, credentialing, competency, standards of practice, certification, and licensure in the State in which he or she is employed. For individuals with experience in the armed forces of the United States, or in the national guard or in a reserve component, DaVita will review the individual's military education and skills training, determine whether any of the military education or skills training is substantially equivalent to the Basic Training curriculum and award credit to the individual for any substantially equivalent military education or skills training.

A non-experienced teammate is defined as:

- A newly hired patient care teammate without prior dialysis experience.
- A rehired patient care teammate who left prior to completing the initial training.
- A newly hired or rehired patient care teammate with previous dialysis experience who has not provided at least 3 months of hands on dialysis care to patients within the past 12 months.

An experienced teammate is defined as:

- A newly hired or rehired teammate who can show proof of completing a dialysis training program and has provided at least 3 months of hands on dialysis care to patients within the past 12 months.

The curriculum of the Basic Training Program for Hemodialysis is modeled after Federal Law and State Boards of Nursing requirements, the American Nephrology Nurses Association Core Curriculum for Nephrology Nursing, and the Board of Nephrology Examiners Nursing and Technology guidelines. The program also incorporates the policies, procedures, and guidelines of DaVita HealthCare Partners Inc.

“Day in the Life” is DaVita’s learning portal with videos for RNs, LPN/LVNs and patient care technicians. The portal shows common tasks that are done throughout the workday and provides links to policies and procedures and other educational materials associated with these tasks thus increasing their knowledge of all aspects of dialysis. It is designed to be used in conjunction with the “Basic Training Workbook.”

Program Description

The education program for the newly hired patient care provider teammate **without prior dialysis experience** is composed of at least (1) 120 hours didactic instruction and a minimum of (2) 240 hours clinical practicum, unless otherwise specified by individual state regulations.

The **didactic phase** consists of instruction including but not limited to lectures, readings, self-study materials, on-line learning activities, specifically designed hemodialysis workbooks for the teammate, demonstrations and observations. This education may be coordinated by the Clinical Services Specialist (CSS), a nurse educator, the administrator, or the preceptor.

Within the clinic setting this training includes

- Principles of dialysis
- Water treatment and dialysate preparation
- Introduction to the dialysis delivery system and its components
- Care of patients with kidney failure, including assessment, data collection and interpersonal skills
- Dialysis procedures and documentation, including initiation, monitoring, and termination of dialysis
- Vascular access care including proper cannulation techniques
- Medication preparation and administration
- Laboratory specimen collection and processing
- Possible complications of dialysis
- Infection control and safety
- Dialyzer reprocessing, if applicable

The program also introduces the new teammate to DaVita Policies and Procedures (P&P), and the Core Curriculum for Dialysis Technicians.

The **didactic phase** also includes classroom training with the CSS or nurse educator. Class builds upon the theory learned in the Workbooks and introduces the students to more advanced topics. These include:

- Acute Kidney Injury vs. Chronic Renal Failure
- Manifestations of Chronic Renal Failure
- Normal Kidney Function vs. Hemodialysis
- Documentation & Flow Sheet Review

- Patient Self-management
- Motivational Interviewing
- Infection Control
- Data Collection and Assessment
- Water Treatment and Dialyzer Reprocessing
- Fluid Management
- Pharmacology
- Vascular Access
- Renal Nutrition
- Laboratory
- The Hemodialysis Delivery System
- Adequacy of Hemodialysis
- Complications of Hemodialysis
- Importance of P&P
- Role of the Renal Social Worker
- Conflict Resolution
- The DaVita Quality Index

Also included are workshops, role play, and instructional videos. Additional topics are included as per specific state regulations.

A final comprehensive examination score of 80% (unless state requires a higher score) must be obtained to successfully complete this portion of the didactic phase. If a score of less than 80% is attained, the teammate will receive additional appropriate remediation and a second exam will be given.

Also included in the **didactic phase** is additional classroom training covering Health and Safety Training, systems/applications training, One For All orientation training, Compliance training, Diversity training, mandatory water classes, emergency procedures specific to facility, location of disaster supplies, and orientation to the unit.

The **didactic phase** for nurses includes three days of additional classroom training and covers the following topics:

- Nephrology Nursing, Scope of Practice, Delegation and Supervision, Practicing according to P&P
- Nephrology Nurse Leadership
- Impact – Role of the Nurse
- Care Planning including developing a POC exercise
- Achieving Adequacy with focus on assessment, intervention, available tools
- Interpreting laboratory Values and the role of the nurse

- Hepatitis B – surveillance, lab interpretation, follow up, vaccination schedules
- TB Infection Control for Nurses
- Anemia Management – ESA Hyporesponse: a StarLearning Course
- Survey Readiness
- CKD-MBD – Relationship with the Renal Dietitian
- Pharmacology for Nurses – video
- Workshop
 - Culture of Safety, Conducting a Homeroom Meeting
 - Nurse Responsibilities, Time Management
 - Communication – Meetings, SBAR (Situation, Background, Assessment, Recommendation)
 - Surfing the VillageWeb – Important sites and departments, finding information

The **clinical practicum phase** consists of supervised clinical instruction provided by the facility preceptor, and/or a registered nurse. During this phase the teammate will demonstrate a progression of skills required to perform the hemodialysis procedures in a safe and effective manner. A *Procedural Skills Verification Checklist* will be completed to the satisfaction of the preceptor, and a registered nurse overseeing the training. The Basic Training workbook for Hemodialysis will also be utilized for this training and must be completed to the satisfaction of the preceptor and the registered nurse.

Those teammates who will be responsible for the Water Treatment System within the facility are required to complete the Mandatory Educational Water courses and the corresponding skills checklists.

Both the didactic phase and/or the clinical practicum phase will be successfully completed, along with completed and signed skills checklists, prior to the new teammate receiving an independent assignment. The new teammate is expected to attend all training sessions and complete all assignments and workbooks.

The education program for the newly hired patient care provider teammate **with previous dialysis experience** is individually tailored based on the identified learning needs. The initial orientation to the *Health Prevention and Safety Training* will be successfully completed prior to the new teammate working/receiving training in the clinical area. The new teammate will utilize the Basic Training Workbook for Hemodialysis and progress at his/her own pace. This workbook should be completed within a timely manner as to also demonstrate acceptable skill-level. The *Procedural Skills Verification Checklist* including verification of review of applicable P&P will be completed by the preceptor, and the registered nurse in charge of the training upon demonstration of an acceptable skill-level by the new teammate, and then signed by the new teammate, the RN trainer and the facility administrator.

Ideally teammates will attend Basic Training Class, however, teammates with experience may opt-out of class by successful passing of the *Initial Competency Exam* with a score of 80% or higher. The CSS or RN Trainer responsible for teaching Basic Training Class will enroll the new teammate with experience in the Initial Competency Exam on the LMS. The new teammate's preceptor will proctor the exam. The new experienced teammate should complete all segments of the workbook including the recommended resources to prepare for taking the *Initial Competency Exam* as questions not only assess common knowledge related to the hemodialysis treatment but also knowledge related to specific DaVita P&P, treatment outcome goals based on clinical initiatives and patient involvement in their care. Prior to the new teammate receiving an independent patient-care assignment, the skills checklist must be completed and signed along with a passing score from the classroom or the *Initial Competency Exam*. If the new teammate receives a score of less than 80% on the *Initial Competency Exam*, this teammate will be required to attend Basic Training Class. If the new teammate receives a score of less than 80% on the final comprehensive classroom exam, this teammate will receive theory instruction pertaining to the area of deficiency and a second competency exam will then be given. If the new teammate receives a score of less than 80% on the second exam, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate.

Following completion of the training, a *Verification of Competency* form will be completed (see forms TR1-01-05, TR1-01-06). In addition to the above, further training and/or certification will be incorporated as applicable by state law.

The goal of the program is for the trainee to successfully meet all training requirements. Failure to meet this goal is cause for dismissal from the training program and subsequent termination by the facility.

Process of Program Evaluation

The Hemodialysis Education Program utilizes various evaluation tools to verify program effectiveness and completeness. Key evaluation tools include the DaVita Basic Training Class Evaluation (TR1-01-08A) and Basic Training Nursing Fundamentals (TR1-0108B), the New Teammate Satisfaction Survey and random surveys of facility administrators to determine satisfaction of the training program. To assure continuous improvement within the education program, evaluation data is reviewed for trends, and program content is enhanced when applicable to meet specific needs.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(f), Support Services

Attached at Attachment – 26E is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita HealthCare Partners Inc. and Total Renal Care Inc. attesting that the proposed facility will participate in a dialysis data system, will make support services available to patients, and will provide training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training.

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

Re: Certification of Support Services

Dear Chair Olson:

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 § 1110.1430(g) that Montgomery County Dialysis will maintain an open medical staff.

I also certify the following with regard to needed support services:

- DaVita utilizes a dialysis electronic data system;
- Montgomery County Dialysis will have available all needed support services required by CMS which may consist of clinical laboratory services, blood bank, nutrition, rehabilitation, psychiatric services, and social services; and
- Patients, either directly or through other area DaVita facilities, will have access to training for self-care dialysis, self-care instruction, and home hemodialysis and peritoneal dialysis.

Sincerely,



Print Name: Arturo Sida
Its: Assistant Corporate Secretary
DaVita HealthCare Partners Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This ____ day of _____, 2015

Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On April 15, 2015 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

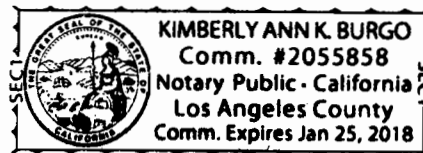
personally appeared ** Arturo Sida **

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kimberly Ann K. Burgo
Signature



OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Letter to K. Olson re Certification of Support Services (Montgomery County Dialysis)

Document Date: April 15, 2015 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☒ Other: Assistant Corporate Secretary

SIGNER IS REPRESENTING: Name of Person or Entity DaVita HealthCare Partners Inc.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(g), Minimum Number of Stations

The proposed dialysis facility is not located within metropolitan statistical area ("MSA"). A dialysis facility located outside an MSA must have a minimum of four dialysis stations. The Applicants propose to establish an 8-station dialysis facility. Accordingly, this criterion is met.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(h), Continuity of Care

DaVita HealthCare Partners Inc. has an agreement with Memorial Medical Center to provide inpatient care and other hospital services. Attached at Attachment – 26F is a copy of the service agreement with this area hospital.

