

17-047

August 30, 2017

VIA FEDERAL EXPRESS

Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761
ATTN: Michael Constantino

Re: Associates In Nephrology S.C. d/b/a Vascular Access Centers of Illinois
("VACI")
CON Application

Dear Mr. Constantino:

Enclosed please find the CON application to establish a single specialty Ambulatory Surgical Treatment Center along with the initial application fee in the amount of \$2,500.00

If there are any questions about this project or any issues that need to be addressed or clarified, please contact me.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP



Mark J. Silberman

Enclosures

cc: P. Kevin Flynn

17-047

[ORIGINAL]

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT- 02/2017 Edition

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**RECEIVED****SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

SEP 01 2017

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD**Facility/Project Identification**

Facility Name: Associates In Nephrology, S.C. d/b/a Vascular Access Centers of Illinois ("VACI")			
Street Address: 1701 W. Monterey Avenue			
City and Zip Code: Chicago, IL 60643			
County: Cook	Health Service Area: 6	Health Planning Area: HSA 6	

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Associates In Nephrology, S.C. d/b/a Vascular Access Centers of Illinois ("VACI")	
Street Address: 210 S. DesPlaines Street	
City and Zip Code: Chicago, IL 60661	
Name of Registered Agent: CT Corporation System	
Registered Agent Street Address: 208 S. LaSalle Street, Suite 814	
Registered Agent City and Zip Code: Chicago, IL 60604	
Name of Chief Executive Officer: Vijaykumar Rao, MD.	
CEO Street Address: 210 S. DesPlaines Street	
CEO City and Zip Code: Chicago, IL 60661	
CEO Telephone Number: (312) 654-2720	

Type of Ownership of Applicants

☐	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 they are 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: P. Kevin Flynn
Title: CFO / Vice President-Finance
Company Name: Associates in Nephrology, S.C.
Address: 210 S. Desplaines Street, Chicago IL 60661
Telephone Number: (312) 654-2711
E-mail Address: Kevin.Flynn@AINMD.com
Fax Number: 1-866-692-4515

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

Name: Mark J. Silberman
Title: Legal Counsel / CON Counsel
Company Name: Benesch, Friedlander, Coplan & Aronoff LLP
Address: 333 W. Wacker Drive, Suite 1900
Telephone Number: (312) 212-4952
E-mail Address: MSilberman@Beneschlaw.com
Fax Number: 877 357 4913

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: P. Kevin Flynn
Title: CFO / Vice President - Finance
Company Name: Associates in Nephrology, S.C.
Address: 210 S. Desplaines Street, Chicago IL 60661
Telephone Number: (312) 654-2711
E-mail Address: Kevin.Flynn@AINMD.com
Fax Number: (866) 692-4515

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: AIN Investments, LLC
Address of Site Owner: 210 S. Desplaines Street, Chicago IL 60661
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Associates in Nephrology d/b/a Vascular Access Centers of Illinois ("VACI")			
Address: 1701 W. Monterey Avenue, Chicago IL 60643			
☐	Non-profit Corporation	☐	Partnership
☒	For-profit Corporation	☐	Governmental
☐	Limited Liability Company	☐	Sole Proprietorship
		☐	Other
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

Provide (for each 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 #2006-5 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 #2006-5 (<http://www.hfsrb.illinois.gov>).

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

Historic Resources Preservation Act Requirements * Not Applicable - Renting Existing Space *****

[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

In the space below, provide 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.

Associates in Nephrology d/b/a Vascular Access Centers of Illinois ("VACI") is proposing a substantive project that involves establishing an ambulatory surgical treatment center ("ASTC") with three procedure rooms. The ASTC, to be located at 1701 W. Monterey Avenue, Chicago IL, 60643, would seek approval and licensing to perform procedures within the General/Other category of service, as the facility would be focused upon vascular access procedures that are necessary for patient populations suffering from renal disease. The lease for the location at which many of these services are currently being provided will soon be ending and the location is no longer suitable or available for a long-term extension of the lease. As a result, development of a new space will be necessary to allow for the continued performance of these procedures and to avoid substantial disruption to the care required for this vulnerable patient population. An overall assessment of the circumstances, including changes within the reimbursement structures, yielded the conclusion that the best long-term benefit would be conversion/establishment of this new location into an ASTC, thereby allowing for the performance of the full spectrum of procedures necessary to support and maintain vascular access for a patient population requiring end-stage renal dialysis ("ESRD").

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 be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees	\$0	\$75,000	\$75,000
Movable or Other Equipment (not in construction contracts)	\$393,346	\$0	\$393,346
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$475,070.40	\$263,928	\$738,998.40
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$868,416.40	\$338,928	\$1,207,344.40
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$393,346	\$75,000	\$468,346
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$475,070.40	\$263,928	\$738,998.40
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$868,416.40	\$338,928	\$1,207,344.40
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: \$ <u>n/a</u> Fair Market Value: \$ <u>FMV per Lease Agreement</u>
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>n/a (conversion from existing business)</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 ☐ Preliminary ☐ Schematics ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): <u>March 31, 2018</u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): ☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies ☒ Financial Commitment 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 [Section 1130.620(c)]

*** Not Applicable for this project. ***

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 Departmental Gross Square Feet (DGSF) or the Building Gross Square Feet (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							
Ambulatory Surgery	\$868,416.40	5,600	5,600	n/a	n/a	5,600	n/a
Total Clinical	\$868,416.40	5,600	5,600	n/a	n/a	5,600	n/a
NON REVIEWABLE							
Administrative	\$338,928	2,000	2,000	n/a	n/a	2,000	n/a
Total Non-clinical	\$338,928	2,000	2,000	n/a	n/a	2,000	n/a
TOTAL	\$1,207,344	7,600	7,600	n/a	n/a	7,600	n/a
APPEND DOCUMENTATION AS ATTACHMENT 9 , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

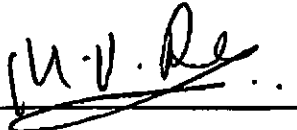
CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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

This Application is filed on the behalf of Associates in Nephrology, S.C., d/b/a Vascular Access Centers of Illinois * 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 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 fee required for this application is sent herewith or will be paid upon request.

SIGNATURE



Vijaykumar Rao, M.D.
PRINTED NAME

President
PRINTED TITLE

SIGNATURE



P. Kevin Flynn
PRINTED NAME

CEO / Vice President-Finance
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 24 day of August



Signature of Notary

Seal

CHARLOTTE CHAPPLE
Official Seal
Notary Public - State of Illinois
My Commission Expires Nov 23, 2020

Notarization:

Subscribed and sworn to before me
this 24 day of August



Signature of Notary

Seal

CHARLOTTE CHAPPLE
Official Seal
Notary Public - State of Illinois
My Commission Expires Nov 23, 2020

*Insert the EXACT legal name of the applicant.

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

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

Background

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 that the information was 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.

Criterion 1110.230 – Purpose of the Project, and Alternatives**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 relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the 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 the age and condition of the project site, as well as 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 Staff 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 and it shall include the basis used for determining the space and the methodology applied.
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 and certified by the facility's Medical Director.
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
 - c. The project involves the conversion of existing space that results in excess square footage.
 - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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?
ASTC	5,600	4,980-6,660	N/A	Yes

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	MEET STANDARD?
YEAR 1	ASTC	1753	83%	4,500 HOURS	Yes
YEAR 2	ASTC	1928	91.2%	4,500 HOURS	Yes

*** Average Procedure Time is 165 minutes

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

G. Non-Hospital Based Ambulatory Surgery

Applicants proposing to establish, expand and/or modernize the Non-Hospital Based Ambulatory Surgery category of service must submit the following information.

ASTC Service
☐ Cardiovascular
☐ Colon and Rectal Surgery
☐ Dermatology
☐ General Dentistry
☒ General Surgery (Focus upon Vascular Access)
☐ Gastroenterology
☐ Neurological Surgery
☐ Nuclear Medicine
☐ Obstetrics/Gynecology
☐ Ophthalmology
☐ Oral/Maxillofacial Surgery
☐ Orthopedic Surgery
☐ Otolaryngology
☐ Pain Management
☐ Physical Medicine and Rehabilitation
☐ Plastic Surgery
☐ Podiatric Surgery
☐ Radiology
☐ Thoracic Surgery
☐ Urology
☐ Other

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

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.1540(c)(2) – Service to GSA Residents	X	X
1110.1540(d) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	
1110.1540(e) – Service Demand – Expansion of Existing ASTC Service		X
1110.1540(f) – Treatment Room Need Assessment	X	X
1110.1540(g) – Service Accessibility	X	
1110.1540(h)(1) – Unnecessary Duplication/Maldistribution	X	
1110.1540(h)(2) – Maldistribution	X	
1110.1540(h)(3) – Impact to Area Providers	X	

1110.1540(i) – Staffing	X	X
1110.1540(j) – Charge Commitment	X	X
1110.1540(k) – Assurances	X	X
APPEND DOCUMENTATION AS <u>ATTACHMENT 25</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

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

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

VII. 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]:

\$468,346	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;
\$738,998.40 (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.
\$1,207,344.40	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

Subject to Financial Viability Waiver

All capital expenditures completely funded via internal sources

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 35** 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.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:	FUNDED	INTERNAL	RESOURCES	1/1/2019
Current Ratio	Financial	Viability	Waiver	1.66
Net Margin Percentage	Financial	Viability	Waiver	23.7%
Percent Debt to Total Capitalization	Financial	Viability	Waiver	0%
Projected Debt Service Coverage	Financial	Viability	Waiver	n/a
Days Cash on Hand	Financial	Viability	Waiver	207.18
Cushion Ratio	Financial	Viability	Waiver	5.65

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.

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 36** IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 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)	
ASTC	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Contingency	\$0	\$0	-	-	-	-	\$0	\$0	\$0
TOTALS	\$0	\$0	-	-	-	-	\$0	\$0	\$0

* 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 37**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL **SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES** [20 ILCS 3960/5.4]:

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 38.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient	n/a	n/a	n/a
Outpatient	256	228	161
Total	256	228	161
Charity (cost in dollars)	2014	2015	2016
Inpatient	n/a	n/a	n/a
Outpatient	\$157,771	\$88,906	\$48,184
Total	\$157,771	\$88,906	\$48,184
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient	n/a	n/a	n/a
Outpatient	2,067	2,438	2,732
Total	2,067	2,438	2,732
Medicaid (revenue)	2014	2015	2016
Inpatient	n/a	n/a	n/a
Outpatient	\$1,364,994	\$1,255,710	\$1,409,548
Total	\$1,364,994	\$1,255,710	\$1,409,548

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI. CHARITY CARE INFORMATION

Charity Care Information **MUST** be furnished for **ALL** projects [1120.20(c)].

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 39.

CHARITY CARE			
	Year 2014	Year 2015	Year 2016
Net Patient Revenue	\$2,903,425	\$3,147,312	\$3,347,312
Amount of Charity Care (charges)	\$157,771	\$86,906	\$48,184
Cost of Charity Care	\$157,771	\$86,906	\$48,184

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

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

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18	Master Design Project	
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20	Comprehensive Physical Rehabilitation	
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28	Subacute Care Hospital Model	
29	Community-Based Residential Rehabilitation Center	
30	Long Term Acute Care Hospital	
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32	Freestanding Emergency Center Medical Services	
33	Birth Center	
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34	Availability of Funds	127-129
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36	Financial Viability	
37	Economic Feasibility	130-167
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39	Charity Care Information	169



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ASSOCIATES IN NEPHROLOGY, S.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 22, 1971, 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 IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1717700391 verifiable until 08/26/2018.
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 26TH
day of JUNE A.D. 2017 .***

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ASSOCIATES IN NEPHROLOGY, S.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 22, 1971, ADOPTED THE ASSUMED NAME VASCULAR ACCESS CENTER OF ILLINOIS, S.C. ON JULY 15, 2005, 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 IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 26TH
day of JUNE A.D. 2017 .***

Jesse White

SECRETARY OF STATE

Authentication #: 1717700399 verifiable until 08/26/2018.

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

Site Ownership / Control

The Monterey Professional Center, in which the ASTC will be located, is at 1701 W. Monterey Avenue and is owned by AIN Investments LLC. The space for the ASTC will be leased by Associates in Nephrology, S.C. d/b/a Vascular Access Centers of Illinois ("VACI"). Included as part of Exhibit 2, and presented as evidence of control, is the lease for the premises.

Attachment 2

MONTEREY PROFESSIONAL CENTER
AMENDED AND RESTATED OFFICE LEASE
FOR
ASSOCIATES IN NEPHROLOGY, S.C.
An Illinois Corporation,
doing business as Vascular Access Centers of Illinois

1701 WEST MONTEREY AVENUE
SUITES 7-12
CHICAGO, IL 60643

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EXHIBITS

Exhibit A-1	Legal Description
Exhibit A-2	Center Site Plan
Exhibit B	Premises Floor Plan
Exhibit C-1	Design Criteria for Tenant's Signage
Exhibit C-2	Tenant's Approved Signage
Exhibit D	Description of Tenant's Work
Exhibit E	Description of Landlord's Work
Exhibit F	Rules and Regulations
Exhibit G	Exclusions from Operating Expenses

**AMENDED AND RESTATED OFFICE LEASE
MONTEREY PROFESSIONAL CENTER**

THIS AMENDED AND RESTATED OFFICE LEASE (the "Lease") is entered into as of the ____ day of _____, 2017 (The "Effective Date"), by and between AIN Investments, LLC, an Illinois limited liability company ("Landlord"), and Associates In Nephrology, S.C. an Illinois corporation, doing business as Vascular Access Centers of Illinois ("Tenant"), for the term, at the rental and subject to and upon all of the terms, covenants and agreements in this Lease.

RECITALS

WHEREAS, Monterey Professional Center, LLC (the "Original Landlord") and Tenant entered into an Office Lease dated as of November 1, 2016 (the "Original Lease") for Suites 9-12 of the office center development known as the Monterey Professional Center located at 1701 West Monterey, Chicago, Illinois and legally described on Exhibit A-1 attached hereto (the "Center");

WHEREAS, Landlord acquired the Center from Original Landlord on December 15, 2016 and at Tenant's request Landlord negotiated a termination of the then existing Office Leases with Roseland Community Hospital for Suites 7 and 8 of the Center;

WHEREAS, Landlord and Tenant have agreed to enter into this Amended and Restated Lease to add Suites 7 and 8 to the Original Lease for Suites 9 through 12 inclusive at the Center and to amend and restate in its entirety the Original Lease as of the Effective Date of this Lease. Subject to any surviving obligations under the Original Lease, from and after the Effective Date the rights obligations of the parties shall be governed by the terms and provisions of this Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

ARTICLE I - PREMISES

Section 1.1 - Premises Defined.

Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain premises known as Suites 7-12, comprising approximately 7,855 square feet of rentable space (the "Premises" or "Leased Premises") situated in the City of Chicago, County of Cook, State of Illinois as shown on Exhibit B attached hereto. The Leased Premises, together with the land legally described on Exhibit A-1 attached hereto and the improvements thereon owned by Landlord, comprise the Center. The Center contains 16,255 square feet of rentable space and is depicted on the site plan set forth on Exhibit A-2 attached hereto (the "Site Plan"). Subject to Article 20, the Leased Premises are leased together with the right to use, on a non-exclusive basis and in common with other tenants of the Center, the parking and other common areas of the Center.

Section 1.2 - Condition of Premises.

Subject to the terms and conditions hereinafter set forth, and in consideration of the Rents (as hereinafter defined) and the terms, covenants, conditions and agreements contained herein, Landlord does hereby lease, rent, let and demise to Tenant, and Tenant does hereby take and hire from Landlord, the Leased Premises, together with all appurtenances, fixtures and other facilities used in connection with the operation or occupancy of the Leased Premises and all alterations and additions thereto and restorations and replacements thereof. The parties acknowledge that Landlord is leasing the Leased Premises to Tenant on an "AS IS-WHERE IS" basis without representation or warranty whatsoever except as specifically set forth herein.

ARTICLE 2 – POSSESSION

Section 2.1 – Delivery of Premises.

Tenant received possession of the Premises on December 16, 2016 (the "Possession Date").

ARTICLE 3 – TENANT'S WORK

Section 3.1 – Tenant's Work Defined.

The contractor selected to perform the work necessary to prepare the Premises for Tenant's Permitted Use (as defined herein) which is generally described on Exhibit D attached hereto ("Tenant's Work") shall be approved by Landlord and provide a satisfactory certificate or certificates from an insurance company evidencing workmen's compensation coverage, builders risk insurance in amounts reasonably acceptable to Landlord, and insurance coverage insuring Landlord against public liability and property damage to any person or property, on or off the Leased Premises, arising out of and during the completion of Tenant's Work.

Section 3.2 – Tenant Permits and Licenses.

Tenant shall apply for and obtain, at Tenant's sole cost and expense, (i) all permits (collectively, the "Building Permits") required under applicable law for the performance of Tenant's Work, prior to the commencement of Tenant's Work, and (ii) all licenses and other approvals (the "Licenses," the Building Permits and the Licenses are collectively referred to herein as the "Required Permits") required under applicable law for the operation of a medical office in the Leased Premises solely for the purpose of the Permitted Use, prior to the date Tenant commences the Permitted Use in the Leased Premises. Tenant shall provide Landlord with copies of all applications and other materials filed with any governmental or private entities in connection with obtaining the Required Permits, on the date such materials are filed. Tenant shall deliver copies of the Required Permits to Landlord immediately upon its receipt of the same. Notwithstanding anything contained herein to the contrary, Tenant shall not have the right to modify the existing zoning of the Leased Premises, the Center including but not limited to, any zoning map amendments, PUDs, variances, exceptions, or special use permits, without the prior written consent of Landlord which consent may be withheld or delayed by Landlord in Landlord's sole and absolute discretion. Landlord will cooperate with Tenant's reasonable requests, if any, in the procurement of the Required Permits.