FOR COMPANY USE ONLY:
Clinic #: 3315, 3316, 3317,
3318, 3319, 3320, 3321, 3322,
3420, 3425, 3491, 3580

PATIENT TRANSFER AGREEMENT

This **PATIENT TRANSFER AGREEMENT** (the "Agreement") is made as of the last date of execution of this Agreement (the "Effective Date"), by and between **Memorial Medical Center**, a not-for-profit corporation and affiliate of Memorial Health System (hereinafter "Hospital"), and **DVA Renal Healthcare, Inc.**, a subsidiary of DaVita HealthCare Partners Inc. ("Company").

RECITALS

WHEREAS, the parties hereto desire to enter into this Agreement governing the transfer of patients between Hospital and the following free-standing dialysis clinics owned and operated by Company (the "Centers"):

Macon County Dialysis
1090 W. McKinley Ave.
Decatur, IL 62526

Jacksonville Dialysis
1515 W. Walnut St.
Jacksonville, IL 62650

Mattoon Dialysis
6051 Development Dr.
Charleston, IL 61920

Taylorville Dialysis
901 W. Spreser St.
Taylorville, IL 62568

Springfield Montvale Dialysis
2930 S. Montvale Dr.
Suite A
Springfield, IL 62704

Rushville Dialysis
112 Sullivan Dr.
Rushville, IL 62681

Effingham Dialysis
904 Medical Park Dr.
Suite 1
Effingham, IL 62401

Litchfield Dialysis
915 St. Francis Way
Litchfield, IL 62056

Springfield Central Dialysis
932 N. Rutledge St.
Springfield, IL 62702

Lincoln Dialysis
2100 W. 5th St.
Lincoln, IL 62656

Decatur East Wood Dialysis
794 East Wood St.
Decatur, IL 62521

Illini Renal Dialysis
507 E. University Ave.
Champaign, IL 61820

WHEREAS, the parties hereto desire to enter into this Agreement in order to specify the rights and duties of each of the parties and to specify the procedure for ensuring the timely transfer of patients between the Hospital and the Centers; and

WHEREAS, the parties wish to facilitate the continuity of care and the timely transfer of patients and records between the Hospital and the Centers; and

WHEREAS, the parties acknowledge that only a patient's attending physician (not Company or the Hospital) can refer such patient to Company for dialysis treatments.

NOW THEREFORE, in consideration of the premises herein contained and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. HOSPITAL OBLIGATIONS. In accordance with the policies and procedures as hereinafter provided, and upon the recommendation of an attending physician, a patient of Company may be transferred to Hospital.

(a) Hospital agrees to exercise its best efforts to provide for prompt admission of patients provided that all usual, reasonable conditions of admission are met. All transfers between the facilities shall be made in accordance with applicable federal and state laws and regulations, the standards of The Joint Commission ("TJC") and any other applicable accrediting bodies, and reasonable policies and procedures of the facilities. Transfer record forms shall be completed in detail and signed by the physician or nurse in charge at Company and must accompany the patient to the receiving institution.

(b) Neither the decision to transfer a patient nor the decision to not accept a request to transfer a patient shall be predicated upon arbitrary, capricious or unreasonable discrimination or based upon the patient's inability to pay for services rendered by either facility.

2. COMPANY OBLIGATIONS.

(a) Upon transfer of a patient to Hospital, Company agrees:

- i. That it shall transfer any needed personal effects of the patient, and information relating to the same, and shall be responsible therefor until signed for by a representative of Hospital;
- ii. Original medical records kept by each of the parties shall remain the property of that institution; and
- iii. That transfer procedures shall be made known to the patient care personnel of each of the parties.

(b) Company agrees to transmit with each patient at the time of transfer, or in case of an emergency, as promptly as possible thereafter, an abstract of pertinent medical and other records necessary to continue the patient's treatment without interruption and to provide identifying and other information, to include:

- i. current medical findings;
- ii. diagnosis;
- iii. rehabilitation potential;
- iv. discharge summary;
- v. a brief summary of the course of treatment followed;
- vi. nursing and dietary information;
- vii. ambulating status; and
- viii. administrative and pertinent social information.

(c) Company agrees to readmit to the Center patients who have been transferred to Hospital for medical care as clinic capacity allows. Hospital agrees to keep the administrator or designee of Company advised of the condition of the patients that will affect the anticipated date of transfer back to Company and to provide as much notice of the transfer date as possible. Company shall assign readmission priority for its patients who have been treated at Hospital and who are ready to transfer back to the Center.

3. **BILLING, PAYMENT, AND FEES.** Hospital and Company each shall be responsible for billing the appropriate payor for the services it provides, respectively, hereunder. Company shall not act as guarantor for any charges incurred while the patient is a patient in Hospital.

4. **PROTECTION OF HEALTH INFORMATION.** Hospital and Company represent and warrant to each other that each possesses the capacity to comply, and that each will continuously comply, where relevant, with the provisions of the "Health Insurance Portability and Accountability Act of 1996" and the "Health Information Technology and Clinical Health Act" and all of the standards which are promulgated pursuant to such federal statutes, including the Electronic Transactions Standards, the Privacy Standards, the Security Standards, the Breach Notification Rule and all other standards or rules which may be prescribed by the Department of Health and Human Services subsequent to the Effective Date of this Agreement as being applicable to the relationship between the parties created by this Agreement (collectively, "HIPAA"). Each party will promptly report to the other any use or disclosure of any health information which is not permitted under HIPAA whenever the party becomes aware of such improper use or disclosure. Each party, in addition, will timely act to mitigate, to the extent practicable, any harmful effect, which is known to or which could reasonably be anticipated by the party, of a use or a disclosure of such health information in violation of

HIPAA. Hospital and Company acknowledge and agree that from time to time, HIPAA may require modification of this Agreement for compliance purposes.

5. **STATUS AS INDEPENDENT CONTRACTORS.** The parties acknowledge and agree that their relationship is solely that of independent contractors. Governing bodies of Hospital and Company shall have exclusive control of the policies, management, assets, and affairs of their respective facilities. Nothing in this Agreement shall be construed as limiting the right of either to affiliate or contract with any other hospital or facility on either a limited or general basis while this Agreement is in effect. Neither party shall use the name of the other in any promotional or advertising material unless review and approval of the intended use shall be obtained from the party whose name is to be used and its legal counsel.

6. **INSURANCE.** Each party shall secure and maintain, or cause to be secured and maintained during the term of this Agreement, comprehensive general liability, property damage, and workers compensation insurance in amounts generally acceptable in the industry, and professional liability insurance providing minimum limits of liability of \$1,000,000 per occurrence and \$3,000,000 in aggregate. Each party shall deliver to the other party certificate(s) of insurance evidencing such insurance coverage upon execution of this Agreement, and annually thereafter upon the request of the other party. Each party shall provide the other party with not less than thirty (30) days prior written notice of any change in or cancellation of any of such insurance policies. Said insurance shall survive the termination of this Agreement.

7. **INDEMNIFICATION.**

(a) **Hospital Indemnity.** Hospital hereby agrees to defend, indemnify and hold harmless Company and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any claim, loss, liability, cost and expense including, without limitation, costs of investigation and reasonable attorney's fees (collectively, "Loss"), directly or indirectly relating to, resulting from or arising out of any action or failure to act arising out of this Agreement by Hospital and its staff regardless of whether or not it is caused in part by Company or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective as to any Loss attributable exclusively to the negligence or willful act or omission of Company.

(b) **Company Indemnity.** Company hereby agrees to defend, indemnify and hold harmless Hospital and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any Loss directly or indirectly relating to, resulting from or arising out of any action or failure to act arising out of this Agreement by Company and its staff regardless of whether or not it is caused in part by or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective as to any Loss attributable exclusively to the negligence or willful act or omission of Hospital.

(c) Survival. The indemnification obligations of the parties shall continue in full force and effect notwithstanding the expiration or termination of this Agreement with respect to any such expenses, costs, damages, claims and liabilities which arise out of or are attributable to the performance of this Agreement prior to its expiration or termination.

9. TERM AND TERMINATION. This Agreement shall be effective for an initial period of one (1) year from the Effective Date and shall continue in effect indefinitely after such initial term, except that either party may terminate by giving at least sixty (60) days notice in writing to the other party of its intention to terminate this Agreement. If this Agreement is terminated for any reason within one (1) year of the Effective Date of this Agreement, then the parties hereto shall not enter into a similar agreement with each other for the services covered hereunder before the first anniversary of the Effective Date. Termination shall be effective at the expiration of the sixty (60) day notice period. However, if either party shall have its license to operate its facility revoked by the State or become ineligible as a provider of service under Medicare or Medicaid laws, this Agreement shall automatically terminate on the date such revocation or ineligibility becomes effective.

10. AMENDMENT. This Agreement may be modified or amended from time to time by mutual written agreement of the parties, signed by authorized representatives thereof, and any such modification or amendment shall be attached to and become part of this Agreement. No oral agreement or modification shall be binding unless reduced to writing and signed by both parties.

11. ENFORCEABILITY/SEVERABILITY. The provisions of this Agreement are severable. The invalidity or unenforceability of any term or provisions hereto in any jurisdiction shall in no way affect the validity or enforceability of any other terms or provisions in that jurisdiction, or of this entire Agreement in any other jurisdiction.

12. NO REQUIRED REFERRALS. This Agreement, and all of the other contractual or business arrangements, if any, which exist between Hospital and Company, or any of the entities which are affiliated with Hospital or Company, are to be strictly interpreted and construed so as to comply with all of the provisions of and the referral restrictions which are contained within the federal statutes and laws which are commonly referred to as the Medicare Fraud and Abuse or Anti-Kickback Statute and the Stark Laws, and all of the rules and regulations promulgated pursuant to, and all of the cases or opinions interpreting such statutes and laws, as well as any other state statutes or laws which may be applicable to such arrangements. As a consequence, neither party, nor any of the entities which are affiliated with either party, are being obligated or required by the other party, to obtain or receive any medical diagnosis, care of treatment from a party, or to purchase any health care related services or products from a party. Neither party is entering into this Agreement with an expectation that such patient referrals will occur or develop between the Hospital and Company.

13. PARTICIPATION ELIGIBILITY. Each party represents and warrants to the other Party that such Party and each of its employees: (i) are not listed on the General Services Administration's Excluded Parties List System ("GSA List"); and (ii) are not suspended or excluded from participation in any federal health care programs, as defined under 42 U.S.C. § 1320a-7b(f), or any form of state Medicaid program (collectively, "Government Payor Programs"). Each party agrees to notify the other party of any suspension or exclusion from Government Payor Programs within ten (10) business days of such party's first learning of it. Each party shall have the right to immediately terminate this Agreement upon learning of any such suspension or exclusion.

14. NOTICES. All notices, requests, and other communications to any party hereto shall be in writing and shall be addressed to the receiving party's address set forth below or to any other address as a party may designate by notice hereunder, and shall either be (a) delivered by hand, (b) sent by recognized overnight courier, or (c) by certified mail, return receipt requested, postage prepaid.

If to Hospital: Memorial Medical Center
 701 N. First St.
 Springfield, IL 62781
 Attention: Hospital Administrator

If to Company: DVA Renal Healthcare, Inc.
 C/o: DaVita HealthCare Partners Inc.
 2000 16th St., 12th Floor
 Denver, CO 80202
 Attention: Group General Counsel

With a copy to: DaVita HealthCare Partners Inc.
 2000 16th St., 12th Floor
 Denver, CO 80202
 Attention: Chief Legal Officer

All notices, requests, and other communication hereunder shall be deemed effective (a) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (b) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (c) if sent by certified mail, five (5) business days following the day such mailing is made.

15. ASSIGNMENT. This Agreement shall not be assigned in whole or in part by either party hereto without the express written consent of the other party, except that

either party may assign this Agreement to one of its affiliates, subsidiaries, or subsidiaries of its parent without the consent of the other party.

16. **COUNTERPARTS.** This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Copies of signatures sent by facsimile shall be deemed to be originals.

17. **NON-DISCRIMINATION.** All services provided by Hospital hereunder shall be in compliance with all federal and state laws prohibiting discrimination on the basis of race, color religion, sex national origin, handicap, or veteran status.

18. **WAIVER.** The failure of any party to insist in any one or more instances upon performance of any terms or conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant, or condition, and the obligations of such party with respect thereto shall continue in full force and effect.

19. **GOVERNING LAW.** The laws of the State of Illinois shall govern this Agreement.

20. **HEADINGS.** The headings appearing in this Agreement are for convenience and reference only, and are not intended to, and shall not, define or limit the scope of the provisions to which they relate.

21. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or written, between the parties (including, without limitation, any prior agreement between Hospital and Company or any of its subsidiaries or affiliates) with respect to the subject matter hereof.

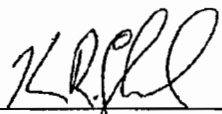
22. **APPROVAL BY DAVITA HEALTHCARE PARTNERS INC. ("DAVITA") AS TO FORM.** The parties acknowledge and agree that this Agreement shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita HealthCare Partners Inc. as to the form hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Hospital:

Memorial Medical Center

By: 

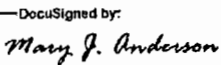
Name: Kevin England

Its: VP, Business Development

Date: 10/14/13

Company:

DVA Renal Healthcare, Inc.

DocuSigned by:
By: 
4875626595E142G...

Name: Mary J. Anderson

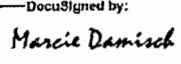
Its: Divisional Vice President

Date: October 14, 2013

This Contract Has Been
Reviewed By MHS Legal Counsel

Meghan Karthliker #2520

APPROVED AS TO FORM ONLY:

DocuSigned by:
By: 
F6330F D18C8/M33...

Name: Marcie Damisch

Its: Group General Counsel

Attachment - 26F

Certificate of Completion

Envelope Number: 00B319CFAE0D4BC88992B42EDEDAAA74

Status: Completed

Subject: Please DocuSign this document: IL - Patient Transfer Agreement - DVA Renal Healthcare, Inc. (Multi-F

Source Envelope:

Document Pages: 8

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Amanda Kadlick

AutoNav: Enabled

2000 16th Street

Envelopeld Stamping: Enabled

Denver, CO 80202

amanda.kadlick@davita.com

IP Address: 208.31.38.197

Record Tracking

Status: Original

Holder: Amanda Kadlick

Location: DocuSign

10/14/2013 11:23:23 AM PT

amanda.kadlick@davita.com

Signer Events

Mary J. Anderson

mary.j.anderson@davita.com

Divisional Vice President

Security Level: Email, Account Authentication
(None)

Consumer Disclosure:

Accepted: 10/14/2013 2:29:57 PM PT

ID: dea77872-5b56-43b9-8349-fe3e9cfc47bc

Signature

DocuSigned by:

Mary J. Anderson

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Timestamp

Sent: 10/14/2013 1:01:20 PM PT

Viewed: 10/14/2013 2:29:57 PM PT

Signed: 10/14/2013 2:30:47 PM PT

Marcie Damisch

marcie.damisch@davita.com

Snsjdjsn

Security Level: Email, Account Authentication
(None)

Consumer Disclosure:

Accepted: 10/14/2013 2:33:42 PM PT

ID: a6f75a39-f857-472a-8452-d20a35013ddc

DocuSigned by:

Marcie Damisch

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Sent: 10/14/2013 2:30:49 PM PT

Viewed: 10/14/2013 2:33:42 PM PT

Signed: 10/14/2013 2:34:18 PM PT

Using IP Address: 162.17.1.33

Using IP Address: 208.31.38.197

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Erin Greer

Greer.Erin@mhsil.com

Security Level: Email, Account Authentication
(None)

Consumer Disclosure:

Not Offered

ID:

COPIED

Sent: 10/14/2013 2:34:20 PM PT

Notary Events

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/14/2013 2:34:20 PM PT
Certified Delivered	Security Checked	10/14/2013 2:34:20 PM PT
Signing Complete	Security Checked	10/14/2013 2:34:20 PM PT
Completed	Security Checked	10/14/2013 2:34:20 PM PT

Consumer Disclosure

CONSUMER DISCLOSURE

From time to time, DaVita (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the "I agree" button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign "Withdraw Consent" form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

electronically from us.

How to contact DaVita:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: jennifer.vanhyning@davita.com

To advise DaVita of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at jennifer.vanhyning@davita.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

To request paper copies from DaVita

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to jennifer.vanhyning@davita.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with DaVita

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to jennifer.vanhyning@davita.com and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari®, 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the "I agree" button below.

By checking the "I agree" box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC CONSUMER DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify DaVita as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by DaVita during the course of my relationship with you.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(i), Relocation of Facilities

The Applicants propose the establishment of an 8-station dialysis facility. Thus, this criterion is not applicable.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(j), Assurances

Attached at Attachment – 26G is a letter from Arturo Sida, Assistant Corporate Secretary, DaVita HealthCare Partners Inc. certifying that the proposed facility will achieve target utilization by the second year of operation.



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

Re: In-Center Hemodialysis Assurances

Dear Chair Olson:

Pursuant to 77 Ill. Admin. Code § 1110.1430(k), I hereby certify the following:

- By the second year after project completion, Montgomery County Dialysis expects to achieve and maintain 80% target utilization; and
- Montgomery County Dialysis also expects hemodialysis outcome measures will be achieved and maintained at the following minimums:
 - $\geq 85\%$ of hemodialysis patient population achieves urea reduction ratio (URR) $\geq 65\%$ and
 - $\geq 85\%$ of hemodialysis patient population achieves Kt/V Daugirdas II ≥ 1.2

Sincerely,

A handwritten signature in black ink, appearing to read 'Art Sida'.

Print Name: Arturo Sida
Its: Assistant Corporate Secretary
DaVita HealthCare Partners Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This ____ day of _____, 2015

Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On April 15, 2015 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

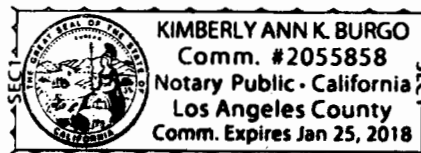
personally appeared ** Arturo Sida **

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Letter to K. Olson re In-Center Hemodialysis Assurances (Montgomery County Dialysis)

Document Date: April 15, 2015 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☒ Other: Assistant Corporate Secretary

SIGNER IS REPRESENTING: Name of Person or Entity DaVita HealthCare Partners Inc.

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

The project will be funded entirely with cash and cash equivalents, and a lease with Palestra Properties, Inc.. A copy of DaVita's 2014 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted with the application 15-020. A letter of intent to lease the facility is attached at Attachment – 36.



JOHNSON CONTROLS REAL ESTATE SERVICES INC.
A JOHNSON CONTROLS COMPANY

June 26, 2015

Mr. Vince Curran
Palestra Real Estate Partners, Inc.
808 Montparnasse Place
Newtown Square, PA 19073

RE: LOI – 1822 Senator Miller Dr, Hillsboro, IL 62049

Dear Vince:

Johnson Controls Real Estate Services, Inc. ("JCI") has been exclusively authorized by Total Renal Care, Inc – a subsidiary of DaVita HealthCare Partners, Inc. ("DaVita") to assist in securing a lease requirement. DaVita is a Fortune 500 company with approximately 2,000 locations across the US and revenues of approximately \$11.5 billion.

Below is the proposal outlining the terms and conditions wherein the Tenant is willing to lease the subject premises:

<u>PREMISES:</u>	1822 Senator Miller Dr, Hillsboro, IL 62049 <i>Lot 1 Miller Place S13 T8 R4</i>
<u>TENANT:</u>	Total Renal Care, Inc. or related entity to be named
<u>LANDLORD:</u>	Palestra Properties, Inc or to be formed investment LLC
<u>SPACE REQUIREMENTS:</u>	Requirement is for approximately 4,686 SF of contiguous rentable square feet. Tenant shall have the right to measure space based on most recent BOMA standards.
<u>PRIMARY TERM:</u>	Fifteen (15) years
<u>BASE RENT:</u>	\$19.00 psf NNN Y1-Y5; \$20.90 psf NNN Y6-Y10; \$22.99 psf NNN Y11-Y15.
<u>ADDITIONAL EXPENSES:</u>	<i>Please provide an estimated annual cost per square foot for any and all additional operating expenses for which the Tenant will be responsible for paying including Taxes, Insurance and CAM.</i> All utilities separately metered to Tenant and Tenant responsibility. Estimated to be \$5.00 psf. Landlord to limit the controllable operating expense costs to \$5.00 psf in the first full lease year and no greater than 3% increases annually thereafter.
<u>LANDLORD'S MAINTENANCE:</u>	Landlord, at its sole cost and expense, shall be responsible for the structural and capitalized items (treated per GAAP standards) for the Property.

**POSSESSION AND
RENT COMMENCEMENT:**

Landlord shall deliver Possession of the Premises to the Tenant upon the later of completion of Landlord's required work (if any), mutual lease execution, waiver of CON contingency, or Landlord closing on the property, to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable. Rent Commencement shall be the earlier of seven (7) months from Possession or the date each of the following conditions have occurred:

- a. Construction improvements within the Premises have been completed in accordance with the final construction documents (except for nominal punch list items); and
- b. A certificate of occupancy for the Premises has been obtained from the city or county; and
- c. Tenant has obtained all necessary licenses and permits to operate its business.