Section 3.3 – Improvement Allowance.

Landlord shall reimburse Tenant up to Fifty Thousand Two Hundred Fifty 00/100 (\$50,250.00) Dollars plus a credit up to Twenty Thousand 00/100 (\$20,000.00) Dollars for the actual out of pocket costs for the demolition of existing interior demising walls, fixtures and equipment located in the Leased Premises necessary for Tenant to complete Tenant's Work, to be used solely, and for no other reason, as an allowance for improvements ("Improvement Allowance"), the nature and location of which are more fully described in Tenant's Work. For federal income tax purposes, Landlord and Tenant agree that Landlord is the tax owner of Tenant's improvements constructed with the Improvement Allowance. Provided Tenant is not in default hereunder, Landlord will disburse the Improvement Allowance to Tenant within thirty (30) days after the latest of:

- (i) completion of the improvements required to be made by Tenant accompanied by evidence of payment, including lien waivers therefor, and Tenant's acquisition, at its sole cost and expense, of an unconditional, permanent certificate of occupancy;
- (ii) the Term Commencement Date;
- (iii) the execution and delivery to Landlord of an estoppel certificate.

In the event the Improvement Allowance is not paid within thirty (30) days of the delivery of items (i), (ii) and (iii) above, Tenant may offset such amount against rent due under the Lease. Further, Tenant will be entitled to interest on the unpaid sums after the due date at the Lease Interest Rate until paid or credited (as hereinafter defined).

ARTICLE 4 – LEASE TERM

Section 4.1 – Commencement Dates.

The term of this Lease ("Lease Term") shall commence on July 1, 2017, being hereinafter referred to as the "Term Commencement Date" even though Tenant does not anticipate completion of the Tenant's Work by the Commencement Date. The obligation of Tenant to pay Minimum Rent (as defined in Article 5 of this Lease) shall commence and accrue as of and on the Term Commencement Date and Tenant's obligation to pay its Pro Rata Share (as defined in Article 8 of this Lease) of Real Estate Taxes, Insurance Payments and Common Area Charges shall commence and accrue as of the Term Commencement Date. It is further understood and agreed that, as of 12:01 a.m. on the Possession Date, and continuing throughout the Lease Term, Tenant shall comply with, and perform, on a timely basis, all of the obligations and liabilities imposed on Tenant under the terms of this Lease.

Section 4.2 – Lease Expiration Date and Extension Option.

The term of this Lease shall end on the last day of the [fifth (5th)] consecutive Lease Year (as that term is defined below in Section 4.3 of this Lease) following the Term Commencement Date, hereinafter referred to as the "Lease Expiration Date," unless terminated sooner as provided in this Lease. Tenant shall have [three (3)] options to extend the Term each for an additional five (5) years (each, an "Extended Term") by providing written notice to Landlord no later than [one hundred eighty (180)] days prior to the expiration of the then-current Term.

Section 4.3 – Lease Year.

The term "Lease Year," as referred to in this Lease, means a period of twelve (12) consecutive calendar months. The first Lease Year shall begin on the Term Commencement Date if the Term Commencement Date occurs on the first day of the calendar month; or, if not, then the first Lease Year shall commence on the first day of the first calendar month after the Term Commencement Date. Each succeeding Lease Year shall commence upon the anniversary of the commencement date of the first Lease Year.

ARTICLE 5 – RENT

Section 5.1 – Rent Defined.

For all purposes under this Lease, "Rent" shall be deemed to mean, on a collective basis, Minimum Rent and Tenant's Pro Rata Share of Real Estate Taxes, Insurance Payments and Common Area Charges, and any and all other sums or payments, of any nature whatsoever, due from Tenant to Landlord under the terms of this Lease.

Section 5.2 – Minimum Rent.

Tenant agrees to pay to Landlord as "Minimum Rent", without notice or demand or setoff of any kind, except as otherwise expressly provided in this Lease, the monthly sum as set forth in Section 5.4 below, in advance, on or before the first day of each and every successive calendar month during the Lease Term. Rent and other charges to be paid to Landlord under this Lease for any period less than one (1) month shall be prorated on a per diem basis. All Rent and other charges due under this Lease shall be payable to Monterey Professional Center LLC, 1050 E. 95th Street, Chicago, Illinois 60619, Attention: Mr. Albert Comejo, or at such other place as Landlord may from time to time designate in writing to Tenant.

Section 5.3 – ACH Processing.

If Tenant fails to timely pay Minimum Rent two (2) times in any twelve (12) month period during the Lease Term, then at Landlord's option, to be exercised by prior written notice to Tenant, Tenant agrees and acknowledges that the Rent shall be paid via "ACH" processing through the primary operating account of Tenant as and when such amounts are due and owing under this Lease, and Landlord and Tenant shall execute and deliver such forms and documents as may be necessary to effectuate this provision. Notwithstanding the foregoing, Landlord shall not have direct access to Tenant's accounts and such ACH transfers shall be set up by Tenant. Tenant further agrees and acknowledges that it shall maintain sufficient deposits in the designated account in order to provide for the Rent payments pursuant to this Lease, and further, that if any Rent debit is not accepted or permitted by Tenant or by the financial institution where Tenant's deposit account is located and/or the same is returned unpaid or partially paid, then such payment will be considered delinquent under the terms of this Lease.

Section 5.4 – Minimum Rent Amounts.

Minimum Rent shall be payable during the Lease Term as follows:

<u>Term</u>	<u>Lease Year</u>	<u>Base Rent</u>	<u>Rent Discount</u>	<u>Effective Net Rent</u>	<u>Annual Net Rent</u>	<u>Monthly Net Rent</u>
Primary	1	\$20.00	\$2.00	\$18.00	\$141,390.00	\$11,782.50
	2	\$20.40	\$2.00	\$18.40	\$144,532.00	\$12,044.33
	3	\$20.81	\$2.00	\$18.81	\$147,752.55	\$12,312.71
	4	\$21.22	\$2.00	\$19.22	\$150,973.10	\$12,581.09
	5	\$21.65	\$2.00	\$19.65	\$154,350.75	\$12,862.56

Tenant shall pay for all water, gas, electric, heat, light, power, sewer charges, telephone service, medical waste removal and all other services and utilities supplied to the Leased Premises, together with any taxes thereon, each of which shall be separately metered to Tenant. Tenant shall arrange and pay for all utilities or services at the Leased Premises.

Section 5.5 – Extended Term Minimum Rent Amounts.

If Tenant exercises its option to renew this Lease pursuant to 4.2, Minimum Rent shall be payable during the Extended Term(s) as follows:

<u>Term</u>	<u>Lease Year</u>	<u>Base Rent</u>	<u>Rent Discount</u>	<u>Effective Net Rent</u>	<u>Annual Net Rent</u>	<u>Monthly Net Rent</u>
Option Term 1	6	\$22.08	\$0.00	\$22.08	\$173,438.40	\$14,453.20
	7	\$22.52	\$0.00	\$22.52	\$176,849.60	\$14,741.22
	8	\$22.97	\$0.00	\$22.97	\$180,429.35	\$15,035.78
	9	\$23.43	\$0.00	\$23.43	\$184,042.65	\$15,336.89
	10	\$23.90	\$0.00	\$23.90	\$187,734.50	\$15,644.54
Option Term 2	11	\$24.38	\$0.00	\$24.38	\$191,504.90	\$15,958.74
	12	\$24.87	\$0.00	\$24.87	\$195,353.85	\$16,279.49
	13	\$25.36	\$0.00	\$25.36	\$199,202.80	\$16,600.07
	14	\$25.87	\$0.00	\$25.87	\$203,208.85	\$16,934.07
	15	\$26.39	\$0.00	\$26.39	\$207,293.45	\$17,274.45
Option Term 3	16	\$26.92	\$0.00	\$26.92	\$211,456.60	\$17,621.38
	17	\$27.46	\$0.00	\$27.46	\$215,698.30	\$17,974.86
	18	\$28.00	\$0.00	\$28.00	\$219,940.00	\$18,328.33
	19	\$28.56	\$0.00	\$28.56	\$224,338.80	\$18,694.90
	20	\$29.14	\$0.00	\$29.14	\$228,894.70	\$19,074.56

ARTICLE 6 – SECURITY DEPOSIT

{Upon execution of this Lease, and subject to Landlord's review and approval any provision of this Lease, including, but not limited to, the provisions relating to payment of Rent or any monetary sums due hereunder, if permitted by law, Landlord may (but will not be required to) require Tenant to increase the Security Deposit by one (1) month of total Rent due, including CAM and Real Estate Taxes, for the payment of any Rent or any such monetary sum in default or any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default. Tenant's failure to do so will be a material breach of this Lease. Landlord will not be required to keep the Security Deposit separate from its general funds, and Tenant will not be entitled to interest on the Security Deposit. If Tenant is not then in default, the Security Deposit or any balance thereof will be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within thirty (30) days following the expiration of the Lease Term. If Tenant is in default under this Lease, the Security Deposit will be held until after Tenant has vacated

the Leased Premises, subject to Landlord's rights to apply or use the Security Deposit as described herein. If there is a termination of Landlord's interest in this Lease, Landlord will transfer the Security Deposit to Landlord's successor in interest, whereupon Tenant agrees that Landlord will thereupon be released from all liability for the return of such deposit or the accounting therefor provided that the successor in interest assumes Landlord's obligations under this Section.]

ARTICLE 7 – COMMON AREA MAINTENANCE AND TAXES

Section 7.1 – Common Area and Common Area Charges Defined.

The term "Common Area" means the entire areas designed from time to time by Landlord for common use or benefit for the occupants of the Center including, but not by way of limitation, parking lots (permanent and temporary), landscaped and vacant areas, passages for trucks and automobiles, areaways, roads, walks, roof, curbs and courts together with facilities such as drinking fountains, stairs, ramps, shelters, and loading docks, with facilities appurtenant to each, and common utility facilities, whether within or outside of the Center, but excluding any rentable office space. The term "Common Area Charges" means all costs of operation, maintenance, repair, replacement and management of the Common Area, including without limitation the following:

- (i) All insurance premiums for fire, extended coverage, public liability and any other insurance that Landlord reasonably deems necessary with regard to the Center with no deduction for depreciation; public liability insurance; worker's compensation; terrorism; property damage insurance; rent loss insurance; and any other costs incurred in the placing of said insurance;
- (ii) All reasonable costs to maintain and repair the downspouts and gutters of the buildings, the utility systems, lines, conduits and appurtenances thereto serving the buildings or other improvements, parking lots, signs, lighting, sidewalks, driveways and other areas used in common by the tenants or occupants of the Center;
- (iii) Any parking charges, utilities, surcharges, or any other costs or expenses levied, assessed or imposed by or at the direction of or resulting from statutes or regulations or judicial or administrative interpretations thereof, promulgated by any governmental authority in connection with the use or occupancy of the Leased Premises or the parking facilities serving the Leased Premises;
- (iv) All reasonable costs and expenses of operating and maintaining the common areas (hereinafter defined) of the Center, all reasonable costs to supervise, administer and maintain the parking lot, sidewalks, fences, driveways and other areas used in common by the tenants or occupants of the Center. Such cost and expense may include, but not be limited to, all sums incurred in connection with operating, repairing, lighting, cleaning, painting, removing snow, ice, debris, and surface water, sewer, striping, security, electronic intrusion and fire control devices and telephonic alert system devices, inspecting, traffic consultants and traffic regulation, directional signs, equipment depreciation, fidelity bonds for personnel, insurance against liability for defamation and claims of false arrest occurring in and about the Center, regulation of traffic, fees for permits and licenses;
- (v) Water, drainage and sewerage, wages and benefits of employees and other employee expenses and fringe benefits (including social security taxes, unemployment insurance taxes, and any other cost or expense which Landlord pays or incurs to provide benefits for employees so engaged in the operation, management, maintenance and repair of the Center), all costs and expenses of plantings and replacing flowers, shrubbery, and planters, and all costs and expenses of maintaining curbs, sidewalks, walkways, parking surfaces, landscaping, drainage, utilities, motor vehicles, machines and equipment, and lighting facilities;
- (vi) If the parking lot is replaced, only the annual amortized cost of the replacement, using a 7 year period, will be included in common area charges, and the tenant will only be charged for amortized costs falling due during the Lease Term (for the purpose of this paragraph, an overlay or restriping of the drive and parking areas shall be considered a maintenance item not subject to amortization);

(vii) The cost of maintaining and operating (including, without limitation, electrical costs) any monument sign for the Center, the cost of roof repair and maintenance, supplies, sundries, sales or use tax on supplies or sundries, telephone service, internet service cost, postage, and office supplies, waste removal service, window cleaning, janitorial service, and painting, repair, maintenance, and replacement of any monument or pylon signage;

(viii) The cost of maintaining and repairing the rooftop HVAC Systems, whether regularly scheduled or otherwise. If the HVAC System is replaced, only the annual amortized cost of the replacement, using a 5-year period, will be included in common area charges, and the tenant will only be charged for amortized costs falling due during the Lease Term. Notwithstanding the foregoing, the installation of the new rooftop HVAC Systems by Landlord as part of Landlord's Work shall not be subject to reimbursement to Landlord since it is part of Landlord's agreed upon Landlord's Work;

(ix) Other costs as Landlord may reasonably determine are required for the proper maintenance of the Common Areas and the facilities located in said Common Areas. Common Area Charges shall also include a management and/or administrative fee in an amount equal to five percent (5%) of the gross revenues from the Center in the event a third party manager is retained or three percent of the gross revenue from the Center if the manager is affiliated with Landlord; and

(x) Other costs, expenses or charges, whether or not hereinbefore mentioned, which in accordance with generally accepted accounting and management principles, would be considered as an expense of owning, managing, operating, maintaining or repairing the Common Areas. Notwithstanding, Common Area Charges shall not include those items listed in Exhibit G.

Section 7.2 – Taxes Defined.

"Real Estate Taxes" shall mean and include all real estate taxes, assessments, special taxes, special assessments, personal property taxes, special service area assessments or taxes, and other governmental impositions and charges of every kind and nature whatsoever (except income, franchise, capital stock, federal and state estate and inheritance taxes and taxes based upon receipt of rentals, unless the taxes based on receipt of rentals is a gross tax and is enacted in lieu of Real Estate Taxes), extraordinary as well as ordinary, foreseen and unforeseen, present or future, and each and every installment thereof which shall or may, during the Lease Term, become due and payable or arising in connection with, the ownership, use, occupancy, or possession of, or due or payable out of or for, the Center or any part thereof. The amount of Real Estate Taxes attributable to any calendar year of the Lease Term shall be the amount of Real Estate Taxes payable with respect to such year as opposed to those taxes which accrue or become a lien during the Term, it being the express intention of the parties that Real Estate Taxes be passed through to Tenant and there shall be no further obligation to pay Real Estate Taxes which become due and payable after the Lease Term. Real Estate Taxes for any partial year shall be prorated. Tenant's obligation for payment of Real Estate Taxes shall survive the expiration or earlier termination of the Lease Term.

Section 7.3 – Tax Protests.

Tenant agrees that Landlord may include in Real Estate Taxes all reasonable costs and expenses incurred by Landlord with respect to any efforts on the part of Landlord or Landlord's representatives to minimize, reduce, protest, negotiate, or adjust any real estate tax bill, tax assessment, or assessed valuation with regard to the Center including, without limitation, the cost of appraisals, witness fees, and attorneys' fees, not to exceed market charges for such work. Notwithstanding anything to the contrary contained in this Lease, in no event, and under no circumstances, shall Tenant have any right to contest or protest any Real Estate Taxes or other taxes levied and assessed against the Center or the Leased Premises during the Lease Term or any extension thereof.

Section 7.4 – Personal Property Taxes.

Tenant will pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon or measured by the value of its business operation or its furniture, fixtures, leasehold improvements, if any, and other property at any time situated on or installed in the Leased Premises by Tenant. If at any time during the Lease Term any of the foregoing are assessed as a part of the real property of which the Leased Premises are a part, Tenant will pay to Landlord upon demand the amount of such additional taxes as may be levied against

said real property by reason thereof as reasonably determined and apportioned by Landlord. Landlord shall provide evidence reasonably satisfactory to Tenant of its apportionment of such taxes.

ARTICLE 8 – ADDITIONAL RENT

Section 8.1 – Estimated Payments.

From and after the Term Commencement Date, and continuing thereafter throughout the Lease Term, Tenant shall promptly pay to Landlord, without demand and as Rent under this Lease, 48.32% ("Pro Rata Share") of Common Area Charges and Real Estate Taxes in an amount to be reasonably estimated by Landlord and to be adjusted periodically (but not more than two (2) times in any twelve (12) consecutive months during the Lease Term) based upon Landlord's actual cost and expenses. An amount equal to 1/12th of Tenant's Pro Rata Share of Landlord's estimate of the current Common Area Charges and Real Estate Taxes ("Additional Rent") shall be payable in advance from and after the Term Commencement Date and continuing thereafter throughout the Lease Term on the first day of each calendar month and a proportionate sum for partial months, if any, at the beginning and end of the Lease Term. The anticipated Additional Rent for the first Lease Year shall be Five Thousand Two Hundred Seventeen and 03/100 (\$5,217.03) Dollars per month for the period between such commencement and the following December 31st, and Tenant shall pay such Adjustments on a monthly basis concurrently with the payment of Rent. Notwithstanding anything contained herein to the contrary, annual increases in Controllable Common Area Charges shall be capped at five (5%) percent over the previous year ("Controllable CAM Cap"). "Controllable Common Area Charges" are those Common Area Charges that do not include expenses for snow and ice removal, common utilities, and insurance.

Section 8.2 – Reconciliation Statement.

Tenant will continue to make monthly Additional Rent payments until notified by Landlord of a change thereof. By March 1st of each year, Landlord will give tenant a statement showing the total actual Additional Rent for the Center for the prior calendar year and Tenant's pro rata share thereof, prorated, during the first year of the Lease Term, from the Rent Commencement Date.