DUE DILLIGENCE:

Tenant shall have the right to obtain Tenant's executive committee approval within 90 days following Lease execution. If Tenant does not receive executive committee approval during such 90 day period, Tenant may elect to terminate the Lease by written notice given not later than the 90th day following lease execution.

LEASE FORM:

Similar to prior Whitehall, PA base lease form where applicable.

USE:

The operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Tenant and related office and administrative uses or for any other lawful purpose.

PARKING:

Tenant shall receive a minimum of four (4) non-exclusive stalls per 1,000 rsf, and two (2) handicapped stalls or such greater number as is required by applicable law or regulation to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

BASE BUILDING:

Tenant shall take possession of the premises in its "as is" condition to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

Premises shall be broom clean and ready for interior improvements by Tenant; free and clear of any components, asbestos or material that is in violation of any EPA standards of acceptance and local hazardous material jurisdiction standards.

TENANT IMPROVEMENTS:

Landlord will provide a \$275,000 allowance to be used to demise the premises and provide the base building improvements as outlined in Schedule A. Any unused base building allowance can be used towards Tenant's tenant improvements.

OPTION TO RENEW:

Tenant desires three, five-year options to renew the lease. Option rent shall be increased by 10% after Year 15 of the initial term and following each successive

five-year option period to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

**RIGHT OF FIRST OPPORTUNITY
ON ADJACENT SPACE:**

Tenant shall have the on-going right of first opportunity on any adjacent space that may become available during the initial term of the lease and any extension thereof, under the same terms and conditions of Tenant's existing lease.

**FAILURE TO DELIVER
PREMISES:**

If Landlord has not delivered the premises to Tenant by 90 days from the later of lease execution, waiver of CON contingency, or Landlord closing on property, Tenant may elect to a) terminate the lease by written notice to Landlord or b) elect to receive one day of rent abatement for every day of delay beyond the 90 day delivery period.

HOLDING OVER:

Tenant shall be obligated to pay 110% for the then current rate to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

TENANT SIGNAGE:

Tenant shall have the right to install building, monument and pylon signage at the Premises, subject to compliance with all applicable laws and regulations and per Section 29 of Schedule A. Landlord, at Landlord's expense, will furnish Tenant with any standard building directory signage.

BUILDING HOURS:

Tenant requires building hours of 24 hours a day, seven days a week.

SUBLEASE/ASSIGNMENT:

Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita, Inc. without the consent of the Landlord, or to unrelated entities with Landlord reasonable approval to be further defined in lease agreement with similar language to prior Whitehall base lease where applicable.

ROOF RIGHTS:

Tenant shall have the right to place a satellite dish on the roof at no additional fee.

NON COMPETE:

Landlord agrees not to lease space to another dialysis provider within a five mile radius of the Premises.

HVAC:

Existing units in as-is condition.

DELIVERIES:

Delivery method to be determined.

OTHER CONCESSIONS:

None.

**GOVERNMENTAL
COMPLIANCE:**

After the initial improvements to demises and built out the Premises as a dialysis facility, Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s).

CERTIFICATE OF NEED:

Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to seven (7) months from the latter of an executed LOI or subsequent filing date. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenant a CON permit to establish a dialysis center on the Premises within seven (7) months from the latter of an executed LOI or subsequent filing date, neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent.

BROKERAGE FEE:

Landlord recognizes as the Tenant's sole representative Johnson Controls Real Estate Services, Inc. and shall pay a brokerage fee equal to two-percent (2%) of the aggregate net rental value of the first ten (10) years of the lease term, 50% shall be due upon the later of lease execution, waiver of CON contingency, or Landlord closing on the property, and 50% shall be due upon occupancy. The Tenant shall retain the right to offset rent for failure to pay the brokerage fee.

PLANS:

Floorplan is attached.

CONTINGENCIES:

This proposal and timing is subject to all necessary governmental, city and adjoining landowner approval.

In the event the Tenant is not successful in obtaining all necessary approvals including, but not limited to, zoning and use, prior to Landlord's closing on the Property, the Tenant shall have the right, but not the obligation to terminate the lease.

This proposal is subject to the Landlord securing and closing on the subject parcel.

Please submit your response to this LOI via e-mail to: Matt.Gramlich@jci.com. It should be understood that this LOI is subject to the terms of Exhibit A attached hereto. The information in this email is confidential and may be legally privileged. It is intended solely for the addressee. Access to this information by anyone but addressee is unauthorized. Thank you for your time and consideration to partner with DaVita.

Sincerely,

Matthew J. Gramlich

Cc: DaVita Team Genesis Real Estate, DaVita Regional Operational Leadership, JCI

SIGNATURE PAGE

LETTER OF INTENT:

1822 Senator Miller Dr, Hillsboro, IL 62049

AGREED TO AND ACCEPTED THIS 30 DAY OF JUNE 2015

By: Mary Anderson

On behalf of Total Renal Care, a wholly owned subsidiary of DaVita Healthcare Partners, Inc.

("Tenant")

AGREED TO AND ACCEPTED THIS 28th DAY OF JUNE 2015

By: 5765 VANCE LLC, its Assigns or Nominees

Vince Vance - Auth Member

("Landlord")

EXHIBIT A

NON-BINDING NOTICE

NOTICE: THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT ARE AN EXPRESSION OF THE PARTIES' INTEREST ONLY. SAID PROVISIONS TAKEN TOGETHER OR SEPERATELY ARE NEITHER AN OFFER WHICH BY AN "ACCEPTANCE" CAN BECOME A CONTRACT, NOR A CONTRACT. BY ISSUING THIS LETTER OF INTENT NEITHER TENANT NOR LANDLORD (OR JCI) SHALL BE BOUND TO ENTER INTO ANY (GOOD FAITH OR OTHERWISE) NEGOTIATIONS OF ANY KIND WHATSOEVER. TENANT RESERVES THE RIGHT TO NEGOTIATE WITH OTHER PARTIES. NEITHER TENANT, LANDLORD NOR JCI INTENDS ON THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT TO BE BINDING IN ANY MANNER, AS THE ANALYSIS FOR AN ACCEPTABLE TRANSACTION WILL INVOLVE ADDITIONAL MATTERS NOT ADDRESSED IN THIS LETTER, INCLUDING, WITHOUT LIMITATION, THE TERMS OF ANY COMPETING PROJECTS, OVERALL ECONOMIC AND LIABILITY PROVISIONS CONTAINED IN ANY LEASE DOCUMENT AND INTERNAL APPROVAL PROCESSES AND PROCEDURES. THE PARTIES UNDERSTAND AND AGREE THAT A CONTRACT WITH RESPECT TO THE PROVISIONS IN THIS LETTER OF INTENT WILL NOT EXIST UNLESS AND UNTIL THE PARTIES HAVE EXECUTED A FORMAL, WRITTEN LEASE AGREEMENT APPROVED IN WRITING BY THEIR RESPECTIVE COUNSEL. JCI IS ACTING SOLELY IN THE CAPACITY OF SOLICITING, PROVIDING AND RECEIVING INFORMATION AND PROPOSALS AND NEGOTIATING THE SAME ON BEHALF OF OUR CLIENTS. UNDER NO CIRCUMSTANCES WHATSOEVER DOES JCI HAVE ANY AUTHORITY TO BIND OUR CLIENTS TO ANY ITEM, TERM OR COMBINATION OF TERMS CONTAINED HEREIN. THIS LETTER OF INTENT IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER TERMS; ANY SPECIAL CONDITIONS IMPOSED BY OUR CLIENTS; AND WITHDRAWAL WITHOUT NOTICE. WE RESERVE THE RIGHT TO CONTINUE SIMULTANEOUS NEGOTIATIONS WITH OTHER PARTIES ON BEHALF OF OUR CLIENT. NO PARTY SHALL HAVE ANY LEGAL RIGHTS OR OBLIGATIONS WITH RESPECT TO ANY OTHER PARTY, AND NO PARTY SHOULD TAKE ANY ACTION OR FAIL TO TAKE ANY ACTION IN DETRIMENTAL RELIANCE ON THIS OR ANY OTHER DOCUMENT OR COMMUNICATION UNTIL AND UNLESS A DEFINITIVE WRITTEN LEASE AGREEMENT IS PREPARED AND SIGNED BY TENANT AND LANDLORD



**[OPTION 2: FOR EXISTING BUILDING]
[SUBJECT TO MODIFICATION BASED ON INPUT FROM TENANT'S PROJECT MANAGER WITH RESPECT TO
EACH CENTER PROJECT]**

SCHEDULE A - TO WORK LETTER

MINIMUM BASE BUILDING IMPROVEMENT REQUIREMENTS

(Note: Sections with an Asterisk (*) have specific requirements for 1.1.2 in California and other select States – see end of document for changes to that section)

Any MBBI work completed by the Landlord will need to be coordinated and approved by the Tenant and their Consultants prior to any work being completed, including shop drawings and submittals reviews.

1.0 - Building Codes & Design *

All Minimum Base Building Improvements (MBBI) are to be performed in accordance with all local, state, and federal building codes including any related amendments, fire and life safety codes, barrier-free regulations, energy codes State Department of Public Health, and other applicable and codes as it pertains to Dialysis. All Landlord's work will have Governmental Authorities Having Jurisdiction ("GAHJ") approved architectural and engineering (Mechanical, Plumbing, Electrical, Structural, Civil, Environmental) plans and specifications prepared by a licensed architect and engineer.

Tenant shall have full control over the selection of the General Contractor for the tenant improvement work.

2.0 - Zoning & Permitting

Building and premises must be zoned to perform services as a dialysis clinic without the need for special-use approval by the AHJ. Landlord to provide all Zoning information related to the base building. Any new Zoning changes/variances necessary for use of the premises as a dialysis clinic shall be the responsibility of the Tenant with the assistance of the Landlord to secure Zoning change/variance. Permitting of the interior construction of the space will be by the Tenant.

3.0 - Common Areas

Tenant will have access and use of all common areas i.e. Lobbies Hallways, Corridors, Restrooms, Stairwells, Utility Rooms, Roof Access, Emergency Access Points and Elevators. All common areas must be code and ADA compliant (Life Safety, ADA, etc.) per current federal, state and local code requirements.

4.0 - Demolition

Landlord will be responsible for demolition of all interior partitions, doors and frames, plumbing, electrical, mechanical systems (other than what is designated for reuse by Tenant) and finishes of the existing building from slab to roof deck to create a "Vanilla box" condition. Space shall be broom clean and ready for interior improvements specific to the buildout of a dialysis facility. Building to be free and clear of any components, asbestos or material that is in violation of any EPA standards of acceptance and local hazardous material jurisdiction standards.

5.0 - Foundation and Floor *

Existing Foundations and Slab on Grade in Tenant space must be free of cracks and settlement issues. Any cracks and settlement issues evident at any time prior commencement of tenant improvement work shall be subject to inspection by a Licensed Structural Engineer stating that such cracks and / or settlement issues are within limits of the structural integrity and performance anticipated for this concrete and reinforcement design for the term of the

lease. Landlord to confirm that the site does not contain expansive soils and to confirm the depth of the water table. Existing concrete slabs shall contain control joints and structural reinforcement.

All repairs will be done by Landlord at his cost and be done prior to Tenant acceptance of space for construction. Any issues with slab during Tenant construction will be brought up to Landlord attention and cost associated with slab issue to repair will be paid by Landlord.

Any slab replacement will be of the same thickness of the adjacent slab (or a minimum of 5") with a minimum concrete strength of 4,000-psi with wire or fiber mesh, and/or rebar reinforcement over 10mil vapor barrier and granular fill. Infill slab/trenches will be pinned to existing slab at 24" O.C. with # 4 bars or greater x 16" long or as designed per higher standards by Tenant's structural engineer depending on soils and existing slab condition.

Existing Concrete floor shall not have more than 3-lbs. of moisture per 1,000sf/24 hours is emitted per completed calcium chloride testing results. Means and methods to achieve this level will be sole responsibility of the Landlord.

6.0 - Structural *

Existing exterior walls, lintels, floor and roof framing shall remain as-is and be free of defects. Should any defects be found repairs will be made by Landlord at his cost. Any repairs will meet with current codes and approved by a Structural Engineer and Tenant.

Landlord shall supply Tenant (if available) structural engineering drawings of space

7.0 – Existing Exterior Walls

All exterior walls shall be in good shape and properly maintained. Any damaged drywall and or Insulation will be replaced by Landlord prior to Tenant taking possession.

It will be the Landlord's responsibility for all cost to bring exterior walls up to code before Tenant takes possession.

8.0 – Demising walls

New or Existing demising walls shall be a 1 or 2hr fire rated wall depending on local codes, state and or regulatory requirements (NFPA 101 – 2000) whichever is more stringent. If it does not meet this, Landlord will bring demising wall up to meet the ratings/UL requirements. Walls to be fire caulked in accordance with UL standards at floor and roof deck. Demising walls will have minimum 3-inch thick mineral wool sound attenuation batts from floor to underside of deck.

At Tenant's option and as agreed upon by Landlord, any new demising wall interior drywall to Tenant's space shall not be installed until after Tenant's improvements are complete in the wall.

9.0- Roof Covering *

The roof shall be properly sloped for drainage and flashed for proper water shed. The roof, roof drains and downspouts shall be properly maintained to guard against roof leaks and can properly drain. Landlord will provide Tenant the information on the Roof and Contractor holding warranty. Landlord to provide minimum of R30 roof insulation at roof deck. If the R30 value is not meet, Landlord to increase R-Value by having installed additional insulation to meet GAHJ requirements to the underside of the roof structure/deck.

Any new penetrations made during buildout will be at the Tenant's cost. Landlord shall grant Tenant that right to conceal or remove existing skylights as deemed appropriate by Tenant and their Consultants.

10.0 – Canopy *

Landlord shall allow Tenant to design and construct a canopy structure for patient arrival and if allowed local code.

11.0 – Waterproofing and Weatherproofing

Landlord shall provide complete water tight building shell inclusive but not limited to, Flashing and/or sealant around windows, doors, parapet walls, Mechanical / Plumbing / Electrical penetrations. Landlord shall properly seal the building's exterior walls, footings, slabs as required in high moisture conditions such as (including but not limited to) finish floor sub-grade, raised planters, and high water table. Landlord shall be responsible for replacing any damaged items and repairing any deficiencies exposed during / after construction of tenant improvement.

12.0 – Windows

Any single pane window systems must be replaced by Landlord with code compliant Energy efficient thermal pane windows with Low -E thermally broken aluminum frames. Broken, missing and/or damaged glass or frames will be replaced by Landlord. Landlord shall allow Tenant, at Tenant's discretion, to apply a translucent film to the existing windows (per manufactures recommendations) per Tenant's tenant improvement design.

13.0 – Thermal Insulation

Landlord to replace any missing and/or damaged wall or ceiling insulation with R-13, 19 or R30 insulation. Any new roof deck insulation is to be installed to the underside of the roof deck.

14.0 – Exterior Doors

All exterior doors shall meet all barrier-free requirements including but not limited to American Disabilities Act (ADA), Local Codes and State Department of Health requirements for egress. If not Landlord at his cost will need to bring them up to code, this will include installing push paddles and/or panic hardware or any other hardware for egress. Any missing weather stripping, damage to doors or frames will be repaired or replaced by Landlord.

Landlord will provide, if not already present, a front entrance and rear door to space. Should one not be present at each of the locations Landlord, to have them installed per the following criteria:

- Front/ Patient Entry Doors: Provide Storefront with insulated glass doors and Aluminum framing to be 42" width including push paddle/panic bar hardware, push button programmable lock, power assist opener, continuous hinge and lock mechanism.
- Service Doors: Provide 48" wide door (Alternates for approval by Tenant's Project Manager to include:
a) 60" or 72"-inch wide double doors (with 1 - 24" and 1 - 36" leaf or 2- 36" leafs), b) 60" Roll up door,
) with 20 gauge insulated hollow metal , painted with rust inhibiting paint, Flush bolts, T astragal, heavy duty aluminum threshold, continuous hinge each leaf, door viewer (peep), panic bar hardware (if required by code), push button programmable lockset.

Any doors that are designated to be provided modified or prepared by Landlord; Landlord shall provide to Tenant, prior to door fabrication, submittals containing specification information, hardware and shop drawings for review and acceptance by Tenant and Tenant's architect.

15.0 – Utilities

All utilities to be provided at designated utility entrance points into the building at locations approved by the Tenant at a common location for access. Landlord is responsible for all tap/connection and impact fees for all new utilities required for a dialysis facility. All Utilities to be coordinated with Tenant's Architect.

16.0 – Plumbing *

Landlord to provide a building water service sized to support Tenant's potable water demand, building fire sprinkler water demand (if applicable), and other tenant water demand (if applicable). Final size to be determined by building potable and sprinkler water combined by means of the total building water demand based on code derived water supply fixture unit method and the building fire sprinkler water hydraulic calculations, per applicable codes and in accordance to municipality and regulatory standards. Landlord to provide a minimum potable water supply to support 30 (60) GPM with a constant 50 PSI water pressure, or as determined by Tenant's Engineer based on

Tenant's water demand. Maximum water pressure to Tenant space to not exceed 80 PSI, and where it does water supply to be provided with a pressure reducing valve. Landlord to provide Tenant with a current water flow test results (within current year) indicating pressure and flow, for Tenant's approval. Final location of new water service to be in Tenants space and determined by Tenant's Engineer.

Where suitable building water already exists, Landlord to provide Tenant with a potable water supply to meet the above minimum requirements. Water flow and pressure to Tenant's space to be unaffected by any other building water requirements such as other tenant water requirements or irrigation systems. Landlord to bring water to Tenant's space, leaving off with a valve and cap for Tenant extension per Tenant direction or Tenant design plans.

Potable water supply to be provided with water meter and two (2) reduced pressure zone (RPZ) backflow devices arranged in parallel for uninterrupted service and sized to support required GPM demand. Backflow devices to be provided with adequate drainage per code and local authority. Meter to be per municipality or water provider standards.

Any existing hose bibs will be in proper working condition prior to Tenants possession of space.

Building sanitary drain size will be determined by Tenant's Mech Engineer based on total combined drainage fixture units (DFU's) for entire building, but not less than 4 inch diameter. The drain shall be stubbed into the building per location coordinated by Tenant at an elevation no higher than 4 feet below finished floor elevation, to a maximum of 10 feet below finished floor elevation. (Coordinate actual depth and location with Tenant's Architect and Engineer.) Provide with a cleanout structure at building entry point. New sanitary building drain shall be properly pitched to accommodate Tenant's sanitary system design per Tenant's plumbing plans, and per applicable Plumbing Code(s). Lift station/sewage ejectors will not be permitted.

Sanitary drain to be stubbed into Tenant's space with a minimum invert level of 42 inches below finished slab. Sanitary drain to be sized based on the calculated drainage fixture unit (DFU) method in accordance to code for both the Tenant's DFU's combined with any other tenant DFU's sharing the drain however, in no case less than 4 inch diameter. Ejectors or lift stations are prohibited. Landlord to clean, power jet and televise existing sanitary drain and provide Tenant with a copy of results. Any drains displaying disrepair or improper pitch shall be corrected by Landlord prior to acceptance by Tenant. Where existing conditions are not met, Landlord to provide new sanitary drain to meet such requirements at Landlord's cost and include all relevant Sanitary District and local municipality permit, tap and other fees for such work.

Landlord to provide a plumbing vent no less than 4 inch diameter stubbed into Tenant's space as high as possible with an elevation no less than the bottom of the lowest structural element of the framing to the deck above. Where deck above is the roof, Landlord to provide roof termination and all required roof flashing and waterproofing. Plumbing roof terminations to maintain a minimum separation of 15 feet, or more if required by local code, from any mechanical rooftop equipment with fresh air intake. Where required separation does not exist, Landlord to relocate to be within compliance at Landlord's cost.

Sanitary sampling manhole if required by local municipality on new line.

Landlord to provide and pay for all tap fees related to new sanitary sewer and water services in accordance with local building and regulatory agencies.

17.0 - Fire Suppression and Alarm System

Fire Sprinkler Systems and building fire alarm control panel shall be maintained by Landlord. Landlord to provide pertinent information on systems for Tenant Engineers for design. Landlord to provide current vendor for system and monitoring company.

A Sprinkler system will be installed if required by AHU or if required by Tenant. Any single story standalone building or that could expand to greater than 10,000 will require a sprinkler system. Landlord to provide cost, to

be included in lease rate, for the design and installation of a complete turnkey sprinkler system (less drops and heads in Tenant space) that meets all local building, fire prevention and life safety codes for the entire building. This system to be on a dedicated water line independent of Tenant's potable water line requirements. Landlord to include all municipal approved shop drawings, service drops and sprinkler heads at heights per Tenant's reflective ceiling plan, flow control switches wired and tested, alarms including wiring and an electrically/telephonically controlled fire alarm control panel connected to a monitoring systems for emergency dispatch.