If the total of the Additional Rent payments which Tenant has made for the prior calendar year is less than Tenant's actual share of such Additional Rent, then Tenant will pay the difference in one lump sum within ten (10) days after receipt of such statement from Landlord and will concurrently pay the difference in monthly payments made in the then calendar year and the amount of monthly payments which are then calculated as monthly Additional Rent based on the prior years' experience. Any overpayment by Tenant will be credited towards the monthly Additional Rent next coming due or will be promptly refunded to Tenant, at Landlord's option. The actual Additional Rent for the prior year will be used for purposes of calculating the estimated monthly Additional Rent for the then current year with actual determination of such Additional Rent after each calendar year as above provided, except that in any year in which resurfacing of the parking area or driveways or roof repair is contemplated, Landlord will be permitted to include the anticipated cost of same as part of the estimated monthly Additional Rent and in any year following a year during which the Center was not assessed as fully completed for real estate tax purposes, Landlord may estimate the amount of the real estate taxes on a fully assessed basis. Though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's share of said Additional Rent for the year in which this Lease terminates, Tenant will immediately pay any increase due over the estimated Additional Rent previously paid and, conversely, any overpayment made will be immediately refunded by Landlord to Tenant. Failure of Landlord to submit statements as called for herein will not be deemed to be a waiver of Tenant's requirement to pay sums as herein provided.

Tenant, upon at least ten (10) days prior written notice to Landlord, shall have the right to audit all of Landlord's bills and records relating to the Common Area Charges and Real Estate Taxes, but not more than once per twelve (12) month period. If the parties are unable to resolve any dispute as to the correctness of such Landlord's Common Area Charges statement within ninety (90) days following such notice of objection, either party may refer the issues raised to an independent firm of certified public accountants selected by Tenant and reasonably acceptable to Landlord, and the decision of such accountants shall be conclusively binding upon Landlord and Tenant. The fees and expenses relating to such procedure shall be borne by Tenant, unless such audit reveals that Tenant's payments

for Common Area Charges or Real Estate Taxes exceed Tenant's actual Pro Rata Share of Common Area Charges and Real Estate Taxes by more than five percent (5%), in which case Landlord shall pay all of Tenant's out of pocket costs and expenses relating to the audit; and in no event shall Tenant's cost of audit include transportation, lodging or meal costs or be performed on a contingency basis. If the audit correctly reveals that Tenant's payments for the Common Area Charges or Taxes were excessive, Landlord shall credit such overpayment against Rent to be paid by Tenant hereunder, or, if such overpayment is discovered after the end of the Term, Landlord shall refund the excess to Tenant together with such statement.

Notwithstanding anything herein to the contrary, if Landlord fails to bill Tenant for any Common Area Charges or Real Estate Taxes within twenty-four (24) months of the date that such charges are incurred, then Tenant shall not be required to pay such Common Area Charges or Real Estate Taxes.

ARTICLE 9 – USE

Section 9.1 – Permitted Use.

Tenant shall use the Leased Premises for only a medical office use, including nephrology services to patients suffering from hypertension, diabetes, kidney disorders and end-stage renal disease and subject to all requisite consents by governmental agencies, an ambulatory surgery center. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not do or permit anything to be done in or about the Leased Premises which will: (i) increase the existing rate of, or affect, any fire or other insurance policy for the Center of which the Leased Premises are a part, or cause a cancellation of any insurance policy covering the Center, or any part thereof, or any of its contents (and Landlord represents that, to its knowledge, the Permitted Use shall not do so); (ii) obstruct or interfere with the rights of other tenants or occupants of the Center; (iii) allow the Leased Premises to be used for any unlawful purpose; (iv) cause, maintain or permit any nuisance in, on or about the Leased Premises; (v) violate, or cause Landlord to violate, a then existing or future exclusive, restricted, or prohibited use of any other tenant or the rights of any other tenant of the Center, except that Tenant may use the Leased Premises for the Permitted Use; (vi) constitute waste in or upon the Leased Premises; (vii) violate, or cause Landlord to violate, any terms or provisions of this Lease, or any regulations, statutes or ordinances, including, but not limited to, any zoning laws (and Landlord represents that, to its knowledge, the Permitted Use shall not do so). Tenant agrees that it will not use or permit its employees, agents or invitees to use the Leased Premises for any use or purpose in violation of any governmental law or authority and that Tenant will at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to the condition, use or occupancy of the Leased Premises, excluding changes not relating to the Permitted Use. Landlord agrees that during the Lease Term and during any Extended Term, Landlord shall not lease or permit any portion of the Center to be occupied by any party providing nephrology services to patients which include a vascular access center, end-stage dialysis treatment or a home dialysis treatment program.

Section 9.2 – Landlord Warranties.

Landlord shall ensure that on the Commencement Date the roof on the Premises will be free from leaks. Landlord represents and warrants to Tenant that on the Possession Date the Center and the Premises, are in compliance with all governmental or regulatory requirements that affect the Center, including zoning, parking and land use those under the Americans With Disabilities Act ("ADA"); provided, however, Tenant will be responsible for code compliance as it relates to Tenant's Work to make the Premises including ADA compliance. Landlord represents and warrants to Tenant that there are no exclusive use restrictions or prohibitions that limit or conflict with Tenant's Permitted Use. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Leased Premises or the suitability of the Leased Premises or the Center for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Leased Premises, except as specifically provided for in this Lease. The taking of possession of the Leased Premises by Tenant will conclusively establish that the Leased Premises were at such time in satisfactory condition.

Section 9.3 – Prohibited Uses.

Notwithstanding anything contained in this Lease to the contrary, it is specifically acknowledged and agreed by Tenant that the following uses by Tenant shall be prohibited in the Leased Premises:

A. Tenant may not display or sell merchandise or allow carts, portable signs, devices or any other objects to be stored or to remain outside the defined exterior walls and permanent doorways of the Leased Premises. Tenant further agrees not to install any exterior lighting, amplifiers or similar devices or use in or about the Leased Premises any advertising medium which may be heard or seen outside the Leased Premises, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts.

B. No merchandise, equipment or services, including, but not limited to, vending machines, promotional devices and similar items, shall be displayed, offered for sale or lease, or stored within the common areas of the Center. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not serve any food or beverages outside of the Leased Premises nor shall any patio area or other outdoor seating area be created or used, without the prior written approval of Landlord, which approval may be withheld in the absolute discretion of Landlord.

C. Tenant will not do or permit anything to be done in or about the Leased Premises which will in any way unreasonably obstruct or interfere with the rights of other tenants or occupants of the building of which the Leased Premises may be a part or use or allow the Leased Premises to be used for any unlawful purpose, nor will Tenant cause or maintain any nuisance in, on or about the Leased Premises. Tenant will not commit or allow to be committed any waste in or upon the Leased Premises. Tenant will keep the Leased Premises in a clean and wholesome condition.

D. Tenant will not allow the Leased Premises to be used for a bank, ATM or loan office; family dental care; obstetrics and gynecology, gastroenterology or laboratory, except for routine laboratory services performed in a private physician's office. In addition to the foregoing, Tenant will not use the Leased Premises for any non-professional office use, including, but not limited to a retail store, day care, hair salon, spa, restaurant or entertainment venue.

ARTICLE 10 – UTILITIES

Tenant shall pay for all water, gas, electric, heat, light, power, sewer charges, telephone service, medical waste removal and all other services and utilities supplied to the Leased Premises, together with any taxes thereon, each of which shall be separately metered to Tenant. Tenant shall pay all electric charges for its exterior building signs, if any (but not the Monument Sign). Tenant shall arrange and pay for all utilities or services at the Leased Premises used by it or its agents, employees or contractors. If any such utilities and/or related services are not separately metered or assessed, or are only partially separately metered or assessed, and are used in common with other tenants in the Center, Tenant will pay to Landlord a proportionate share of charges for such utilities and/or related services as determined in the sole and absolute discretion of Landlord. In addition, Tenant shall be responsible for installation of separate meters for space within the Leased Premises which is sublet by Tenant in accordance with the terms of this Lease, at Tenant's sole cost and expense. Tenant shall be responsible for contracting directly with all suppliers of utility services. In the event that any charge or fee is required by the State of Illinois or City of Chicago, or by any agency, subdivision or instrumentality thereof, or by any utility company or other entity furnishing services or utilities to the Leased Premises, as a condition precedent to furnishing or continuing to furnish utilities or services to the Leased Premises, such charge or fee shall be deemed to be a utility charge payable by Tenant. The provisions of this paragraph shall include, but shall not be limited to, any charges or fees for present or future water or sewer capacity to serve the Leased Premises, any charges for the underground installation of gas or other utilities or services, and other charges relating to the extension of or change in the facilities necessary to provide the Leased Premises with adequate utility services. The interruption or curtailment of any service caused by any event, other than Landlord's intentional misconduct, shall not constitute constructive eviction and shall not entitle Tenant to any abatement of rent or any other claim against Landlord.

ARTICLE 11 – MAINTENANCE AND REPAIRS

Section 11.1 – Landlord Repair Responsibility.

Landlord shall repair and maintain the exterior walls, concrete slab and footings and roof (provided that repair to the roof membrane shall be included in Common Area Charges), any other structural components of the Center and plumbing, pipes, electrical wiring and conduits serving the Common Areas (but not exclusively serving the Leased Premises). However, if the need for such maintenance and repairs is caused, in part or in whole, by the act, neglect, fault or omission of any duty by the Tenant, its agents, servants, employees or invitees, then Tenant shall pay to Landlord the actual out-of-pocket cost of such maintenance, repairs or replacements. In addition, Landlord shall be responsible for the replacement, repair and preventative maintenance of the HVAC Systems located on the roof (provided that such maintenance shall be included in Common Area Charges). The HVAC Units to be installed by Landlord shall be sufficient to maintain interior temperatures between 65 degrees and 72 degrees Fahrenheit during all weather conditions. Further, such HVAC Units shall be maintained so that such temperatures are maintained at all times during the Lease Term and any Extended Term. Landlord shall not be liable for any failure to make such repairs or to perform any maintenance or replacements unless such failure shall persist for more than thirty (30) days after written notice of the need for such repairs, maintenance or replacements is given to Landlord by Tenant, unless an emergency shall exist, in which case Landlord shall commence the repair promptly after receipt of notice from Tenant. Subject to the provisions contained in this Lease, there shall be no abatement of Rent, and no liability of Landlord by reason of any injury to, or interference with, Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Center or the Leased Premises or in or to fixtures, appurtenances and equipment therein. The provisions of this paragraph shall not apply in the case of damage or destruction by fire or other casualty or a taking under the power of eminent domain. Except as expressly provided in this Lease, Landlord shall not be obligated to make repairs, replacements or improvements of any kind in or to the Leased Premises, or any equipment, facilities or fixtures contained therein, which are the responsibility of Tenant.

In the event of an emergency (an event threatening life, safety or property, which requires a repair to be made within twenty four (24) hours ("Emergency Repairs"), Tenant may make reasonable and necessary Emergency Repairs on Landlord's behalf to eliminate the emergency condition, which will be reimbursed by Landlord within thirty (30) days of Tenant's submission of an invoice therefor, provided that Landlord reasonably agrees in writing to the cost, quality and nature of the Emergency Repairs made by Tenant.

Section 11.2 – Tenant Repair Responsibility.

Tenant shall, at Tenant's sole cost and expense, keep the Leased Premises and every part thereof in good condition and repair and maintain (except as otherwise specifically provided in Section 11.1 with respect to Landlord's responsibilities) including, without limitation, the maintenance, replacement and repair of any interior walls, metal storefront, signage, floors, ceilings, plate glass, partitions, doors, doorways, locks, window casements, fixtures, glazing, plumbing, pipes, electrical wiring and conduits serving the Leased Premises, as well as all lighting and plumbing fixtures and systems, life safety systems, and all electrical and fire protection systems installed by Tenant or serving the Leased Premises and including space around ducts, pipes, vents or other parts of the HVAC Systems and plumbing systems which protrude through the roof of the Leased Premises and equipment and appurtenances thereon. Notwithstanding anything contained herein to the contrary, Tenant shall, at Tenant's sole cost and expense, (except as otherwise specifically provided in Section 11.1 with respect to Landlord's responsibilities) repair the heating, ventilating and air-conditioning systems (collectively "HVAC Systems"), provided Tenant must engage Landlord's HVAC contractor or obtain Landlord's written approval for an alternate contractor, which approval shall not be unreasonably withheld. Any damage to the Leased Premises or adjacent premises caused by Tenant's use of the Leased Premises shall be immediately repaired by Tenant, to Landlord's satisfaction, at the sole cost and expense of Tenant. If Tenant refuses or neglects to commence and to complete any or all of the repairs, replacements or maintenance required under this Lease promptly and adequately, Landlord may, after notice to Tenant, but shall not be required to, make and complete said repairs and Tenant shall pay the cost thereof, together with a ten percent (10%) administrative expense, to Landlord, upon demand, as additional rent under this Lease. Without limiting Tenant's repair responsibilities or any other obligation under this Lease, Tenant shall install and maintain hair traps, filters and other screening devices and any other devices required by applicable codes and ordinances to prevent clogging pipes or plumbing or any damage to pipes and plumbing. No representations or

warranties respecting the condition of the Leased Premises, or the Center have been made by Landlord to Tenant except as specifically set forth in this Lease. Tenant shall provide Landlord with five (5) days prior written notice of any non-structural maintenance, replacement or repair to the Leased Premises as provided above, including without limitation, the mechanical, electrical or plumbing systems and HVAC Systems, whose costs shall exceed \$5,000 ("Repair Notice") and Tenant shall not perform said work without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Notwithstanding anything contained herein to the contrary, Tenant shall not perform any structural repair, replacement or maintenance to the Center or the Leased Premises including without limitation the roof, foundation or exterior walls, without the prior written consent of Landlord which consent may be withheld or delayed in Landlord's absolute discretion. All repairs made or performed by Tenant pursuant to this Section 11.2 shall be performed in accordance with Article 12 below.

Section 11.3 – Condition Upon Expiration of Lease Term.

Upon the expiration or earlier termination of this Lease, Tenant will surrender the Leased Premises broom clean, ordinary wear and tear and loss by fire or other casualty or condemnation excepted.

ARTICLE 12 – ALTERATIONS AND ADDITIONS

Section 12.1 – Landlord Alterations and Additions.

Landlord hereby reserves the right, at any time and from time to time, to make changes, alterations or additions to the Center, its parking lot and other Common Areas, including, but not limited to, construction of additional buildings and improvements, or to change the size, shape or dimensions of the Center. Landlord also reserves the right, from time to time, to construct other buildings, structures, kiosks or improvements, including, but not limited to temporary scaffolds and other aids to construction. Landlord shall not unreasonably obstruct or impede access to or the use of the Leased Premises or the parking area or reduce the number of parking spaces available to Tenant. If as a result of Landlord's changes, alterations or additions to the Center, the rentable square footage of the Center is permanently increased, then from and after the date of such increase, Tenant's Pro Rata Share shall be proportionately adjusted.

Prior to the Term Commencement Date, Landlord will complete "Landlord's Work" as described in Exhibit E to Tenant's reasonable satisfaction. Tenant will notify Landlord at least thirty (30) days prior to completion of Tenant's Work as described in Exhibit D and will cooperate with Landlord in the installation of the replacement rooftop HVAC units as described in Exhibit E which will occur after Tenant has completed all necessary HVAC distribution systems installation.

Section 12.2 – Tenant Alterations and Additions.

Except as otherwise specifically provided in this Lease, Tenant shall not, at any time during the Lease Term, make any alterations, decorations, additions, or improvements to the Leased Premises (each, an "Alteration" and collectively, "Alterations") (1) in excess of \$5,000 for any one Alteration, (2) in excess of \$10,000 in any period of twelve (12) consecutive months during the Lease Term, or (3) which affect the structural components or electrical, plumbing or life safety systems servicing the Leased Premises, the HVAC Systems or the roof or facade of the Leased Premises, without Landlord's prior written consent, which consent to interior non-structural Alterations shall not be unreasonably withheld, but consent to exterior or structural Alterations may be withheld or delayed by Landlord, in its sole and absolute discretion unless Tenant agrees to address any reasonable concerns raised by Landlord in which case such consent shall not be unreasonably withheld. In the event that Landlord consents to the performance of any such Alterations, Landlord may impose on Tenant whatever requirements or conditions Landlord may reasonably deem appropriate in connection with the performance of such Alterations (e.g. insurance, performance bond, lien waivers, plans and specifications, use of licensed contractor, permits and licenses).

Section 12.3 – Prior Notice to Landlord.

No Alterations to the Leased Premises for which Landlord's consent is required shall be commenced by Tenant until Tenant has furnished Landlord with final plans and specifications for Landlord's approval and a satisfactory certificate or certificates from an insurance company evidencing workmen's compensation coverage, builders risk insurance in amounts acceptable to Landlord, and insurance coverage protecting Landlord against public liability

and property damage to any person or property, on or off the Leased Premises, arising out of and during the making of such Alterations in accordance with Exhibit D of this Lease. Any Alterations by Tenant hereunder shall be performed in accordance with Exhibit D and (i) in a lien free, good and workmanlike manner by licensed and bonded contractors, (ii) in compliance with all applicable governmental laws, statutes, ordinances or regulations, and (iii) in a manner which does not (a) weaken or impair the value of the Center or (b) void any warranty applying to the Center.

Section 12.4 – No Liens.