18.0 – Electrical;

Service size to be determined by Tenant's engineer dependent on facility size and gas availability (400amp to 1,000amp service) 120/208 volt, 3 phase, 4 wire derived from a single metered source and consisting of dedicated CT cabinet per utility company standards feeding a distribution panel board in the Tenant's utility room (location to be per National Electrical Code (NEC) and coordinated with Tenant and their Architect) for Tenant's exclusive use in powering equipment, appliances, lighting, heating, cooling and miscellaneous use. Landlord's service provisions shall include utility metering, tenant service feeder, and distribution panel board with main and branch circuit breakers. Tenant will not accept multiple services to obtain the necessary capacity. Should this not be available Landlord to upgrade electrical service to meet the following criteria:

Provide new service (preferably underground) with a dedicated meter via a new CT cabinet per utility company standards. Service size to be determined by Tenant's engineer dependent on facility size and gas availability (400amp to 1,000amp service) 120/208 volt, 3 phase, 4 wire to a distribution panel board in the Tenant's utility room (location to be per NEC and coordinated with Tenant and their Architect) for Tenant's exclusive use in powering equipment, appliances, lighting, heating, cooling and miscellaneous use. Landlord's service provisions shall include transformer coordination with utility company, transformer pad and grounding, and underground conduit and wire sized for service inclusive of excavation, trenching and restoration, utility metering, distribution panel board with main and branch circuit breakers, and electrical service and building grounding per NEC.

Tenant's Engineer shall have the final approval on the electrical service size and location and the size and quantity of circuit breakers to be provided in the distribution panel board. If 480V power is supplied, Landlord to provide step down transformer to Tenant requirements above.

If combined service meter cannot be provided then Landlord shall provide written verification from Power Utility supplier stating multiple meters are allowed for use by the facility for the duration of the lease term.

If lease space is in a multi-tenant building then Landlord to provide meter center with service disconnecting means, service grounding per NEC, dedicated combination CT cabinet with disconnect for Tenant and distribution panel board per above.

Landlord will allow Tenant to have installed, at Tenant cost, Transfer Switch for temporary generator hook-up, or permanent generator.

Existing electrical raceway, wire, and cable extending through the Tenant's space but serving areas outside the Tenant's space shall be re-routed outside the Tenant's space and reconnected as required at the Landlord's cost.

Fire Alarm system shall be maintained and in good working order by Landlord prior to Tenant acceptance of space. Landlord to provide pertinent information on systems for Tenant's design. Landlord to provide current vendor for system and monitoring company. Landlord's Fire Alarm panel shall include supervision of fire suppression system(s) and connections to emergency dispatch or third party monitoring service in accordance with the local authority having jurisdiction. If lease space is in a multi-tenant building then Landlord to provide an empty conduit stub in Tenant space from Landlord's Fire Alarm panel. If Fire Alarm system is unable to accommodate Tenant requirements and/or FA system is not within applicable code compliance, Landlord to upgrade panel at Landlord's cost.

Fire Alarm system equipment shall be equipped for double detection activation if required.

19.0 - Gas Service

Existing Natural gas service at a minimum to have a 6" water column pressure and be able to supply 800,000-BTU's. Natural gas line shall be individually metered and sized per demand by Engineer.

20.0 - Mechanical /Heating Ventilation Air Conditioning *

Landlord to provide a detailed report from a HVAC company on all existing HVAC units i.e. age, CFM's, cooling capacity, service records etc. for review by Tenant. HVAC Units, components and equipment that Tenant intends to reuse shall be left in place 'as is' by Landlord. Landlord shall allow Tenant, at Tenant's discretion to remove, relocate, replace or modify existing unit(s) as needed to meet HVAC code requirements and design layout requirements.

If determined by Tenant that the units need to be replaced and or additional units are needed, Landlord will be responsible for the cost of the replacement/additional HVAC units, Tenant will complete the all work with the replacement/additional HVAC Units. Units replaced or added will meet the design requirements as stated below.

The criteria is as follows:

- | | | |
|--|---|---|
| <ul style="list-style-type: none">• Equipment to be Lennox RTU's• Supply air shall be provided to the Premises sufficient for cooling and ventilation at the rate of 275 to 325 square feet per ton to meet Tenant's demands for a dialysis facility and the base building Shell loads.• RTU Ductwork drops shall be concentric for air distribution until Tenant's General Contractor modifies distribution to align with Tenant's fit-out design criteria and layout and shall be extended 5' into the space for supply and return air. Extension of system beyond 5-feet shall be by Tenant's General Contractor.• System to be a fully ducted return air design and will be by Tenant's General Contractor for the interior fit-outAll ductwork to be externally lined except for the drops from the units.• Provide 100% enthalpy economizer• Units to include Power Exhaust | <ul style="list-style-type: none">• Control system must be capable of performing all items outlined in the Sequence of Operations specification section• RTU controller shall be compatible with a Building Management System using BACnet communication protocol.• Provide high efficiency inverter rated non-overloading motors• Provide 18" curbs, 36" in Northern areas with significant snow fall• Units to have disconnect and service outlet at unit• Units will include motorized dampers for OA, RA & EA• System shall be capable of providing 55deg supply air temperature when it is in the cooling mode | <ul style="list-style-type: none">• |
|--|---|---|

Equipment will be new and come with a full warranty on all parts including compressors (minimum of 5yrs) including labor. Work to include, but not limited to, the purchase of the units, installation, roof framing, mechanical curbs, flashings, gas & electrical hook-up, coordination with Building Management System supplier, temporary construction thermostats, start-up and commissioning. Anticipate minimum up to five (5) zones with programmable thermostat and or DDC controls (Note: The 5 zones of conditioning may be provided by individual constant volume RTU's, or by a VAV or VVT system of zone control with a single RTU). Tenant's engineer shall have the final approval on the sizes, tonnages, zoning, location and number of HVAC units based on Tenants' design criteria and local and state codes.

21.0 - Telephone

If in a multi-tenant building Landlord to provide a 1" conduit from Building Demark location to phone room location in Tenant space.

22.0 - Cable or Satellite TV

Tenant shall have the right to place a satellite dish on the roof and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee. Landlord shall reasonably cooperate and grant "right of access" with Tenant's satellite or cable provider to ensure there is no delay in acquiring such services.

23.0 - Handicap Accessibility *

Full compliance with ADA and all local jurisdictions' handicap requirements. Landlord shall comply with all ADA regulations affecting the Building and entrance to Tenant space including, but not limited to, the elevator, exterior and interior doors, concrete curb cuts, ramps and walk approaches to / from the parking lot, detectable warnings, parking lot striping for four (4) dedicated handicap stalls for a unit up to 20 station clinic and six (6) HC stalls for units over 20 stations inclusive of pavement markings and stall signs with current local provisions for handicap parking stalls, delivery areas and walkways.

Landlord shall provide pavement marking; curb ramp and accessible path of travel for a dedicated delivery access in the rear of the building. The delivery access shall link the path from the driveway paving to the designated Tenant delivery door and also link to the accessible path of travel.

24.0 - Generator

Landlord to allow a generator to be installed onsite if required by code or Tenant chooses to provide one.

25.0 - Existing Site Lighting

Landlord to provide adequate lighting per code and to illuminate all parking, pathways, for new and existing building access points. Parking lot lighting to be on a timer (and be programmed per Tenant business hours of operation) or photocell. Parking lot lighting shall be connected to and powered by Landlord house panel and equipped. If new lighting is provided it will need to be code compliant with a 90 minute battery back up at all access points.

26.0 - Exterior Building Lighting

Landlord to provide adequate lighting per code and to illuminate the building main and service entrance/exits with related sidewalks. Lighting shall be connected to and powered by Landlord house panel and equipped with a code compliant 90 minute battery back up at all access points.

27.0 - Parking Lot

Provide adequate amount of ADA curb cuts, handicap and standard parking stalls in accordance with dialysis use and overall building uses. Stalls to receive striping, lot to receive traffic directional arrows and concrete parking bumpers. Bumpers to be anchored in place onto the asphalt per stall layout.

28.0 - Refuse Enclosure *

If an area is not designated, Landlord to provide Refuse area for Tenant dumpsters. Landlord to provide a minimum 6" thick reinforced concrete pad approx. 100 to 150SF based and an 8' x 12' apron way to accommodate dumpster and vehicle weight. Enclosure to be provided as required by local codes.

29.0 - Signage

Landlord to allow for an illuminated façade mounted sign and rights to add signage to existing Pylon/monument sign. Final sign layout to be approved by Tenant and the City.

Should Tenant request, Landlord to provide allowance of \$ 4,500 for an illuminated monument/pylon site sign with base and a \$ 7,000 allowance for a facade mounted sign which will include electrical to both. Final sign layout to be provided and approved by Tenant and City.

Section IX, Financial Feasibility

Criterion 1120.130 – Financial Viability Waiver

The project will be funded entirely with cash. A copy of DaVita's 2014 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted with the application for Project No. 15-020.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 39A is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita HealthCare Partners, Inc. attesting that the total estimated project costs will be funded entirely with cash.



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

Re: Reasonableness of Financing Arrangements

Dear Chair Olson:

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Arturo Sida", written over a horizontal line.

Print Name: Arturo Sida
Its: Assistant Corporate Secretary
DaVita HealthCare Partners Inc.
Total Renal Care, Inc.

Subscribed and sworn to me

This ___ day of ___, 201__

Notary Public

See Attached

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On April 15, 2015 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

personally appeared ** Arturo Sida **

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kimberly Ann K. Burgo
Signature



OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Letter to K. Olson re Reasonableness of Financing (Montgomery County Dialysis)

Document Date: April 15, 2015 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s): _____

☐ Individual

☒ Corporate Officer

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☒ Other: Assistant Corporate Secretary

SIGNER IS REPRESENTING: Name of Person or Entity DaVita HealthCare Partners Inc.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(b), Conditions of Debt Financing

This project will be funded in total with cash and cash equivalents. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(c), Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department is provided in the table below.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below) CLINICAL	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)	
CLINICAL									
ESRD		184.76			3,978			\$735,000	\$735,000
Contingency		\$18.48			3,978			\$73,500	\$73,500
TOTAL CLINICAL		\$203.24			3,978			\$808,500	\$808,500
NON- CLINICAL									
ESRD		184.75			708			\$130,800	\$130,800
Contingency		\$18.36			708			\$13,000	\$13,000
TOTAL NON- CLINICAL		\$203.11			708			\$143,800	\$143,800
TOTAL		203.22			4,686			\$952,300	\$952,300

* Include the percentage (%) of space for circulation

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	State Standard	Above/Below State Standard
Modernization Contracts & Contingencies	\$808,500	\$183.68 x 3,978 GSF =\$730,679	Above State Standard
Contingencies	\$73,500	10% - 15% of Modernization Contracts 10% - 15% x \$735,000 - \$73,500 - \$110,250	Meets State Standard
Architectural/Engineering Fees	\$70,000	7.18% - 10.78% of Modernization Contracts + Contingencies) = 7.18% - 10.78% x (\$735,000 + \$73,500) = 7.18% - 10.78% x \$808,500 =	Meets State Standard

Table 1120.310(c)			
	Proposed Project	State Standard	Above/Below State Standard
		\$58,050 - \$87,156	
Consulting and Other Fees	\$65,000	No State Standard	No State Standard
Moveable Equipment	\$351,130	\$50,601.13 per station x 8 stations \$50,601.13 x 8 = \$404,809	Below State Standard
Fair Market Value of Leased Space or Equipment	\$696,829	No State Standard	No State Standard

1. Modernization contracts and contingencies exceed the State Board Standard. The proposed Montgomery County Dialysis will be an 8 station dialysis facility, which is less than half the size of the average dialysis facility in Illinois, which has approximately 17 stations.¹⁶ Although significantly smaller than an average dialysis facility, Montgomery County Dialysis has the same physical plant and equipment needs of the larger facilities, e.g., water treatment room, bio-med room, administrative offices; however, the costs are spread over a much smaller area resulting in a higher cost per gross square foot. While the modernization and contingency costs appear high, they are in line with other similarly situated projects, e.g., Vermilion County Dialysis (Proj. No. 15-003), FMC Waterloo (Proj. No. 12-095), and Red Bud Dialysis (Proj. No. 12-034).

¹⁶ As of March 31, 2015, there were 247 existing or approved dialysis facilities and 4,168 dialysis stations in Illinois (4,168 stations / 247 facilities = 16.9 dialysis stations per facility).

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(d), Projected Operating Costs

Operating Expenses: \$1,460,319

Treatments: 6,084

Operating Expense per Treatment: \$240.03

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(e), Total Effect of Project on Capital Costs

Capital Costs:

Depreciation: \$146,847

Amortization: \$ 7,091

Total Capital Costs: \$153,938

Treatments: 6,084

Capital Costs per Treatment: \$25.30

Section XI, Safety Net Impact Statement

1. This criterion is required for all substantive and discontinuation projects. DaVita HealthCare Partners Inc. and its affiliates are safety net providers of dialysis services to residents of the State of Illinois. DaVita is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and Kidney Smarting patients, and community outreach. A copy of DaVita's 2014 Community Care report, which details DaVita's commitment to quality, patient centric focus and community outreach, was previously included as part of Applicants' application for Proj. No. 15-025. As referenced in the report, DaVita led the industry in quality, with 50 percent of its dialysis centers earning four or five stars in the federal Five-Star Ratings, compared to the 21 percent industry average. DaVita also led the industry in Medicare's Quality Incentive Program, ranking No. 1 in three out of four clinical measures and receiving the fewest penalties. DaVita has taken on many initiatives to improve the lives of patients suffering from CKD and ESRD. These programs include the Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Furthermore, DaVita is an industry leader in the rate of fistula use and has the lowest day-90 catheter rates among large dialysis providers. During 2000 - 2014, DaVita improved its fistula adoption rate by 103 percent. Its commitment to improving clinical outcomes directly translated into 7% reduction in hospitalizations among DaVita patients. DaVita has improved clinical outcomes each year since 2000, generating an estimated \$204 million in net savings to the American healthcare system in 2013.
2. The proposed project will not impact the ability of other health care providers or health care systems to cross-subsidize safety net services. As shown in Table 1110.1430(b), there is currently one existing or approved facility within 30 minutes of the proposed Montgomery County Dialysis, and it is operating at 81%. There are 104 patients from Dr. Tamizuddin's practice suffering from Stage 3, 4, or 5 CKD, who reside within an approximate 30 minute commute of the proposed facility. At least 39 of these patients will be referred to the proposed Montgomery County Dialysis within 12 to 24 months of project completion. As such, the proposed facility is necessary to allow the existing facility to operate at its optimum capacity while at the same time accommodating the growing demand for dialysis services. Accordingly, the proposed dialysis facility will not impact other general health care providers' ability to cross-subsidize safety net services.
3. The proposed project is for the establishment of Montgomery County Dialysis. As such, this criterion is not applicable.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2012	2013	2014
Charity (# of patients)	152	187	146
Charity (cost in dollars)	1,199,657	\$2,175,940	\$2,477,363
MEDICAID			
	2012	2013	2014
Medicaid (# of patients)	661	679	708
Medicaid (revenue)	\$11,387,229	\$10,371,416	\$8,603,971

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			
	2012	2013	2014
Net Patient Revenue	\$228,403,979	\$228,115,132	\$266,319,949
Amount of Charity Care (charges)	\$1,199,657	\$2,175,940	\$2,477,363
Cost of Charity Care	\$1,199,657	\$2,175,940	\$2,477,363

Appendix I – Physician Referral Letter

Attached as Appendix 1 is the physician referral letter from Dr. Tamizuddin projecting 39 pre-ESRD patients will be referred to Montgomery County Dialysis within 12 to 24 months of project completion.

Ashraf Tamizuddin, M.D.
Central Illinois Kidney and Dialysis Associates, SC
3401 Conifer Drive
Springfield, IL 62711

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson:

I am pleased to support DaVita's establishment of Montgomery County Dialysis. The proposed 8-station chronic renal dialysis facility, to be located in Montgomery County, Illinois, will directly benefit my patients.

DaVita's proposed facility will improve access to necessary dialysis services in Montgomery County. DaVita is well-positioned to provide these services, as it delivers life sustaining dialysis for residents of similar communities throughout the country and abroad. It has also invested in many quality initiatives to improve its patients' health and outcomes.

There is only one dialysis facility within 30 minutes of the proposed Montgomery County Dialysis and it was operating at 81% as of March 31, 2015 and lacks sufficient capacity to accommodate my projected patient referrals.

I have identified 104 patients from my practice who are suffering from Stage 3, 4 or 5 CKD who all reside within an approximate 30 minute commute of the proposed facility. 51 of these patients are at Stage 4 or 5 CKD. Conservatively, I predict at least 39 of these 51 patients will progress to dialysis within the next 12 to 24 months. My large patient base and the significant utilization at the nearby facility demonstrate considerable demand for this facility.

A list of patients who have received care at existing facilities in the area for the most recent three years and most recent quarter is provided at Attachment – 1. A list of new patients my practice has referred for in-center hemodialysis for the most recent year and most recent quarter is provided at Attachment – 2. The list of zip codes for the 51 pre-ESRD patients previously referenced is provided at Attachment – 3.

These patient referrals have not been used to support another pending or approved certificate of need application. The information in this letter is true and correct to the best of my knowledge.

DaVita is a leading provider of dialysis services in the United States and I support the proposed establishment of Montgomery County Dialysis.

Sincerely,

Ashraf Tamizuddin

Ashraf Tamizuddin, M.D.
Central Illinois Kidney and Dialysis Associates, SC
3401 Conifer Drive
Springfield, IL 62711

Subscribed and sworn to me

This 14 day of MAY, 2015

Stephanie Skinner
Notary Public



ATTACHMENT 1
Historical Patient Utilization

Macon County Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
61749	1	61749	1	61749	1
62521	1	62522	2	61914	1
62522	2	62526	2	62522	4
62526	2	62537	1	62526	2
62537	1	62549	1	62537	1
62568	1	62703	1		

Historical Patient Utilization

Effingham Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
61938	1	62401	17	62401	14
62401	16	62414	1	62411	2
62414	1	62426	1	62424	1
62426	1	62428	1	62426	1
62431	1	62431	1	62428	1
62443	1	62443	1	62448	2
62450	1	62447	1	62458	1
62458	2	62448	1	62467	1
62461	1	62458	1	62471	2
62467	1	62461	1	62565	1
62565	1	62467	1		
62839	1	62471	2		
62881	1	62565	2		
62899	1	62839	1		
		62881	1		
		62899	1		

Historical Patient Utilization

Jacksonville Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
62082	3	62082	2	62082	2
62092	1	62092	2	62092	2
62378	1	62638	1	62618	1
62627	1	62649	1	62621	1
62629	1	62650	30	62638	1
62638	1	62665	1	62649	1
62650	29	62668	1	62650	29
62665	1	62691	1	62665	1
62668	1	62694	1	62668	1
62691	1			62691	1
62694	1			62692	1
				62694	2

Historical Patient Utilization

Litchfield Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
32808	1	62009	1	62009	1
48035	1	62015	1	62014	1
62009	1	62017	1	62017	2
62014	1	62019	1	62019	1
62015	1	62032	1	62032	1
62019	1	62033	5	62033	4
62033	4	62049	6	62049	8
62049	6	62056	11	62056	12
62056	12	62058	1	62069	5
62058	1	62069	4	62075	1
62069	1	62075	1	62086	3
62075	1	62086	1	62088	3
62088	1	62088	2	62089	1
62093	1	62093	1	62093	1
62094	3	62094	2	62094	2
62560	1	62560	1	62560	2
52568	1	62568	1	62626	11
62626	7	62626	10	62685	1
62685	2	62685	1	62702	1
62702	1	62702	1	62703	1
14575	1	72046	1	72046	1

Historical Patient Utilization

Mattoon Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
61912	1	61920	2	61914	1
61920	2	61931	1	61920	2
61931	1	61938	9	61931	1
61938	7	61944	1	61938	11
61951	1	61951	1	61951	1
62401	1	62428	1	62246	1
62447	1	62468	2	62428	1
62468	1	62474	1	62441	1
62474	1			62468	2
				62474	1
				62549	1

Historical Patient Utilization

Springfield Central Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
60074	1	62540	1	62520	1
62040	1	62558	1	62540	1
62561	2	62561	3	62561	3
62563	1	62562	1	62562	1
62613	2	62613	2	62613	1
62615	2	62615	1	62642	1
62642	1	62642	1	62664	1
62650	1	62670	1	62670	1
62664	1	62675	1	62675	1
62675	2	62684	2	62684	2
62684	4	62691	1	62691	1
62691	1	62693	1	62693	1
62701	1	62701	1	62702	42
62702	35	62702	36	62703	26
62703	32	62703	32	62704	3
62704	10	62704	6	62707	3
62707	1	62707	3	62711	2
62711	2	62711	4		
62712	1				