Tenant shall not cause or permit any mechanic's lien to be filed against the Leased Premises or Center by reason of, or due to, or as a result of, any work, labor, services, or materials performed at, or furnished to, the Leased Premises, by, or on behalf of, the Tenant, or to anyone holding the Leased Premises through or under Tenant. If any such mechanic's lien shall at any time be filed, Tenant shall immediately cause the same to be discharged of record by payment, bond, order of a court of competent jurisdiction or otherwise; provided, however, that Tenant shall have the right to contest any and all such liens provided the Superior Mortgagee consents to such contest and evidence of security which is reasonably satisfactory to Landlord and the Superior Mortgagee, is delivered to Landlord and Tenant diligently pursues the dismissal of such lien. Tenant shall cause such lien to be dismissed within sixty (60) days from the filing date of said lien. Subject to the immediately preceding sentence, in the event that Tenant fails to cause any such lien to be discharged within sixty (60) days after being notified of the filing thereof and before judgment or sale thereunder, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due, or by bonding or other proceeding reasonably deemed appropriate by Landlord, and the amount so paid by Landlord, together with all costs and expenses (including, but not limited to, reasonable attorney's fees), reasonably incurred by Landlord in procuring the discharge of such lien, shall be deemed to be Additional Rent and shall immediately become due and payable by Tenant to Landlord on the first day of the next following month. If requested by Landlord, Tenant shall execute and return any undertaking or indemnity in favor of a title company required by said title company in order to issue extended title coverage (including, but not limited to, any extended coverage for possible mechanic's liens caused by Tenant) to any of Landlord's lenders or to any third party buyer of the Center and/or such buyer's lender. Landlord shall also cause the Guarantor, if any, to execute and return said indemnity and/or undertaking.

ARTICLE 13 – INDEMNITY AND RELEASE

Section 13.1 – Indemnity.

Tenant shall, and does hereby, indemnify, protect, defend and hold harmless Landlord and Landlord's mortgagee and their respective members, managers, partners, shareholders, officers, agents and employees (collectively, the "Indemnified Parties") from and against any and all claims, damages, liabilities, obligations, losses, causes of action, costs and expenses (including, but not limited to, attorneys' fees and court costs) (collectively, the "Claims") suffered or incurred by any or all of the Indemnified Parties and arising from or as a result of (x) Tenant's or Tenant's officers, agents, contractors, employees, guests, or invitees use of the Leased Premises and/or Center, or from the conduct of Tenant's business, or from any activity, work, or other things done, permitted or suffered by the Tenant in or about the Leased Premises and/or Center; (y) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease; or (z) any wrongful act or negligence of Tenant, or any officer, agent, contractor, employee, guest or invitee of Tenant. In the event any action or proceeding is brought against any or all of the Indemnified Parties by reason of (x), (y) or (z) above, then Tenant, upon notice from any Indemnified Parties, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Leased Premises and/or Center from any cause other than Landlord's gross negligence or intentional misconduct, and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents in or about the Leased Premises. The insurance that Tenant is required to carry pursuant to Article 15 of this Lease shall include coverage of the foregoing contractual indemnity.

Landlord shall, and does hereby, indemnify, protect, defend and hold harmless Tenant and Tenant's members, managers, partners, shareholders, officers, agents and employees (collectively, the "Tenant Indemnified Parties")

from and against any and all Claims suffered or incurred by any or all of the Tenant Indemnified Parties and arising from or as a result of (a) any uncured breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease; or (b) any wrongful act of Landlord, or any officer, agent, contractor, employee, guest or invitee of Landlord, but only to the extent attributable to such wrongful act. In the event any action or proceeding is brought against any or all of the Tenant Indemnified Parties by reason of (a) or (b) above, then Landlord, upon notice from any Tenant Indemnified Parties, shall defend the same pursuant to Landlord's insurance.

Section 13.2 – Hold Harmless.

Except for the negligence or intentional acts of Landlord, Landlord will not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Leased Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether the damage or injury results from conditions arising upon the Leased Premises or upon other portions of the Center of which the Leased Premises are a part, or from any other source without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the acts specifically enumerated above, or from any other thing or circumstance, whether of a like nature or of a wholly different nature, the parties agreeing to look to insurance for coverage over said damages and losses.

ARTICLE 14 – ENVIRONMENTAL

Section 14.1 – Environmental Definitions.

"Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect and as amended from time to time relating to environmental quality, health, safety, contamination and cleanup, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. Section 136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 42 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; and the Environmental Protection Act of Illinois ("IEPA"), Ill. Rev. Stat. ch. 111 1/2, para. 1001 et seq., and state and local superlien and environmental statutes and ordinances, with implementing regulations, rules and guidelines, as any of the foregoing may be amended from time to time. Environmental Laws shall also include all state, regional, county, municipal, and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the applicable federal laws recited above or purport to regulate Hazardous Materials (as hereinafter defined).

As used herein, the term "Hazardous Substance" means (i) any "hazardous substance" defined in the Comprehensive Environmental Response Compensation and Liability Act, 42, U.S.C. Sec. 9601 et seq., as amended, ("CERCLA"), (ii) petroleum, petroleum products, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas, or (iii) any other substance or material that is deemed to be hazardous, dangerous, toxic or a pollutant under any federal, state or local law.

Section 14.2 – Environmental Compliance.

During the Lease Term, Tenant shall comply at its sole cost and expense with all Environmental Laws in the disposal, storage, treatment, transport, handling, and management of any Hazardous Materials on the Leased Premises, or the Center. Provided, however, Tenant shall not take any action that would subject the Leased

Premises, or the Center to the permit requirements under RCRA for storage, treatment or disposal of Hazardous Materials without Landlord's prior written consent, which may be withheld in its sole discretion. Tenant shall not dispose of Hazardous Materials in dumpsters provided by Landlord for tenant use, and Tenant shall not discharge Hazardous Materials into drains or sewers located on the Leased Premises, or the Center. Further, Tenant shall not cause or allow the Release of any Hazardous Materials on, to or from the Leased Premises, or the Center, and Tenant shall arrange at its sole cost and expense for the lawful transportation and off-site disposal of "medical waste" at permitted landfills or other permitted disposal facilities in accordance with all applicable Environmental Laws. If Tenant's management of Hazardous Materials at the Leased Premises, or the Center (i) gives rise to liability or to a Claim under any Environmental Law, or any common law theory of tort or otherwise, (ii) causes a threat to, or endangers, the public health, or (iii) creates a nuisance or trespass, Tenant shall, at its sole cost and expense, promptly take all applicable action in response so as to comply with all applicable Environmental Laws and eliminate or avoid any liability claim with respect thereto. Notwithstanding any provision of this Article 14 to the contrary, Tenant shall have the right to use small quantities of Hazardous Materials for medical or cleaning purposes, provided that any such use complies with all applicable Environmental Laws.

Section 14.3 – Environmental Indemnity.

Notwithstanding anything contained in this Lease to the contrary, Tenant shall reimburse, defend, indemnify and hold Landlord, and its beneficiaries, officers, directors, shareholders, members, managers, employees, and agents, free and harmless from and against any and all Claims, response costs, losses, liabilities, damages, costs, and expenses, including, without limitation, loss of rental income, loss due to business interruption, and reasonable attorneys' fees and costs, arising out of or in any way connected with Tenant's management or release of Hazardous Materials on, to or from the Leased Premises or the Center.

Landlord, to the best of its knowledge as disclosed to Tenant in the Phase I Environmental Assessment prepared by Noble & Associates, Inc. dated October 31, 2006 and the Phase II Subsurface Investigation Report prepared by Pioneer Environmental Services, LLC dated July 10, 2015, represents and warrants to Tenant that as of the Possession Date the Leased Premises and the Center complies with all Environmental Laws. Landlord shall reimburse, defend, indemnify and hold Tenant, and its beneficiaries, officers, directors, shareholders, members, managers, employees, and agents, free and harmless from and against any and all Claims, response costs, losses, liabilities, damages, costs, and expenses, including, without limitation, loss of rental income, loss due to business interruption, and reasonable attorneys' fees and costs, arising out of or in any way connected with preexisting environmental conditions and violations of Environmental Laws at the Center unless caused by Tenant.

ARTICLE 15 – INSURANCE

Section 15.1 – Insurance Limits.

Tenant will, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of commercial general liability insurance insuring Tenant (and Landlord as an additional insured), against any liability for injury or death arising out of the ownership, use, occupancy or maintenance of the Leased Premises and all areas appurtenant thereto with a combined single limit of not less than \$1,000,000 for bodily injury, death or property damage and medical expenses in an amount not less than \$5,000.00 per person, per accident. Tenant may, at its option, obtain an umbrella liability policy sufficient to provide aggregate general liability insurance in an amount not less than \$3,000,000, provided that said insurance will have a landlord's protective liability endorsement attached thereto. Tenant shall also obtain Workers' Compensation Insurance in amounts required by applicable laws, statutes, regulations and ordinances and employer's liability insurance covering all persons employed in connection with any work conducted on or about the Leased Premises with limits of not less than \$100,000 each accident, \$500,000 disease policy limit, and \$100,000 disease per employee, and other insurance as required by any Employee Benefit Act or other applicable statute. In addition, Tenant shall obtain other amounts of insurance coverage and types of insurance coverage which at the time are commonly obtained in the case of property similar to the Leased Premises in the Chicago Metropolitan Area as reasonably determined by Landlord. All Tenant policies shall be written as primary policies not contributing with and not in excess of Landlord's coverage.

Section 15.2 – Builder's Risk.

Before any alterations, additions, improvements or construction are undertaken, Tenant shall carry and maintain, at its expense, and Tenant shall require any contractor performing work on the Leased Premises to carry and maintain, at no expense to Landlord, in addition to worker's compensation insurance as required by the jurisdiction in which the Center is located, All-Risk Builder's Risk Insurance in the amount of 100% of the replacement cost of the Tenant's Work including the proposed alteration. In no event will Tenant allow a contractor to perform work with less than \$500,000 of Builder's Risk Insurance.

Section 15.3 – Proof of Insurance.

Tenant will deliver to Landlord, prior to execution of this Lease, certificates evidencing the existence and amounts of such insurance with loss payable clauses reasonably satisfactory to Landlord. No policy will be cancelable or subject to reduction of coverage except upon not less than thirty (30) days' prior written notice to Landlord. All insurance shall be issued by companies licensed to do business in Illinois and rated by Best's Insurance Reports not less than A-/VIII. If Tenant fails to procure and maintain said insurance, Landlord may, after notice to Tenant, but will not be required to, procure and maintain same, but at the expense of Tenant. In such event, Tenant will reimburse Landlord for the cost of such insurance upon demand with interest at the Lease Interest Rate (defined below). Insurance required hereunder will be in companies reasonably acceptable to Landlord.

Section 15.4 – Waiver of Subrogation.

Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss compensated for by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party will apply to its insurer to obtain said waivers and will secure any special endorsements if required by its insurer to comply with the provisions of Article 15.

ARTICLE 16 – DAMAGE OR DESTRUCTION

Section 16.1 – Insured Loss.

In the event the Leased Premises are damaged by fire, or other perils covered by extended coverage insurance, to an extent which is less than fifty (50%) percent of the cost of replacement of the Leased Premises, the damage will be repaired by Landlord, at Landlord's expense, within ninety (90) days thereafter. In the event of any such damage and if (i) Landlord is not required to repair as hereinabove provided or (ii) the Leased Premises will be damaged to the extent of fifty (50%) percent or more of the cost of replacement, or (iii) the Center is damaged by more than twenty-five (25%) percent of the aggregate cost of replacement, Landlord may elect either to repair or rebuild the Leased Premises or the Center or to terminate this Lease upon giving notice of such election in writing to Tenant within sixty (60) days after the occurrence of the event causing the loss. If the Leased Premises are untenable in whole or in part as a result of a casualty, there will be an abatement of the Minimum Rent in the proportion that the untenable space bears to the total area of the Leased Premises, as reasonably calculated by Landlord, from the date of damage until the date Landlord completes its work. If the damage is due to the fault or neglect of Tenant, its agents or employees, there will be no abatement of Rent. In the event the damage referred to in (iii) above does not affect the Leased Premises, this Lease shall remain in full force and effect and Landlord shall remove the damaged portion of the Center in compliance with applicable codes.

Section 16.2 – Uninsured Loss.

In the event the Leased Premises or the Center are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance or if the proceeds of insurance received by Landlord are insufficient, in Landlord's judgment, to defray the costs of repair and restoration, then Landlord will have the option to either (i) repair or restore such damage, this Lease continuing in full force and effect but the Minimum Rent and Additional Rent to be proportionately reduced as stated above in Section 16.1, or (ii) give notice to Tenant at any time within sixty (60) days after such damage, terminating this Lease as of the date of such damage. In the event of giving such notice, this Lease will expire and all interest of Tenant in the Leased Premises will terminate on the date so specified in such notice and the Minimum Rent, reduced by a proportionate reduction as above stated, will be paid to the date of such termination.

Section 16.3 - Landlord Duty.

Notwithstanding anything to the contrary herein set forth: (a) Landlord shall have no duty to repair or to restore any portion of the alterations, additions or improvements owned or made by Tenant in the Leased Premises; (b) Landlord shall have no duty to expend for any repair or restoration in excess of insurance proceeds available for repair or restoration and paid to Landlord so long as Landlord has maintained at the time of the casualty full replacement cost coverage; (c) Landlord at all times shall be entitled to all insurance proceeds; (d) Landlord's lender or mortgagee shall be entitled to all insurance proceeds if such mortgagee or lender has the right to obtain, keep or apply such proceeds against any outstanding debt owed by Landlord to said mortgagee or lender, provided Landlord has used reasonable efforts to cause such lender to apply the insurance proceeds available for repair and restoration to the repair or restoration of the Leased Premises; or (e) Landlord shall have no duty to repair and restore hereunder if the damage from casualty occurs during the last twelve (12) months of the Lease Term.

ARTICLE 17 - CONDEMNATION

If twenty-five percent (25%) or more of the Leased Premises will be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto will have the right, at its option, within sixty (60) days after such taking or appropriation, to terminate this Lease upon thirty (30) days written notice to the other. If any part of the Leased Premises are so taken (and neither party elects to terminate as herein provided), the Minimum Rent and Additional Rent thereafter to be paid will be equitably reduced, as reasonably determined by Landlord and Tenant. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards, judgments or settlements which may be given and Tenant hereby assigns to Landlord all of its right, title and interest in any such award, judgment or settlement and Tenant shall have no claim against Landlord for the value of any unexpired portion of the Lease Term. Landlord solely shall have the right to prosecute claims in any condemnation proceedings. Tenant may seek an award relating to its moving expenses, and for Tenant's Work and personal property; provided, however, in no event shall Tenant be entitled to seek such awards if the granting of such award would serve to reduce or diminish Landlord's award. Tenant shall have no claim against Landlord for the value of any unexpired portion of the Lease Term. In no event shall Tenant pursue a claim for the loss of its leasehold estate.

ARTICLE 18 - ASSIGNMENT AND SUBLETTING

Tenant will not assign, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Leased Premises, and will not sublet all or any part of the Leased Premises, without the prior written consent of Landlord in each instance, not to be unreasonably withheld. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent will be wholly void. No subletting or assignment, even with the consent of Landlord, will relieve Tenant of its obligations to pay Rent and to perform all of the other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person will not be deemed to be a waiver by Landlord of any provision of this Lease or to be consent to any assignment or subletting. Consent to one assignment or subletting will not be deemed to constitute consent to any subsequent assignment or subletting. Landlord's consent to an assignment or sublease shall not be unreasonably withheld. In granting or denying any such consent, in addition to other factors, Landlord shall not be deemed to have unreasonably withheld its consent should Landlord take into consideration the following non-exhaustive list of factors: (i) the business reputation, financial condition, and credit worthiness of the proposed transferee, subtenant or assignee; (ii) any required alteration of the Leased Premises; (iii) the intended use of the Leased Premises by the proposed transferee, subtenant or assignee; and (iv) any other reasonable factors which Landlord shall deem relevant. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any proposed assignment, sublease or other transfer together with financial statements for the proposed assignee or sublessee. Any assignment, subletting, use, hypothecation, mortgage, occupancy, use, transfer or encumbrance of this Lease or the Leased Premises without Landlord's prior written consent shall be of no effect and shall constitute a default hereunder. Tenant shall pay to Landlord a \$500 assignment fee plus any actual out of pocket costs (including attorney's fees) incurred by Landlord in order for Landlord to review any request for permission to assign or sublease.

Notwithstanding anything set forth herein to the contrary, so long as Tenant is not then in default under this Lease beyond any applicable notice and cure periods, Tenant shall have the right to assign this Lease or to sublet all or any portion of the Premises without Landlord's consent, (i) to any parent, subsidiary, or corporate affiliate of Tenant with so long as Tenant remains liable under the Lease; (ii) in connection with a merger or consolidation, or by any operation of law, or pursuant to the sale of all or substantially all of Tenant's assets; or (iii) to any corporation or other entity which acquires fifty percent (50%) or more of the issued and outstanding voting stock of Tenant. Each of the foregoing circumstances may be referred to herein as a "Permitted Transfer". In any of the foregoing circumstances (i) through (iii), Tenant shall give Landlord notice of such assignment or subletting fifteen (15) days prior to the effective date of such assignment or subletting and in the event of an assignment, the assignee shall assume all of Tenant's obligations under this Lease. The foregoing shall not be deemed a release of Tenant's liability with regard to any obligations that have accrued under this Lease prior to the effective date of such assignment. The foregoing shall not be deemed to permit a second such assignment without first obtaining Landlord's written consent as set forth above.

ARTICLE 19 – SUBORDINATION AND ATTORNMENT

Section 19.1 – Subordination.

Subject to receipt of a commercially reasonable non-disturbance agreement, this Lease will be subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Leased Premises or the land upon which the Leased Premises are situated or both, to all declarations of covenants, easements and/or restrictions or amendments or modifications thereof copies of which have been delivered to Tenant prior to the execution of this Lease ("Restrictions"), provided that such Restrictions do not adversely affect the use or occupancy of the Leased Premises or the Center, and to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Leased Premises are a part, or on or against Landlord's interests or estate therein, or on or against any ground or underlying leases. Tenant agrees to execute any commercially reasonable instruments which may be requested or required to evidence such subordination provided that such further instruments provide for an obligation by the lessor or mortgagee to assume the Landlord's obligations this Lease if such mortgagee succeeds to the interest of Landlord agrees not to disturb Tenant's interest in the Leased Premises under this Lease and agrees not to make Tenant a party to any foreclosure litigation so long as Tenant is not a necessary party to such litigation. Notwithstanding, contemporaneously with the execution of this Lease, Landlord shall cause Landlord's lender to enter into a commercially reasonable subordination, non-disturbance and attornment agreement, the form of which is as approved by Landlord's lender.

If any mortgagee, trustee or ground lessor will elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and will give written notice thereof to Tenant, this Lease will be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of the recording thereof.

Section 19.2 – Delivery of Agreement.

Tenant shall execute, acknowledge and deliver with ten (10) business days of a request from Landlord any commercially reasonable instrument that Landlord, the lessor under any current or future ground lease, or the holder of any current or future mortgage (or their respective successors-in-interest), may request in order to evidence such subordination.

Section 19.3 – Attornment.

In the event any proceedings are brought for default under any ground or underlying lease or in the event of foreclosure under any mortgage or deed of trust covering the Leased Premises, and such mortgagee becomes possessed of the Leased Premises, then, conditioned on the mortgagee's (or purchaser at the foreclosure sale) entering into a non-disturbance agreement with Tenant in commercially reasonable form, Landlord and Tenant agrees that Tenant shall be obligated to such mortgagee to pay to it the Rent and to thereafter comply with all the terms of this Lease; and if any mortgagee or purchaser at a private or public sale shall become possessed of the Leased Premises, Tenant shall, without charge, attorn to such mortgagee or purchaser as its landlord under the Lease.

Section 19.4 - Quiet Enjoyment.

Upon Tenant paying the Rent reserved herein and observing and performing all of the provisions on Tenant's part to be observed and performed hereunder, Tenant will have quiet enjoyment of the Leased Premises during the entire term of this Lease.

ARTICLE 20 - DEFAULT

Section 20.1 - Tenant Default.

The occurrence of any of the following will constitute a default and breach of this Lease by Tenant:

- A. Any failure by Tenant to pay the rent or any other monetary sums required to be paid hereunder where such failure continues for seven (7) business days after written notice thereof by Landlord to Tenant;
- B. The abandonment of the Leased Premises by Tenant, except in the case of remodeling, holidays or due to Force Majeure, and except if Tenant delivers to Landlord prior written notice of the same and otherwise timely performs all of its obligations under this Lease;
- C. A failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant, provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, Tenant will not be in default if Tenant will within such period commence such cure and thereafter diligently and continuously prosecute the same to completion;
- D. The making by Tenant of any general assignment or general arrangement for the benefit of creditors, the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Leased Premises provided possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Leased Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days; or
- E. If Tenant shall falsify any report or statement required to be furnished to Landlord under the terms of this Lease.

Section 20.2 - Landlord Remedies.

In the event of any such default or breach by Tenant, Landlord may at any time thereafter, in addition to any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

- A. Terminate this Lease and Tenant's right of possession to the Leased Premises, and recover all damages to which Landlord is entitled under law, specifically including, without limitation, Rent for the balance of the term, less the fair rental value of the Premises for the balance of the Lease Term, all Landlord's reasonable expenses of reletting (including repairs, alterations, improvements, additions, decorations, legal fees and brokerage commissions); or
- B. Terminate Tenant's right of possession to the Leased Premises without terminating this Lease, in which event Landlord shall use reasonable efforts to relet the Leased Premises, or any part thereof for the account of Tenant, for such rent and term and upon such terms and conditions as are reasonably acceptable to Landlord. For purposes of such reletting, Landlord is authorized to decorate, repair, alter and improve the Leased Premises to the extent reasonably necessary. If the Leased Premises are relet and a sufficient sum not be realized therefrom after payment of all Landlord's reasonable expenses of reletting (including repairs, alterations, improvements, additions, decorations, legal fees and brokerage commissions) to satisfy the payment when due of rent reserved under this Lease for each such monthly period, or if, after Landlord attempts to mitigate its damages, the Leased Premises have not been relet, Tenant will pay any such deficiency monthly. Landlord may file suit to recover any sums due to

Landlord hereunder amount due Landlord hereunder will not be a defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord. In the event Landlord elects, pursuant to this section, to terminate Tenant's right of possession only without terminating this Lease, Landlord may, at Landlord's option, with process of law, enter into the Leased Premises, remove Tenant's signs and other evidences of tenancy, and take and hold possession thereof; provided, such action will not terminate this Lease or release Tenant, in whole or in part, from Tenant's obligation to pay the rent reserved hereunder for the term hereof or from any other obligation of Tenant under this Lease. Any and all property which may be removed from the Leased Premises by Landlord pursuant to the authority of the Lease or of law, to which Tenant is or may be entitled, may be handled, removed or stored by Landlord at the risk, cost and expense of Tenant, and Landlord will in no event be responsible for the value, preservation or safekeeping thereof. Tenant will pay to the Landlord, upon demand, any and all reasonable expenses incurred in such removal, including reasonable storage charges against such property so long as the same will be in Landlord's possession or under Landlord's control. Landlord's rights and remedies contained under this Lease are cumulative, and Landlord may pursue any and all rights and remedies whether at the same time or otherwise.

Section 20.3 – Landlord Default.

Landlord will not be in default unless Landlord or Landlord's agent, assign or successor in interest fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any mortgage or deed of trust covering the Leased Premises whose name and address will have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligations; provided that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord will not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Upon the occurrence of an Event of Default by Landlord, Tenant shall have the right to institute an action for specific performance of the Landlord's obligations under this Lease. In addition, should Landlord fail to repair or maintain the Premises or the Center pursuant to Landlord's repair responsibility in Section 11.1 of this Lease in the timeframe set forth above and such failure materially interferes with Tenant's use of the Leased Premises (each and any such failure being herein sometimes referred to as a "Landlord Default") and if any such Landlord Default shall not be cured and shall accordingly be continuing thirty (30) days following written notice by Tenant to Landlord of such Landlord Default (unless such default is not reasonably capable of being cured within such period and Landlord is diligently prosecuting such cure to completion), then Tenant shall have the option (at Tenant's sole discretion) of (i) exercising commercially reasonable steps to repair or maintain the Premises or the Center, and any and all such sums reasonably expended by Tenant in connection therewith shall be paid by Landlord to Tenant within thirty (30) days after invoice therefor accompanied by evidence of payment, including lien waivers, and if Landlord fails to timely reimburse and pay same to Tenant, Tenant may, in addition to any other right or remedy that Tenant may have under this Lease, deduct such amount (together with interest thereon at the Interest Rate from the date of disbursement by Tenant until the date of repayment thereof by Landlord to Tenant) from subsequent installments of Rent and other charges (if any) that from time to time thereafter may become due and payable by Tenant to Landlord hereunder or (ii) terminating this Lease if such Landlord Default prevents Tenant or Tenant's agents, patients, visitors, guests, licensees, invitees access to the Premises or the Permitted Use of the Premises. Absent a Landlord Default, Tenant's sole and exclusive remedy shall be to institute an action for specific performance. This section is not intended to limit Tenant's ability to make Emergencies Repairs as set forth in Section 11.1. Further, in no event shall Landlord be liable to Tenant for punitive, exemplary or consequential damages, including, without limitation, lost profits, regardless of the nature of the breach by Landlord of its obligations under this Lease, and Tenant waives all claims for punitive, exemplary or consequential damages

ARTICLE 21 – PARKING AND COMMON AREA

Section 21.1 – Generally.

Landlord will keep the parking and common areas in reasonably good condition and repair and in a neat, clean and orderly condition and will repair any damage to the facilities thereof. Tenant its agents, employees, customers, licensees and subtenants, will have the non-exclusive right in common with Landlord, and with other present and future owners and tenants and their agents, employees, customers, licensees and sub-tenants, to use up to thirty nine

(39) parking spaces in said common and parking areas during the entire term of this Lease. Landlord shall provide eight (8) parking spaces located as close as possible to the front door of the Premises for the exclusive use of Tenant's customers at no additional charge to Tenant, and Tenant shall have the right to post signs designating such use, at its sole cost and expense, on said parking spaces. Tenant, in the use of said common and parking areas, agrees to comply with such reasonable, non-discriminatory rules and regulations as Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include, but will not be limited to the following: (1) Restriction of employee parking to a limited, designated area or areas; and (2) Regulation of the removal, storage and disposal of Tenant's refuse and other rubbish. See Exhibit F for current Rules and Regulations.

Section 21.2 – Modifications.

Subject to the terms and provisions of Section 12.1 above, Landlord further reserves the right to increase or reduce the common areas, to impose upon the common areas declarations of covenants, easements and restrictions or amendments or modifications thereof and to change the entrances, exits, traffic lines and the boundaries and locations of such common parking areas, provided that such modifications do not materially interfere with Tenant's use of or access to the Leased Premises.

ARTICLE 22 – SIGNS

Section 22.1 – Building Sign.

Tenant may install the approved exterior signage shown on Exhibit C-2 and such other exterior signage approved by Landlord which approval shall not be unreasonably withheld, conditioned or delayed, subject to Tenant's receipt of approval from relevant governmental authorities. Tenant shall be entitled to, and is hereby granted, the exclusive use of the exterior of the building of the Leased Premises, and no other party shall be allowed to install or maintain signage in such areas.

Section 22.2 – Building Sign Restrictions.

In the event of conflict between Exhibit C-1 or Exhibit C-2 and the provisions of this paragraph, the provisions of this paragraph shall prevail. Notwithstanding the provisions of Section 22.1, Tenant may not, under any circumstances (i) place any signage on the Center roof, canopy roofs extending above the Center roof, penthouse walls above the parapet, canopy or top of the wall upon which it is mounted, (ii) place any signage at any angle to the Center building, (iii) paint any signs on the surface of the Leased Premises or any other surfaces of the Center, (iv) install any flashing, moving or audible signs, (v) install any signs employing exposed raceways, neon tubes, ballast boxes or transformers, or (vi) install any paper or cardboard signs, temporary signs, stickers or decals, whether in the windows of the interior or on the exterior of the Leased Premises. At no time may any signs or other advertising materials visible from outside of the Leased Premises occupy or obstruct more than twenty percent (20%) of the total window area of the Leased Premises provided the same are of professional quality. Tenant may not install any exterior sign that identifies leased departments and/or concessionaires operating under the Tenant's business or trade name, nor identify specific brands or products for sale or services offered within the Leased Premises, unless such identification is used as part of Tenant's trade name. Tenant shall, at its expense, maintain its signs in good condition and repair. Landlord shall have the right to remove any unauthorized signs and to charge Tenant, as Additional Rent under this Lease, for the cost of such removal.

Section 22.3 – Monument Sign.

Tenant may install Tenant's approved signage on one panel of the corner Monument Sign for the Center. Tenant shall contract with Landlord's approved sign contractor, and pay the costs of installing Tenant's approved signage.

ARTICLE 23 – HOLDING OVER

If Tenant retains possession of the Leased Premises or any part thereof after termination of the term by lapse of time or otherwise, Tenant will pay Landlord as monthly rent during the period that Tenant so holds over, a "Hold Over Minimum Rent" equal to 125% of the Minimum Rent due for the month immediately preceding the termination of the Lease for the first sixty (60) days and 150% of the Minimum Rent thereafter paid by Tenant during the month

preceding the termination of the Lease for each month or part thereof that Tenant thus remains in possession. The provisions of this paragraph do not exclude the Landlord's right of re-entry or any other right hereunder.

ARTICLE 24 - LATE PAYMENT

If any Rent or other payments due under this Lease from Tenant are not received by Landlord within five (5) days after notice from Landlord to Tenant that such amount has not been paid, each such unpaid amount will be subject to a late payment charge equal to the greater of (i) five percent (5%) of such unpaid amount, or (ii) \$250.00. This late payment charge is intended to compensate Landlord for its additional administrative costs resulting from Tenant's delinquency, and is agreed upon by Landlord and Tenant as a reasonable estimate of the additional administrative costs which will be incurred by Landlord as a result of Tenant's delinquency, the actual cost in each instance being extremely difficult, if not impossible, to determine. This late payment charge will constitute liquidated damages and will be paid to Landlord together with each such unpaid amount. The payment of this late payment charge will not constitute a waiver by Landlord of any default by Tenant under this Lease and will be in addition to interest payable at the Lease Interest Rate on amounts not paid when due.

ARTICLE 25 - NOTICE

Notices and demands required or permitted to be given hereunder shall be given by personal delivery or reputable overnight courier (such as FedEx) and shall be addressed if to Tenant at 210 S. Des Plaines St., Chicago, IL 60661, Attention: P. Kevin Flynn CFO/Vice President of Finance with a copy to 77 W. Wacker Dr., Ste. 4100, Chicago, IL 60601, Attention: Scott Downing, Esq., and if to Landlord at Monterey Professional Center LLC, 1050 E. 95th Street, Chicago, Illinois 60619, Attention: Mr. Leon I. Walker, Esq., or at such other address that either party may designate by written notice to the other party. Notices and demands shall be deemed to have been given when delivered if personally delivered, one (1) business day after deposit with a reputable overnight courier for next business day delivery.

ARTICLE 26 - MISCELLANEOUS

Section 26.1 - Rules and Regulations.

Tenant will faithfully observe and comply with the rules and regulations for the Center that Landlord will from time to time promulgate and/or reasonably modify. As of the date hereof, the Rules and Regulations are attached hereto as Exhibit F and made a part hereof. Landlord will make a good faith effort to uniformly enforce the Rules and Regulations but will not be responsible to Tenant for the non-performance of any of said rules and regulations by any other tenants or occupants.

Section 26.2 - Estoppel Certificate.

Tenant will from time to time, upon not less than ten (10) business days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth the date of commencement of Rent and expiration of the Lease Term hereof. Any such statement may be relied upon by any prospective purchaser or encumbrancer, to whom it is addressed, of all or any portion of the real property of which the Leased Premises are a part.

Section 26.3 - Transfer of Landlord's Interest.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Leased Premises or the Center, other than a transfer for security purposes only, Landlord will be relieved of all obligations and liabilities accruing thereafter on the part of Landlord, provided that any funds in the hands of Landlord at the time of transfer in which Tenant has an interest including deposits or payments in advance by Tenant of real estate taxes, common area expenses insurance and other payments, will be delivered to Landlord's successor that assumes Landlord's obligations thereafter accruing under this Lease.

Section 26.4 – Captions; Attachments; Defined Terms.

The captions of the paragraphs of this Lease are for convenience only and will not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease. Exhibits and addendum attached or affixed hereto are deemed a part of this Lease and are incorporated herein by reference.

Section 26.5 – Landlord Defined.

The term "Landlord" will mean only the owner or owners at the time in question of the fee title or a tenant's interest in a ground lease of the Leased Premises or the Center. The obligations contained in this Lease to be performed by Landlord will be binding on Landlord's successors and assigns.

Section 26.6 – Entire Agreement.

This Lease constitutes the entire agreement between Landlord and Tenant relative to the Leased Premises and supersedes any prior agreements, brochures or representations, whether written or oral. This Lease may be altered, or revoked only by an instrument in writing signed by both Landlord and Tenant. This Lease will not be effective or binding on any party until fully executed by both parties hereto.

Section 26.7 – Severability.

If any provision of this Lease will be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease will not be affected thereby, and each term and provision of this Lease will be valid and enforceable to the fullest extent permitted by law.

Section 26.8 – Costs of Suit.

If Landlord or Tenant will bring any action for any relief against the other party, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or possession of the Leased Premises, the prevailing party in such action will be entitled to reasonable attorney's fees and costs.

Section 26.9 – Time.

Time is of the essence of this Lease and each and every provision hereof.

Section 26.10 – Lease Interest Rate.

The "Lease Interest Rate" is equal to the prime rate of interest announced from time to time by Chase Bank of New York, or its successor in interest, plus two (2%) percent, or at the maximum legal rate of interest allowed by law if such maximum legal rate is applicable and lower.

Section 26.11 – Binding Effect; Choice of Law.

The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof, and all rights and remedies of the parties will be cumulative and non-exclusive of any other remedy at law or in equity. This Lease will be governed by the laws of the State of Illinois.

Section 26.12 – Waiver.

No covenant, term or condition or the breach thereof will be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition will not be deemed to be a waiver of any covenant, term or condition unless otherwise expressly agreed to in writing by the party against whom the waiver is claimed.

Section 26.13 – Surrender of Premises.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, will not work a merger, and will at the option of Landlord terminate all or any existing subleases or may at the option of Landlord operate as an assignment to it of any or all such subleases.

Section 26.14 – Tenant Financials.

Landlord may request and Tenant shall be obligated to furnish to Landlord within five (5) business days, with the then current financial statements certified to be correct and prepared in accordance with generally accepted accounting principles consistently applied, in sufficient detail to allow Landlord to determine Tenant's ability to fulfill its obligations under this Lease. Such financial statements shall be held in strict confidence and shall not be disclosed to any party other than: (a) Landlord's personnel having the explicit need to know such information, for which Landlord agrees to require such personnel to similarly keep all such information confidential; or (b) any current or prospective mortgagee, upon written request from such mortgagee to Tenant, in contemplation of an actual and bona fide transaction, for which Landlord agrees to require such mortgagee to similarly keep all such information confidential and Landlord shall have such mortgagee, at the request of Tenant, execute a written confirmation of its confidential obligation hereunder to Tenant containing terms and conditions acceptable to Tenant.

Section 26.15 – Entry By Landlord.