Historical Patient Utilization

Taylorville Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
62075	3	26568	1	62075	2
62510	12	62075	3	62531	1
62531	1	62531	2	62540	1
62540	1	62540	2	62557	3
62557	1	62557	3	62568	7
62565	1	62565	1	62690	1
62568	9	62568	8		
62690	1	62690	1		

Historical Patient Utilization

Lincoln Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
61723	1	62643	1	61727	1
61749	1	62656	12	62543	1
62656	11	62664	1	62656	10
62664	2	62671	1	62664	3
62671	1			62671	1
				62656	1

Historical Patient Utilization

Vandalia Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
62246	1	62246	1	62246	2
62418	1	62418	2	62253	1
62471	6	62471	6	62418	1
62838	1	62838	1	62471	9

Historical Patient Utilization

Springfield Montvale Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
62538	2	62538	1	62536	1
62615	2	62558	1	62538	2
62629	5	62615	2	62613	1
62638	1	62629	3	62615	1
62640	1	62638	1	62629	4
62642	1	62640	1	62640	1
62650	2	62642	1	62642	2
62661	1	62650	2	62670	1
62670	1	62661	1	62675	2
62675	2	62670	1	62677	1
62690	3	62675	2	62688	1
62701	3	62690	3	62690	2
62702	18	62701	3	62701	4
62703	16	62702	18	62702	8
62704	29	62703	16	62703	11
62707	2	62704	29	62704	31
62711	5	62707	2	62707	2
62712	1	62711	5	62711	6
		62712	1	62712	1
				62864	1

Historical Patient Utilization

Decatur East Wood Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
62521	2	62521	2	62521	3
62522	1	62522	2	62522	2
62526	1	62526	1	62526	1
				62549	1

Historical Patient Utilization

Rushville Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
61455	1	61452	1	61455	1
61452	1	61455	1	61542	1
62301	1	62326	1	62353	2
62326	1	62353	3	62618	8
62353	4	62363	1	62624	1
62367	1	62618	7	62627	1
62618	8	62639	1	62639	1
62639	1	62681	8	62681	3
62681	10				

Historical Patient Utilization

Springfield South Dialysis

2012		2013		2014	
Zip Code	Pt. Count	Zip Code	Pt. Count	Zip Code	Pt. Count
61455	1	61455	1	61455	1
62033	1	62056	1	62056	1
62049	1	62075	1	62075	1
62056	1	62088	1	62088	2
62075	1	62558	1	62558	2
62561	2	62561	2	62561	1
62563	2	62563	2	62563	3
62568	3	62568	4	62568	3
62613	1	62613	1	62613	1
62642	1	62618	2	62618	2
62650	4	62626	2	62626	1
62664	1	62642	1	62629	1
62665	1	62650	6	62642	1
62675	1	62656	1	62650	3
62692	1	62664	1	62664	1
62694	1	62665	1	62665	1
62702	5	62675	1	62670	1
62703	9	62690	1	62675	1
62704	6	62692	1	62690	1
62707	1	62694	1	62692	1
62711	1	62702	10	62694	1
62733	1	62703	11	62702	8
		62704	6	62703	16
		62707	1	62704	6
		62711	1	62707	1
		62712	1	62711	1
		62733	1	62712	3

ATTACHMENT 2

New Patients Macon County Dialysis

Zip Code	Pt. Count
61914	1
62522	3
62526	1
Total	5

Effingham Dialysis

Zip Code	Pt. Count
62401	4
62411	2
62424	1
62448	1
62467	1
62471	2
Total	11

Jacksonville Dialysis

Zip Code	Pt. Count
62092	1
62321	1
62618	1
62621	1
62650	10
62655	1
62665	1
62694	2
Total	18

**New Patients
Litchfield Dialysis**

Zip Code	Pt. Count
62009	1
62014	1
62017	1
62032	1
62033	1
62049	5
62056	3
62069	1
62086	1
62560	1
62626	3
Total	19

Mattoon Dialysis

Zip Code	Pt. Count
61914	1
61938	5
61938	2
61938	1
62049	1
62246	1
62428	1
62441	1
62549	1
62565	1
Total	15

New Patients
Springfield Central Dialysis

Zip Code	Pt. Count
62651	1
62664	1
62684	1
62702	16
62703	3
62707	2
Total	24

Taylorville Dialysis

Zip Code	Pt. Count
62075	1
Total	1

Lincoln Dialysis

Zip Code	Pt. Count
61727	1
62543	1
62656	4
62664	2
Total	8

Vandalia Dialysis

Zip Code	Pt. Count
62471	2
62246	1
62253	1
62418	1
Total	5

New Patients
Springfield Montvale Dialysis

Zip Code	Pt. Count
62536	1
62613	1
62615	1
62629	1
62642	1
62670	1
62677	1
62688	1
62701	1
62702	2
62703	2
62704	8
62711	5
62712	1
62864	1
Total	28

Decatur East Wood Dialysis

Zip Code	Pt. Count
62521	1
62549	1
Total	2

**New Patients
Rushville Dialysis**

Zip Code	Pt. Count
61455	1
62353	1
62618	4
62624	1
62627	1
62681	2
Total	10

Springfield South Dialysis

Zip Code	Pt. Count
62088	1
62650	1
62658	1
62704	2
62703	9
62712	1
62558	1
62563	1
62629	1
62702	2
62548	1
62056	1
62626	1
62082	1
Total	24

ATTACHMENT 3
Pre-ESRD Patient Data

Zip Code	Pt. Count
62009	3
62016	3
62017	2
62033	9
62049	4
62056	18
62075	2
62077	1
62086	2
62091	2
62094	2
62538	1
62560	2
Total	51

Appendix 2 – Time & Distance Determination

Attached as Appendix 2 are the distance and normal travel time from all existing dialysis facilities in the GSA to the proposed facility, as determined by MapQuest.

Appendix 2 – Time & Distance Determination

Attached as Appendix 2 are the distance and normal travel time from all existing dialysis facilities in the GSA to the proposed facility, as determined by MapQuest.



Trip to:

915 St Francis Way

Litchfield, IL 62056-1775

8.69 miles / 12 minutes

Notes



To Investors Who Want to Retire Comfortably

If you have a \$500,000 portfolio, download the guide by *Forbes* columnist Ken Fisher's firm. It's called **99 Retirement Tips From Ken Fisher**.

Click Here to Download Your Guide!

FISHER INVESTMENTS

**Hillsboro, IL**Download
Free App1. Start out going north on **S Main St / IL-127 / IL-16** toward **County Hwy-1**. [Map](#)**0.01 MI**

0.01 Mi Total

**127**2. Take the 1st **left** onto **Tilson St / IL-127 / IL-16**. [Map](#)**0.04 MI**

0.05 Mi Total

*Presbyterian Church-Hillsboro is on the left**If you reach W Wood St you've gone about 0.1 miles too far***16**3. Take the 1st **right** onto **S Hamilton St / IL-127 / IL-16**. Continue to follow **IL-16**. [Map](#)**8.4 MI**

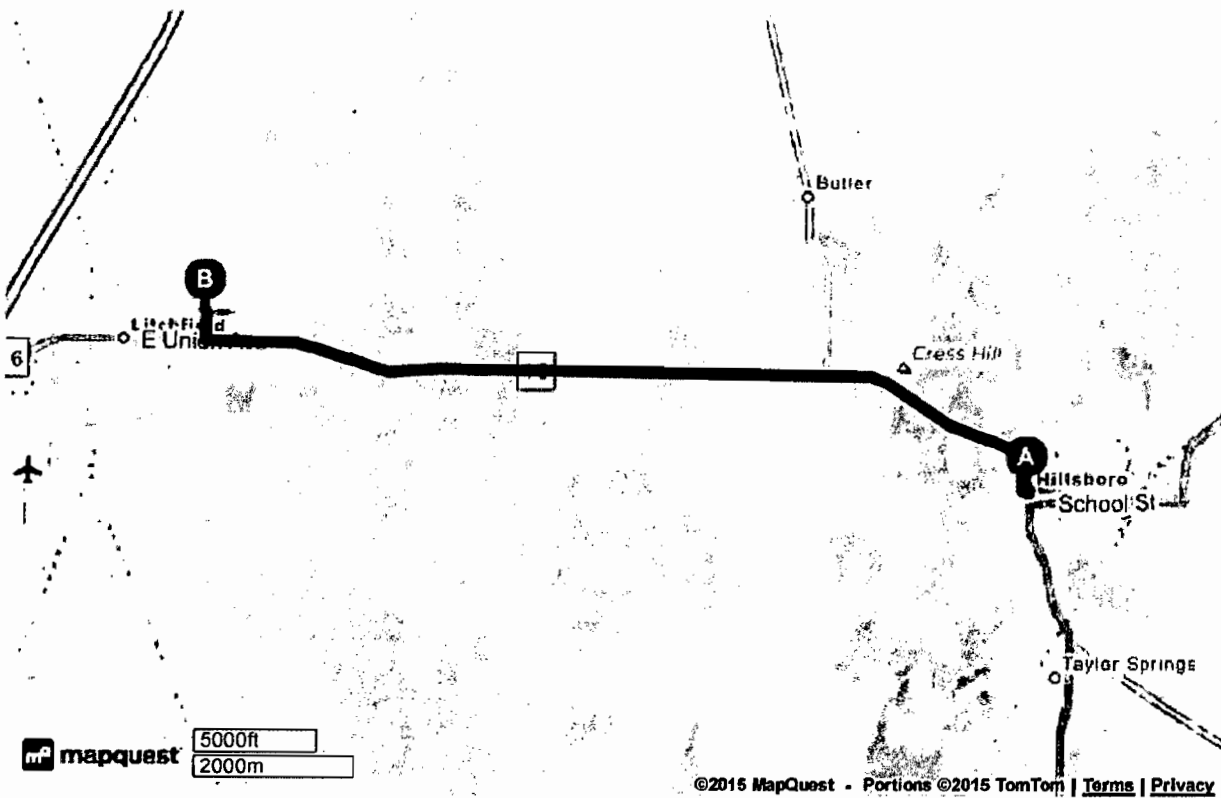
8.5 Mi Total

If you reach Adams St you've gone a little too far4. Turn **right** onto **Saint Francis Way**. [Map](#)**0.2 MI**

8.7 Mi Total

*Saint Francis Way is just past Westwood Dr**If you reach N Locust St you've gone about 0.1 miles too far*5. **915 ST FRANCIS WAY**. [Map](#)*Your destination is 0.1 miles past Franciscan Dr**If you reach E Hauser St you've gone a little too far***915 St Francis Way, Litchfield, IL 62056-1775**

Total Travel Estimate: 8.69 miles - about 12 minutes



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