Landlord, its agents and employees, may enter the Leased Premises during the Lease Term at all reasonable times, upon reasonable prior notice to Tenant for the purpose of exhibiting the Leased Premises to prospective purchasers or tenants, provided, however, Landlord, its agents and employees may only exhibit the Leased Premises to prospective tenants during the last six (6) months of the Lease Term unless Tenant has defaulted in its obligations under the Lease beyond any applicable cure period. Tenant also hereby permits Landlord access to the Leased Premises upon prior notice (except in emergencies, when Landlord may enter the Leased premises at any time without prior notice) as will be reasonably required for the installation or maintenance of mains, conduits, pipes or other facilities to serve the Center or any part thereof or to make such repairs or improvements to the Center as Landlord may from time to time determine to be necessary, in accordance with the other terms and provisions of this Lease. Landlord, its agents and employees, will have reasonable access to the Leased Premises upon prior notice during reasonable hours (except in emergencies, when Landlord may enter the Leased premises at any time without prior notice) for the purpose of examining the Leased Premises to ascertain if the Leased Premises are in good repair and to make repairs which Landlord may be required or permitted to make hereunder. Landlord agrees, however, that its entry and performance of work will not unreasonably interfere with Tenant's business. In non-emergency situations, Landlord will not enter restricted cabinets, rooms, or spaces containing patient medical records without the supervision of Tenant or Tenant's representative; in such instances, Landlord shall abide by the reasonable instruction provided by Tenant or Tenant's representative so as to protect patient privacy.

Section 26.16 – Tenant Authority.

In case Tenant is a corporation, Tenant (a) represents and warrants that (i) this Lease has been duly authorized, executed and delivered by and on behalf of Tenant and constitutes the valid and binding agreement of Tenant in accordance with the terms hereof, (ii) Tenant's execution hereof will not violate or conflict with any other agreement, order or decree to which Tenant is a party or otherwise bound, and (iii) Tenant is validly existing, in good standing and qualified to do business in the state in which the Leased Premises are located, and (b) if Landlord so requests, Tenant shall deliver to Landlord or its agent, concurrently with the delivery of this Lease executed by Tenant, certified resolutions of the board of directors (and shareholders, if required) authorizing Tenant's execution and delivery of this Lease and the performance of Tenant's obligations hereunder. In case Tenant is a partnership or limited liability company, Tenant (a) represents and warrants that (i) all of the persons who are general or managing partners in said partnership or authorized members or managers in said limited liability company have executed this Lease on behalf of Tenant, or that this Lease has been executed and delivered pursuant to and in conformance with a valid and effective authorization therefor by all of the general or managing partners of such partnership or authorized members or managers in said limited liability company, as the case may be, and constitutes the valid and binding agreement of the partnership or limited liability company, as the case may be, in accordance with its terms, (ii) Tenant's execution hereof will not violate or conflict with any other agreement, order or decree to which Tenant is a party or otherwise bound, and (iii) Tenant is validly existing, in good standing and qualified to do business in the state in which the Leased Premises are located, and (b) if Landlord so requests, it shall deliver to Landlord or its agent, concurrently with the delivery of this Lease executed by Tenant, a certified consent of the managers and partners (and members, if required) authorizing Tenant's execution and delivery of this Lease and the performance of Tenant's obligations hereunder. Also, it is agreed that in the case Tenant is a general partnership, each and every present and future partner in Tenant shall be and shall remain at all times jointly and severally liable hereunder and

that the death, resignation or withdrawal of any partner shall not release the liability of such partner under the terms of this Lease unless and until Landlord has consented in writing to such release.

Section 26.17 – Recordation.

Tenant shall not record this Lease nor any memorandum or notice thereof, without the written consent of Landlord, which consent may be withheld by Landlord in its sole and absolute discretion; however, upon the request of Landlord, the Tenant shall join in the execution of a memorandum or so-called "short form" of this Lease for the purposes of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leased Premises, and the Lease Term, Tenant's right of first refusal and option to purchase and shall incorporate this Lease by reference. If a default occurs hereunder and, as a result thereof, this Lease is terminated, Landlord may execute a statement to be recorded in the appropriate land records terminating such memorandum. No such memorandum shall modify or change the Lease.

Section 26.18 – Broker.

Each party hereto represents and warrants to the other party that it has not engaged any broker in connection with this transaction. Each party agrees to indemnify, save harmless and defend the other party from and against any and all claims, commissions, and finder's fees by reason of such party's representation and warranty not being true.

Section 26.19 – Personal Property.

All personal property belonging to Tenant, any occupant of the Leased Premises, or to Tenant's invitees or licensees that is in or on the Center or the Leased Premises shall be there at the risk of Tenant or other person only and Landlord shall not be liable for damage thereto or theft or misappropriation thereof.

Section 26.20 – Waiver of Jury Trial.

To the full extent permitted by law, Landlord and Tenant hereby waive all right to trial by jury in any claim, action, proceeding or counterclaim by either Landlord or Tenant against each other and any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, or Tenant's use and occupancy of the Leased Premises and/or any emergency or statutory remedy. Although such jury waiver is intended to be self-operative and irrevocable, Landlord and Tenant each further agree, if requested, to confirm such waivers in writing at the time of commencement of any such action, proceeding or counterclaim.

Section 26.21 – As-Is.

Notwithstanding anything to the contrary contained in this Lease, except as otherwise expressly provided in this Lease, no warranties or representations respecting the condition of the Leased Premises or the Center have been made by Landlord to Tenant and Landlord's delivery of possession of the Leased Premises shall be on an "AS-IS" "WHERE-IS" basis. Landlord represents that as of the Possession Date, to the best of Landlord's knowledge, the Center is in compliance with applicable zoning, parking and land use codes and regulations of the City of Chicago.

Section 26.22 – Exculpation.

Neither Landlord nor any of Landlord's beneficiaries, members, managers, partners or any successor in interest to Landlord (collectively, the "Beneficiaries") shall have any personal liability with respect to any provisions of this Lease. The liability of the Beneficiaries shall be limited to its interest in the Center and any judgment against Landlord shall be satisfied solely out of Landlord's interest in the Center. Tenant shall look solely to the equity of the then owner of the Center for the satisfaction of any remedies of the Tenant in the event of a breach by Landlord of any of its obligations hereunder.

Section 26.23 – Use of Lock Box.

Landlord may from time to time elect to designate a lock box collection agent (independent agent, bank or other financial institution) to act as Landlord's agent for the collection of amounts due Landlord. In such event the date of payment of Rent or other sums paid Landlord through such agent shall be the date of agent's receipt of such payment (or the date of collection of any such sum if payment is made in the form of a negotiable instrument thereafter dishonored upon presentment); however, for purposes of this Lease, no such payment or collection shall be deemed "accepted" by Landlord if the Landlord returns a dishonored instrument within twenty-one (21) days of

its dishonor. Return of any such sum to Tenant by so sending a dishonored instrument to the Tenant shall be deemed to be rejection of Tenant's tender of such payment for all purposes.

Section 26.24 – Cooperation by Tenant.

Tenant shall cooperate with Landlord, at Tenant's cost, and provide Landlord with such documents, site plans and drawings and execute all documents as reasonably needed for the Landlord Approvals when requested by Landlord.

Section 26.25 – Survival.

Any provision of this Lease which obligates Landlord or Tenant to pay an amount or perform an obligation before the commencement of the Lease Term or after the expiration of the Lease Term or earlier termination of this Lease shall be binding and enforceable notwithstanding that payment or performance is not within the Lease Term, and the same shall survive.

Section 26.26 – No Joint Venture.

The relationship of the parties is that of landlord and tenant only, and nothing in this Lease shall be construed as creating a partnership, joint venture or principal-agent or any other relationship. Except as expressly otherwise provided herein, neither party shall have any right or power to create any expense or liability chargeable to the other party.

Section 26.27 – Joint Obligation.

If there is more than one Tenant, the obligations hereunder imposed shall be joint and several. The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein, and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given by or to all Tenants thereof.

Section 26.28 – Net Lease.

This is a net lease and the Rent shall be paid without notice, demand, setoff, counterclaim, deduction or defense and, except as otherwise expressly provided herein, without abatement or suspension. It is the intention of the parties hereto that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that the Rent shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected.

Section 26.29 – Exhibits.

The Exhibits attached hereto are hereby incorporated into and made part of this Lease by this reference.

Section 26.30 – Counterparts.

This Lease may be executed in any number of counterparts and it shall be sufficient that the signature of each party appear on one or more such counterparts, and all counterparts shall collectively constitute a single agreement.

Section 26.31 – Protected Health Information.

Landlord acknowledges and agrees that from time to time during the Lease Term or Extended Term, Landlord and/or its employees, representatives or assigns may be exposed to, or have access to, Protected Health Information ("PHI"), as defined by HIPAA, 45 CFR Parts 160 and 164. Landlord agrees that it will not use or disclose, and Landlord shall cause its employees, or assigns not to use or disclose, PHI for any purpose unless required by the requirements of HIPAA and all other applicable medical privacy Laws. Landlord further agrees that, notwithstanding the rights granted to Landlord pursuant to this Lease, except when accompanied by an authorized representative of Tenant, neither Landlord nor its employees, agents, representatives or contractors shall be permitted to enter areas of the Premises designated by Tenant as location where patient medical records are kept or stored or where such entry is prohibited by applicable state or federal health care privacy Laws.

[SIGNATURES APPEAR ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the date and year first above written.

LANDLORD:
AIN INVESTMENTS, LLC,
an Illinois limited liability company

TENANT:
ASSOCIATES IN NEPHROLOGY,
S.C. an Illinois corporation, d/b/a
Vascular Access Centers of Illinois

By: [Signature]
Name: Ramon P. [Signature]
Title: VP / CO

By: [Signature]
Name: [Signature]
Title: [Signature]
Vijay Kumar Rao, MD

EXHIBIT A - 1

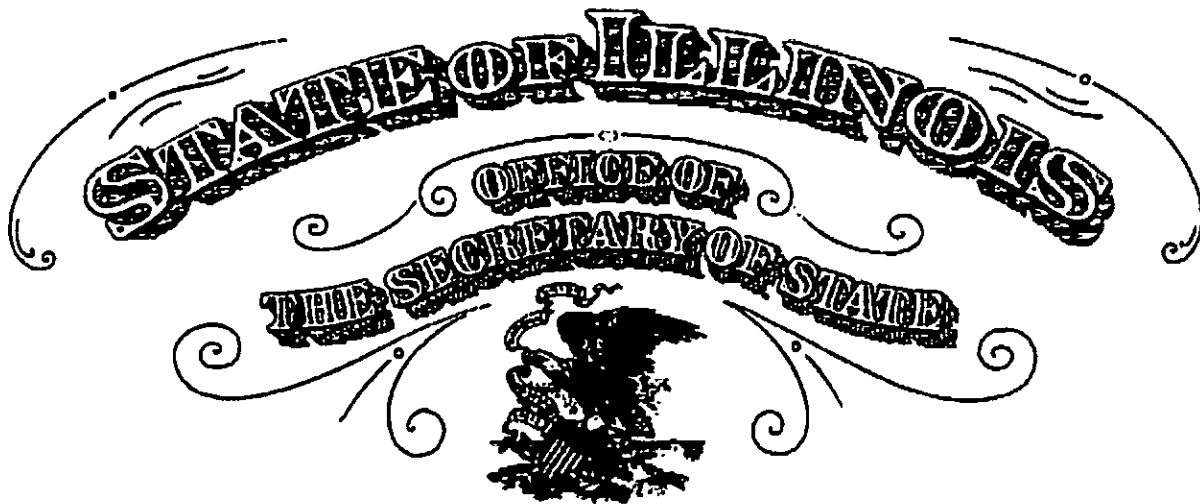
LEGAL DESCRIPTION

Legal Description of Real Property

LOTS 1 TO 16, BOTH INCLUSIVE, IN BLOCK 67 OF WASHINGTON HEIGHTS, SITUATED IN THE SOUTH EAST 1/4 OF SECTION 18 AND THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO THAT PART OF THE EASTERLY AND WESTERLY 16 FOOT ALLEY LYING SOUTHERLY AND ADJOINING LOTS 1 TO 5 AND PART OF LOT 6, NORTHERLY AND ADJOINING LOT 13, EASTERLY OF THE WESTERLY LINE OF SAID LOT 13 EXTENDED NORTHERLY AND LYING WESTERLY OF A LINE EXTENDED FROM THE SOUTHEASTERLY CORNER OF LOT 1 TO THE NORTHEASTERLY CORNER OF LOT 13, ALL IN BLOCK 67 IN WASHINGTON HEIGHTS, AFORESAID, IN COOK COUNTY, ILLINOIS.

PIN #25-19-211-034-0000;

COMMONLY KNOWN AS: 1701 W. MONTEREY AVE., CHICAGO, ILLINOIS.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ASSOCIATES IN NEPHROLOGY, S.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 22, 1971, 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 IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 26TH
day of JUNE A.D. 2017 .***

Jesse White

SECRETARY OF STATE

Authentication #: 1717700391 verifiable until 06/26/2018.
Authenticate at: <http://www.cyberdriveillinois.com>



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ASSOCIATES IN NEPHROLOGY, S.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 22, 1971, ADOPTED THE ASSUMED NAME VASCULAR ACCESS CENTER OF ILLINOIS, S.C. ON JULY 15, 2005, 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 IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 26TH
day of JUNE A.D. 2017 .***

Jesse White

SECRETARY OF STATE

Associates In Nephrology,
S.C. d/b/a Vascular
Access Centers of Illinois
("VACI")



VACI ASTC

Attachment 4

Flood Plain Requirement

Attached are depictions of the Panel containing the location of the proposed ASTC. FEMA does not have an individual link available for Panel number 17031C0635J because the entire panel is considered "an area of minimal flood hazard." Depicted below are scans of the FEMA evaluative panel, zoomed in at different levels on the location of the proposed facility, both verifying that the area is of minimal flood hazard

5/9/2017

FEMA's National Flood Hazard Layer (Official)

FEMA's National Flood Hazard Layer (Official)

Data from Flood Insurance Rate Maps (FIRMs) where available digitally. New NFHL FIRMette Print app available:
<http://tinyurl.com/j4xwp5e>



National Geospatial-Intelligence Agency (NGA); Delta State University; Esri | Print here Instead:
<http://tinyurl.com/j4xwp5e> Support: FEMAMapSpecialist@riskmapcads.com | USGS The National Map:
Orthoimagery

FEMA's National Flood Hazard Layer (Official)

Data from Flood Insurance Rate Maps (FIRMs) where available digitally. New NFHL FIRMette Print app available:
<http://tinyurl.com/j4xwp5e>



National Geospatial-Intelligence Agency (NGA); Delta State University; Esri | Print here instead:
<http://tinyurl.com/j4xwp5e> Support: FEMAMapSpecialist@riskmapcds.com | USGS The National Map:
Orthoimagery

FEMA's National Flood Hazard Layer (Official)

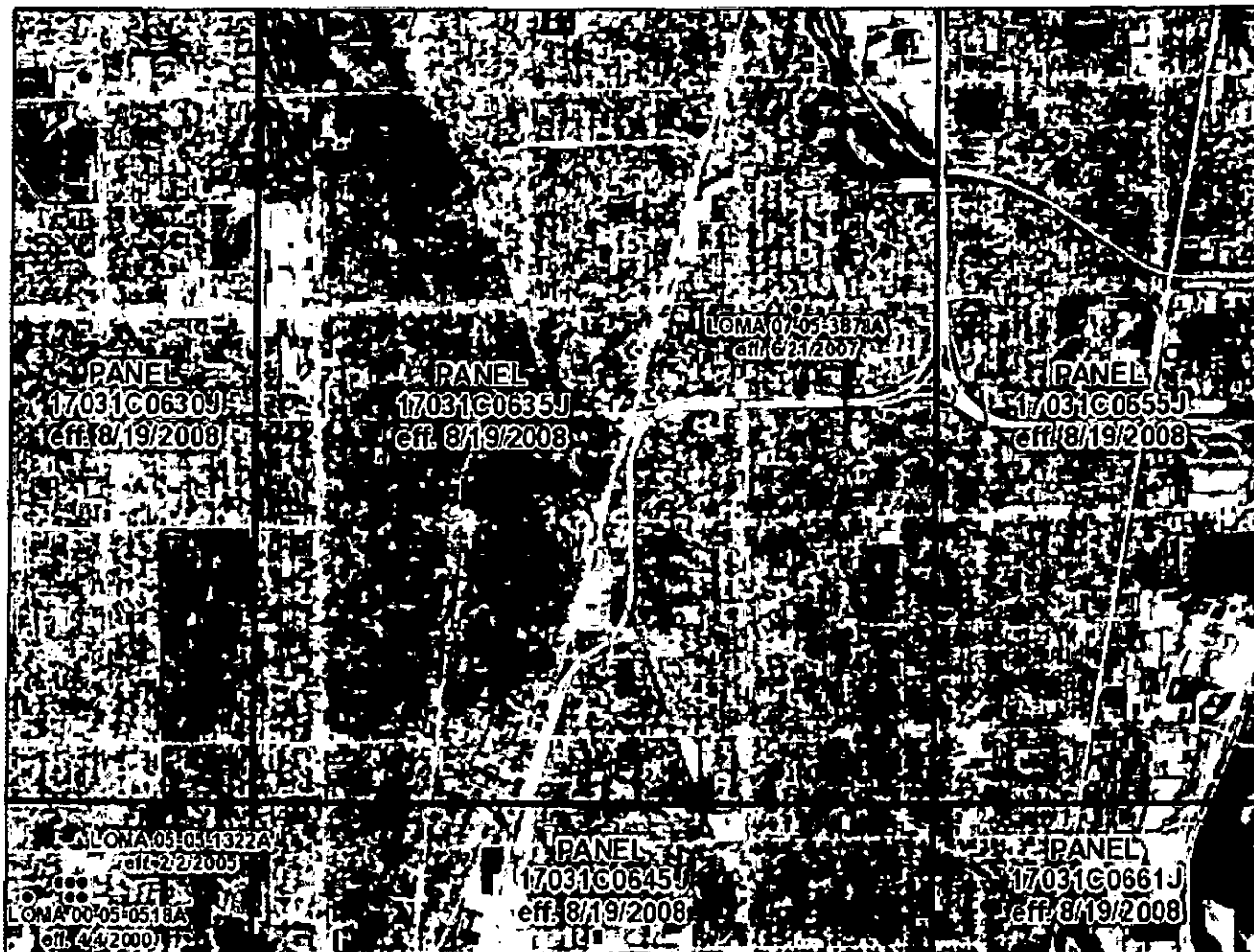
Data from Flood Insurance Rate Maps (FIRMs) where available digitally. New NFHL FIRMette Print app available:
<http://tinyurl.com/j4xwp5e>



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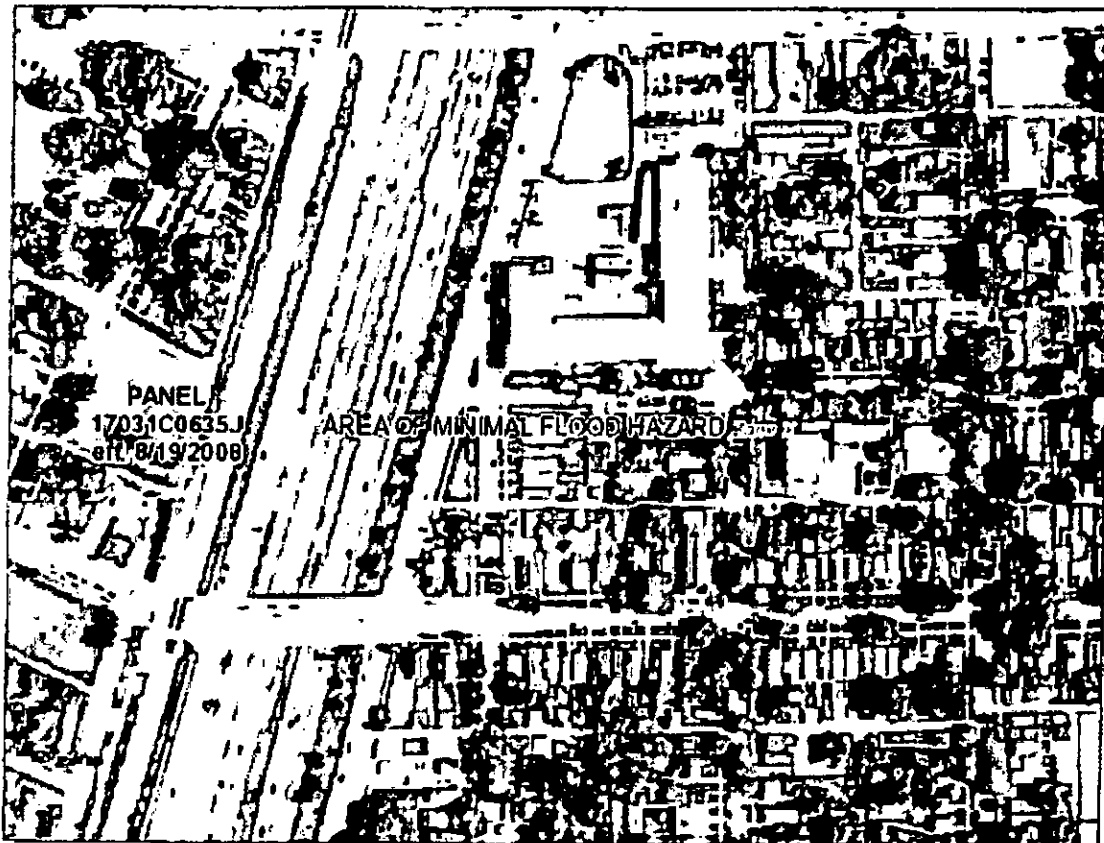
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5/9/2017

FEMA's National Flood Hazard Layer (Official)

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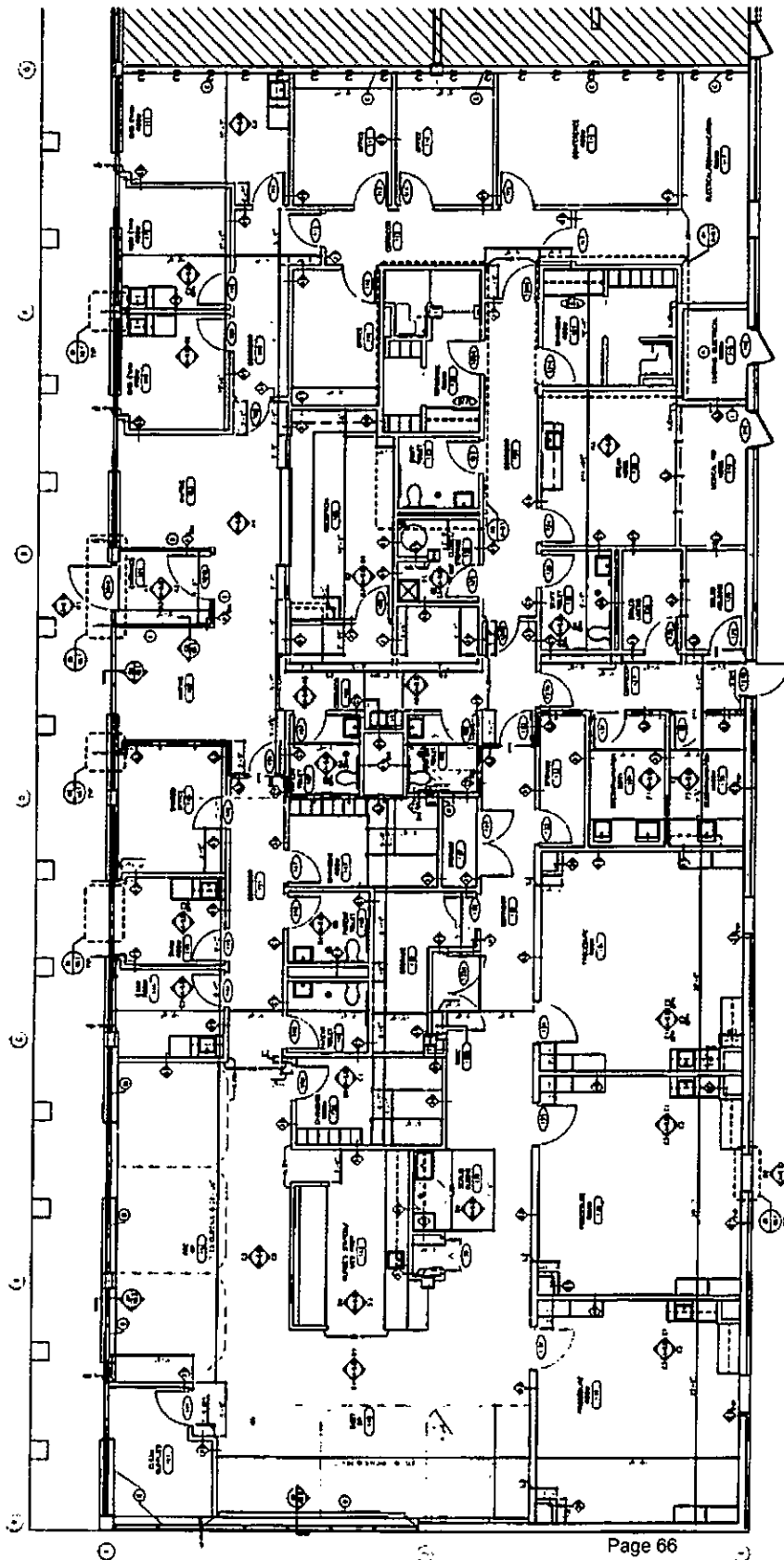
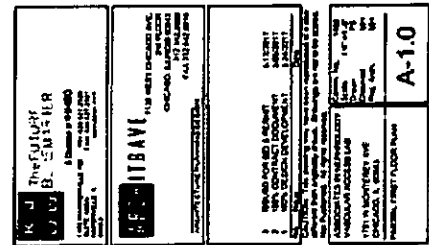
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Orthoimagery

Use of Funds	VACI ASTC	Clinical	Nonclinical	% Clinical
Lease of Space	\$738,998.40	\$475,070.40	263,928	64.3%
Miscellaneous Fees	\$75,000		\$75,000	0%
Equipment Leases	\$393,346	\$393,346	\$0	100%
	-----	-----	-----	
	\$TOTAL	\$TOTAL	\$TOTAL	%
	\$1,207,344.40	\$868,416.40	\$338,928	71.9%

Attachment 7



GENERAL NOTES

KEY NOTES

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FLOOR PLAN SYMBOLS

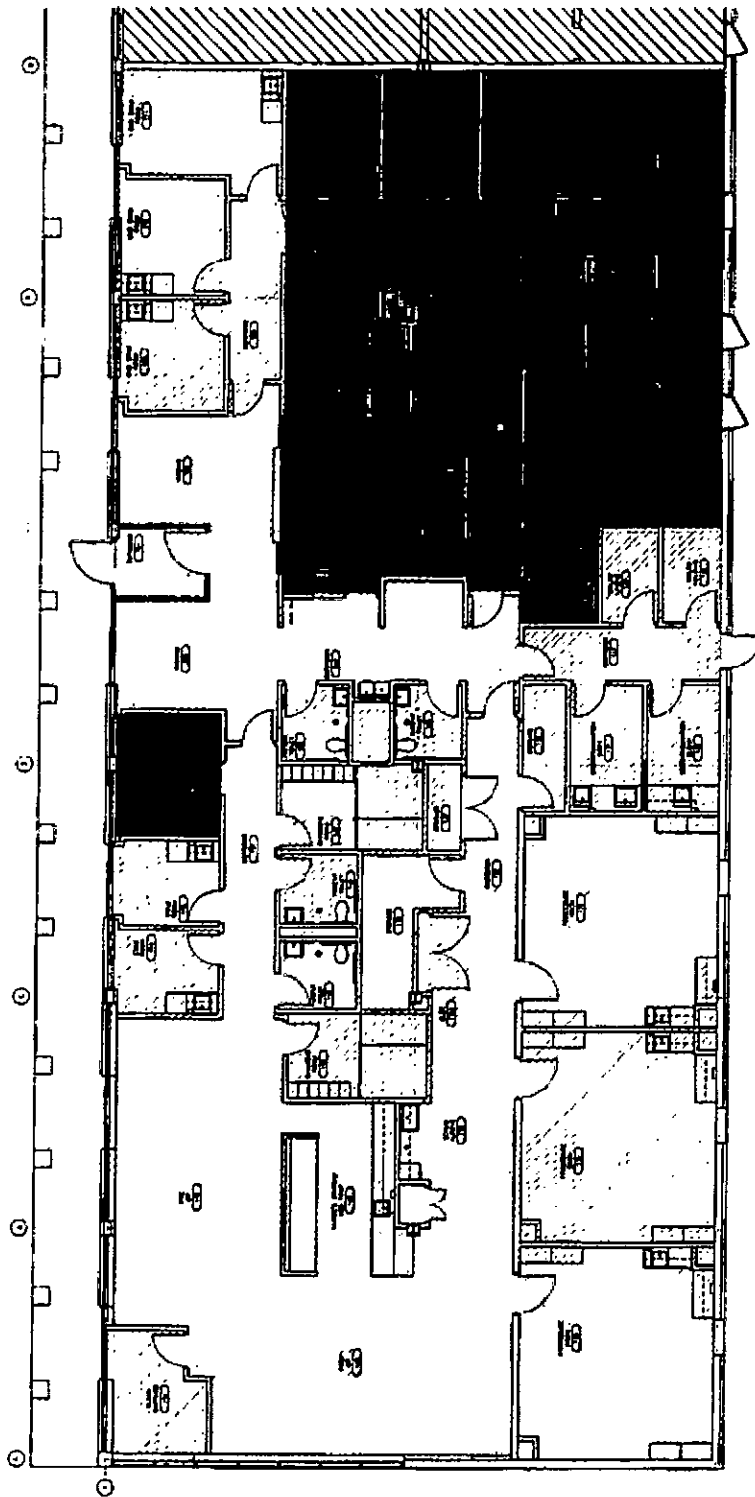
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Attachment 8

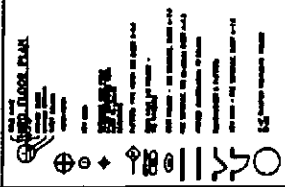
Cost Space Requirements

		GSF	GSF	GSF	GSF	GSF	GSF
Area	Cost (\$)	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Reviewable							
ASTC	\$868,416.40	5,600	5,600	n/a	n/a	5,600	n/a
Non-Reviewable							
Administrative	\$338,928	2,000	2,000	n/a	n/a	2,000	n/a
Total	\$1,207,344.40	7,600	7,600	n/a	n/a	7,600	n/a



PARTIAL FLOOR PLAN

FLOOR PLAN SYMBOLS
LEGEND



KEY NOTES

1. ALL ROOMS SHALL BE FINISHED TO THE FINISHES SHOWN ON THE FINISHES SCHEDULE.
2. ALL ROOMS SHALL BE FINISHED TO THE FINISHES SHOWN ON THE FINISHES SCHEDULE.
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GENERAL NOTES

1. THE FLOOR PLAN IS A PARTIAL FLOOR PLAN AND DOES NOT SHOW ALL OF THE BUILDING'S DETAILS.
2. THE FLOOR PLAN IS A PARTIAL FLOOR PLAN AND DOES NOT SHOW ALL OF THE BUILDING'S DETAILS.
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PROJECT INFORMATION PROJECT NO. 12345 PROJECT NAME: NEW BUILDING PROJECT LOCATION: CHICAGO, ILLINOIS PROJECT OWNER: ABC COMPANY PROJECT DATE: 12/1/2010	
DESIGNER INFORMATION DESIGNER: J. DOE DESIGNER FIRM: ABC COMPANY DESIGNER ADDRESS: 12345 N. LAKE AVENUE, CHICAGO, IL 60642 DESIGNER PHONE: (312) 123-4567 DESIGNER FAX: (312) 123-4568 DESIGNER EMAIL: J.DOE@ABC.COM	
REVISIONS REVISION NO. 1 REVISION DESCRIPTION: CHANGED ROOM SIZES REVISION DATE: 12/1/2010 REVISION BY: J. DOE	
APPROVALS APPROVED BY: J. DOE APPROVED DATE: 12/1/2010 APPROVED FOR: ABC COMPANY APPROVED ADDRESS: 12345 N. LAKE AVENUE, CHICAGO, IL 60642 APPROVED PHONE: (312) 123-4567 APPROVED FAX: (312) 123-4568 APPROVED EMAIL: J.DOE@ABC.COM	
SCALE SCALE: 1/4" = 1'-0" SCALE DATE: 12/1/2010 SCALE BY: J. DOE	
PROJECT INFORMATION PROJECT NO. 12345 PROJECT NAME: NEW BUILDING PROJECT LOCATION: CHICAGO, ILLINOIS PROJECT OWNER: ABC COMPANY PROJECT DATE: 12/1/2010	

Background of the Applicant, 20 ILCS 3960/2

Associates in Nephrology, SC (AIN) now d/b/a Vascular Access Centers of Illinois ("VACI") was founded in 1971 as a single-specialty medical practice by a group of Nephrology physicians serving patients and hospitals primarily in Chicago. VACI is committed to providing high quality care, to ensure access to care with a community-based focus, to promote a progressive approach to healthcare, and to maintain a commitment to academic excellence. VACI has expanded its financial and administrative resources and is dedicated to organizational excellence to support its growing clinical base. Over 45 years later, VACI remains committed to this set of original goals.

Associates in Nephrology, SC was formed by physicians who provided teaching services at St. Joseph Hospital in Chicago, the practice has continued its dedication to training new physicians. Members of the group continue to provide teaching services at many area hospitals including Advocate Illinois Masonic in Chicago, St. James Olympia Fields, Advocate Christ Hospital in Oak Lawn and Advocate Lutheran General Hospital in Park Ridge.

With over forty nephrologists, AIN continues to operate as one of the largest nephrology groups in the United States. The practice is a major nephrology service provider in many of the top quality-rated hospitals in the Chicago metro area including Advocate Lutheran General Hospital in Park Ridge and Advocate Condell Hospital in Libertyville. AIN also provides quality medical services to patients and hospitals in Healthcare Professional Shortage Areas in the Chicago metropolitan area.

The Renal Physicians Association (RPA), a national organization of nephrology practices, awarded AIN with its Practice Excellence award in recognition of our dedication to organizational excellence. In addition, our management group was separately honored with the Renal Physician's Association Distinguished Practice Management Award.

AIN practicing physicians are actively involved in the business of medicine with an excellent leadership structure in place. The combination of clinical and business acumen that has fostered a strong understanding of the business of healthcare while being able to continually meet patient needs. It is this understanding that has also led to the identified need for this project.

The VACI mission is to provide access to vital care within the community. Our early growth was achieved by providing services to patients in a network of community-based hospitals throughout the Chicago area, including those in underserved areas. This commitment has been maintained throughout our 45 years of service and in 2017 VACI provides services in twenty-three (23) healthcare professional shortage areas including, but not limited to: Roseland, South Chicago, Marquette Park, South Shore, Englewood, Chatham, South Deering, and Chicago Heights.

VACI maintains its commitment to being at the forefront of progressive healthcare, including the movement to quality-based, risk-sharing programs. VACI has participated successfully in many outcome-based programs. The programs include CMS-sponsored initiatives such as: Meaningful Use, Physician Quality Reporting Standards and Advocate Clinical Integration program, among others. Currently, AIN is participating in the CMS Innovation Center's risk-sharing Comprehensive ESRD Care Initiative (ESCO) whereby practice excellence and patient care outcomes are correlated to financial rewards. VACI intends to remain in the forefront of new and developing progressive patient care delivery models for all of its patients and this surgery center is, hopefully, the next chapter in its storied history and future.

As evidenced above, VACI clearly possesses the qualifications, background, and character necessary of a qualified applicant, in addition, VACI possesses financial resources to adequately provide appropriate services for its community. VACI does not own or operate any healthcare facilities. Accordingly, incorporated as part of Attachment 11 accompanying this application, is the certification which reflects that VACI has not had an adverse action taken against any facility owner and/or operated in the previous three years. This certification also provides the necessary authorization for both the Illinois Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") the access records necessary to verify this information.



Vascular Access Centers of Illinois

2608 W. Addison Vascular
Chicago, IL 6018
Phone: 773-756-333
Fax: 773-549-1717

9730 S. Western Ave. Suite GR-32
Evergreen Park, IL 60805
Phone: 708-229-8660
Fax: 708-229-8660

August 28, 2017

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

Chairwoman Olson:

On behalf of Associates in Nephrology S.C. d/b/a Vascular Access Centers of Illinois ("VACI") this letter is intended to act as both the requisite certification and authorization to accompany our Certificate of Need application to establish a new single-specialty ambulatory surgical treatment center focused upon vascular access procedures.

In accordance with the requirements of 735 ILCS 5/1-109, I hereby certify that VACI has not had any adverse action during the three years prior to the filing of this application, nor has any been taken against any facility we own, as we do not own any healthcare facilities.

Additionally, I provide authorization to the Illinois Department of Public Health and the Illinois Health Facilities and Services Review Board to access whatever documents are necessary to verify the information submitted with this CON application including, but not limited to the official records of IDPH or other state agencies, licensing or certification records of other states, and the records of national accreditation organizations. Should any further authorization be required, please advise and we will execute such an authorization.

I hereby certify that this is based upon my personal knowledge and is true and correct under penalty of perjury, in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Kevin Flynn", is written over a horizontal line.

P. Kevin Flynn

CFO/Vice President-Finance



August 24, 2017

Ramesh Soundararajan, physician
Dr.
Associates in Nephrology
9730 S Western Ave
Evergreen Park, IL 60805-2814

Joint Commission ID #: 524036
Program: Ambulatory Health Care
Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 08/24/2017

Dear Dr. Soundararajan:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning May 27, 2017 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



June 26, 2014

Marlene Hayman
Contact
Associates in Nephrology
9730 S Western Ave
Evergreen Park, IL 60805-2814

Joint Commission ID #: 524036
Program: Ambulatory Health Care
Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 06/26/2014

Dear Ms. Hayman:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning May 15, 2014. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

Purpose of the Project, 77 Ill. Admin. Code 1110.230(a)(1)-(4)

The ambulatory surgical treatment center is designed to allow VACI to continue its commitment to providing quality care, academic enrichment, and organizational excellence to patients within the community where they live. As the HFSRB has learned from similar projects in geographically different areas, there have been significant changes in the reimbursement for vascular access procedures. The goal of these changes appears to be to drive these procedures out of physician offices and vascular access centers and into hospital surgical suites and ambulatory surgical treatment centers. The core purpose of this project is to ensure continued access to care for patients already being served by VACI, to make certain they continue to have access to the vascular care and surgical procedures they require.

As addressed more fully in the alternatives section, (see 77 Ill. Admin. Code 1110.230(c), Attachment 13), the performance of vascular access and related procedures in an ASTC setting is substantially more cost-effective than in a hospital. VACI has a specific interest in maintaining the quality of the care it is providing, not solely for the benefit of its patients, but also as a participant in the government PQRS (and forthcoming) quality review systems. The VACI commitment to progressive healthcare makes the maintenance of its own facility a fundamentally important component of maintaining its mission. This project will allow for a dedicated staff that can be trained by the educators of VACI. The result will be a staff well versed in the needs of patients with compromised vascular systems, and who are receiving treatment for end-stage renal disease.

Many providers have simply elected to cease providing vascular access surgical procedures and some will leave the marketplace. This ASTC is designed to continue service to current VACI patients and also to ensure sufficient access to patients requiring treatment for end-stage renal disease who may soon find themselves with unexpected challenges in accessing quality care. VACI wants to maximize ESRD patients access to quality medical care in a community-based setting. Accordingly, the establishment of this three-room, single-specialty ASTC will undoubtedly improve access to necessary healthcare within this community.

The market area, as defined by regulation, is 45 minutes from the location where the ASTC will be established. Technically, this includes an enormous geographical area, however, ESRD patients historically seek care close to home because of transportation challenges encountered by disabled patients, as well as the comorbidities VACI patients experience. For this reason, multiple providers are able to coexist in geographically distinct or overlapping areas, the practical service area for these services is substantially less than a 45-minute drive time. This is best demonstrated when considering the prevalence of multiple dialysis stations and vascular access centers within what might otherwise be considered "overlapping" marketplaces.

Attachment 12

The biggest challenge addressed by this project is rebalancing the inequality between a procedure's profitability and necessity. Oftentimes, when an existing surgery center or hospital surgical suite are necessary for the performance of a vascular access procedure, the physician and patient find themselves at a disadvantage due to the lower rate of reimbursement paid for these procedures. However, from a practical perspective, the need for these procedures is frequent and often time sensitive. Unpredictable timing of vascular access complications and scheduling priorities in the hospital setting can often delay a necessary procedure and will have a significant impact on the health of patients that are challenged with many pre-existing co-morbidities. Establishing this surgery center, focused on the vascular access needs of the community, solves that problem and ensures there is available care for those in need.

The historical treatment data accompanying this application evidences the historical, current, and future need for these services and the ASTC setting reflects the most economical environment these patients can receive this necessary care.

Attachment 12

Alternatives, 77 Ill. Admin. Code 1110.230(c)

1. Continue to Operate as Vascular Access Center (No Cost – Ongoing Losses)

VACI will certainly be required to further evaluate and potentially pursue this option in conjunction with the utilization of existing ASTCs and hospital surgical suites, in the event that the Board does not grant permission to establish an ASTC. However, as discussed more fully above, fundamental changes in the reimbursement model have had the result, and arguably the goal, of relocating vascular access procedures to ASTCs and hospitals. The overall volume of patients requiring care necessitates a dedicated facility and warrants the establishment of an ASTC as the primary option. However, VACI is sufficiently committed to the patient population they currently serve that it will continue to provide care. Additionally, the lease for the existing site of the vascular access center is terminating, therefore, continued operation at the existing site is an impossibility.

2. Exit the Marketplace (No Cost – Adverse Impact on Access to Care)

There are many providers that are opting for this option which is one of the reasons this alternative was rejected. It will result in an unfortunate challenge to the health care delivery model and, as the Board is aware, maintaining vascular access is quite literally a matter of life or death for many individuals. As referenced above, the changes in reimbursement have made previous care delivery methods at a combination of hospitals, outpatient practices, surgery centers, and vascular access centers no longer feasible. The reimbursement change seems to target the relocation of these procedures to ASTCs and hospital surgical suites which, while certainly has benefits regarding the management of complications and limitation of infections, makes the continued maintenance of the hospital model an impossibility.

VACI has hundreds of patients who rely on its practice to perform the surgical procedures necessary to maintain vascular access for dialysis. Also, considering the number of other providers who have exited the marketplace and who are expected to exit the marketplace, the demand for vascular access surgical services will likely increase. Thus, VACI dismissed this alternative.

3. Utilize Existing Capacity at Other Surgery Centers (Midlevel Cost – Access Challenges)

This is a legitimate option, however, an understanding of the industry and the nature of surgical center operation reveals sufficient practical concerns that this alternative was not selected. Vascular access procedures are intensely necessary for the ESRD patients experiencing complications, but the reimbursement for these procedures is not particularly high. As a result, it is not uncommon for these procedures to be “bumped” in favor of other more profitable procedures or, alternatively, to have the procedures scheduled at a time that is inconvenient to both patient and physician. VACI continues to explore partners for future projects knowing the better utilization of existing facilities is a cornerstone of the CON program, however, the volume of patient need in this community precluded that as a viable alternative.

Attachment 13

Moreover, VACI physicians have experienced too many procedures delayed, rescheduled, or cancelled problematically. Nevertheless, the cost savings of an ASTC, as compared to a hospital setting, does make this a more attractive alternative than relying on a hospital setting.

For those reasons, this alternative was rejected.

4. Utilize Hospital Surgical Suites as Primary Option for Care (No Cost – Access Challenges)

This alternative has the same issues as relying on existing capacity in other ASTCs. Reliance upon hospital based surgical suites suffers from the same concerns regarding delay, rescheduling and cancellation because of the lower reimbursement rates. Moreover, as compared to the option being presented, hospital based procedures result in increased cost, making it a less attractive alternative.

For this reason, this alternative was rejected.

5. Project as Proposed

The project, as proposed, reflects the most cost-effective, patient-centered, comprehensive means of ensuring access to quality care for patients in need. Most other for-profit surgical centers are understandably incentivized by higher-reimbursement procedures. That is the reason that the majority of ASTCs in the area focus upon 14 other identified categories of service for an ASTC rather than “general procedures” and certainly are not focused upon vascular procedures. However, the patient population proposed to be served by this facility have significant comorbidities and complexities and will be better served by a staff and facility specifically committed to this type of care. This project was designed to meet the needs of an existing patient population, and has taken into consideration the likelihood of having sufficient capacity available to further meet the needs of the surrounding community.

For these reasons, this is the alternative that was selected.

Size of Project, 77 Ill. Admin. Code 1110.234

Size of Project

Service	BGSF	State Standard	Difference	Standard Met?
ASTC	5,600*	4,980-6,660	n/a	Yes

* There are 2,000 additional square feet of space utilized for administrative and other nephrology and patient related educational purposes.

This project involves establishing a surgery center in a building that has been designed to house an ASTC. It was built in accordance with ASTC standards and developed with an eye towards having an ASTC as a tenant to utilize the space for this purpose. Board approval and subsequent licensing from the Illinois Department of Public Health will allow this space to be utilized as ASTC. Three procedure rooms are proposed, the size being 5,600 Square Feet which falls within the established state standard. The size of the rooms is identified as being ideal because concerns exist in this industry that smaller surgical rooms can yield additional and unnecessary challenges for the expected patient population. This is particularly true considering the comorbidities and related health care issues of the patient population requiring vascular surgical access procedures. The design of the facility, the procedures rooms, as well as the separation between clinical and non-clinical space, was designed to maximize patient benefit while being respectful and compliant with the applicable government standards.

Studies have shown that over 38% of new ESRD patients have received little or no pre-ESRD nephrology care. These patients all exhibits the following characteristics which presented avoidable challenges to their overall care:

- They were less likely to use ESA prior to diagnosis;
- They were less likely to receive dietary counseling;
- They were less likely to start diagnosis with an AV fistula; and
- They were more likely to start dialysis with very low GFR levels (≤ 5 m)

The Chronic Kidney Disease ("CKD") patient education program is a fundamental part of the VACI commitment to its patients and, thus, additional non-ASTC space was identified to allow for meaningful meetings with and education of patients as well as education of physicians.

This project hopes to be found to be in compliance with the established State standard.

Chronic Kidney Disease Initiative

—Protecting Kidney Health

January 2015



Improving blood sugar and blood pressure control in people with diabetes lowers the risk for developing kidney disease.

CDC's CKD Initiative provides public health strategies for promoting kidney health.

Chronic kidney disease (CKD) is a condition in which the kidneys are damaged and cannot filter blood as well as they should. CKD has varying levels of seriousness that can range from leakage of extra protein into the urine to kidney failure requiring dialysis, in which a machine filters the blood like healthy kidneys would, or a kidney transplant, where a kidney is donated from another person. If left untreated, CKD can progress to kidney failure (also known as end-stage renal disease) and early cardiovascular death.

- More than 20 million (or more than 10%) US adults are estimated to have CKD and most are undiagnosed.
- Kidney disease is the 9th leading cause of death in the United States.
- In the United States, diabetes and hypertension are the leading causes of kidney failure, accounting for 72% or about 3 out of 4 new cases.
- The number of kidney failure cases in the US population has more than tripled since 1990 and is expected to grow because of an aging population and the increasing number of people with conditions, such as diabetes and high blood pressure, which place them at risk of developing CKD.
- Total Medicare spending (excluding prescription drugs) for patients with kidney failure reached nearly \$29 billion in 2012, accounting for about 6% of the Medicare budget costs. In addition, overall Medicare costs for people aged 65 years or older with CKD were about \$45 billion in 2012, or more than \$20,000 per person per year.

The Good News

Disability and death from CKD is not inevitable.

- Among people with diabetes, early detection and treatment of kidney disease can help prevent or delay cardiovascular death and advancing to kidney failure. Among those with diabetes and high blood pressure, blood sugar and blood pressure control have been shown to lower the risk of developing kidney disease.
- Several studies have shown the possibility for preventing or delaying the start of diabetic kidney disease by treating patients who have diabetes with blood pressure-lowering drugs. In addition to lowering blood pressure, these medications reduce protein in the urine, a risk factor for developing kidney disease.

CDC's Investment

In recognition of the growing problem of kidney disease, CDC's CKD Initiative is designed to provide public health strategies for promoting kidney health. These strategies seek to prevent and control risk factors for CKD, raise awareness, promote early diagnosis, and improve outcomes and quality of life for those living with CKD. Current activities include surveillance and epidemiology, state-based demonstration projects, and health outcomes and economic studies in partnership with other government agencies, universities, and national organizations.

National Center for Chronic Disease Prevention and Health Promotion
Division of Diabetes Translation



Surveillance and Epidemiology

In collaboration with the University of California at San Francisco and the University of Michigan, CDC implemented the national CKD Surveillance System. The surveillance system is crucial for tracking national trends in the number of cases, risk factors, and care practices that affect CKD prevention and control, evaluate quality improvement efforts, and monitor kidney disease objectives for Healthy People 2020.

Together with other federal agencies, universities, national organizations, and other partners, CDC developed and disseminated the 2014 National Chronic Kidney Disease Fact Sheet. This document provides a consensus about the burden of CKD in the United States. The fact sheet includes data on the extent of the problem in racial/ethnic groups, risk factors, and health consequences.

In addition, CDC is supporting the collection of national data on kidney measures in the National Health and Nutrition Examination Survey (NHANES) to supplement our CKD surveillance efforts.

Health Outcomes

In partnership with the National Kidney Foundation, CDC is finishing a screening demonstration project for early detection of CKD in high-risk populations in four states. The program called CKD Health Evaluation and Risk Information Sharing (CHERISH) was designed to identify individuals at high risk for CKD, find out about the participant's access to follow-up care, and examine the course of disease in those with CKD.

Working with partners, CDC is using national datasets like NHANES and the United States Renal Data System to investigate the epidemiology of CKD in the general and in special populations; for example, deaths among people with CKD and the rate of new cases of kidney failure among people with diabetes, among other topics. In addition, CDC collaborates with the Veterans Administration to examine the natural history and health outcomes of CKD in this population.

Health Economics

Working with RTI International, CDC is conducting cost-effectiveness studies using a lifetime simulation model to assess the costs and benefits of various CKD care and prevention interventions. The model will be used to predict the development, progression, and complications of CKD, and will also test the effectiveness of various public health interventions. CDC cost-effectiveness studies have found that CKD screening should target people aged 50 years or older with diabetes or high blood pressure. It is not cost effective to screen people who are not at high risk for CKD.

Also with RTI International, CDC started an economic study on the direct and indirect costs of CKD. These studies will be very important in making health policy decisions about CKD, as it has become one of the most costly diseases in the Medicare budget.

For more information, please contact the Division of Diabetes Translation
4770 Buford Highway, N.E., Mailstop F-73, Atlanta, GA 30341-3717
Telephone: 800-CDC-INFO (232-4636) • TTY: 888-232-6348
E-mail: www.cdc.gov/info • Web: www.cdc.gov/diabetes



**CKD surveillance
data are available at
[www.cdc.gov/ckd/
surveillance](http://www.cdc.gov/ckd/surveillance).**

Citation:

Centers for Disease Control and Prevention. *Chronic Kidney Disease in Adults—Protecting Kidney Health*. Atlanta, GA: US Department of Health and Human Services, Centers for Disease Control and Prevention; 2015.

References:

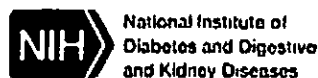
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Chronic Kidney Disease (CKD) Basics

- Chronic Kidney Disease: The Basics
- CKD and My Health
- CKD and My Lifestyle
- CKD: Tracking My Test Results

Chronic Kidney Disease: The Basics

You've been told that you have chronic kidney disease (CKD). What does that mean? And what does it mean for your health and your life? This booklet will help answer some of the questions you might have.

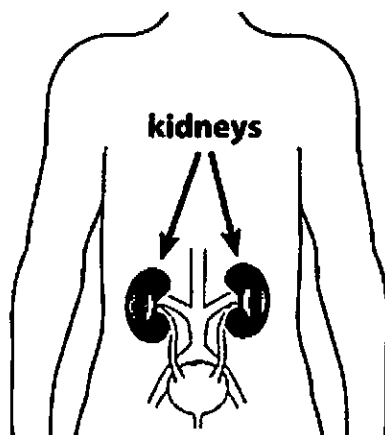
You have two kidneys, each about the size of your fist. Their main job is to filter wastes and excess water out of your blood to make urine. They also keep the body's chemical balance, help control blood pressure, and make hormones.

CKD means that your kidneys are damaged and can't filter blood like they should. This damage can cause wastes to build up in your body. It can also cause other problems that can harm your health.

CKD is often a "progressive" disease, which means it can get worse over time. CKD may lead to kidney failure. If your kidneys fail, you will need dialysis or a kidney transplant to maintain health.

You can take steps to keep your kidneys healthier longer:

- Choose foods with less salt (sodium).
- Keep your blood pressure at the level set by your health care provider.
- Keep your blood glucose in the target range, if you have diabetes.



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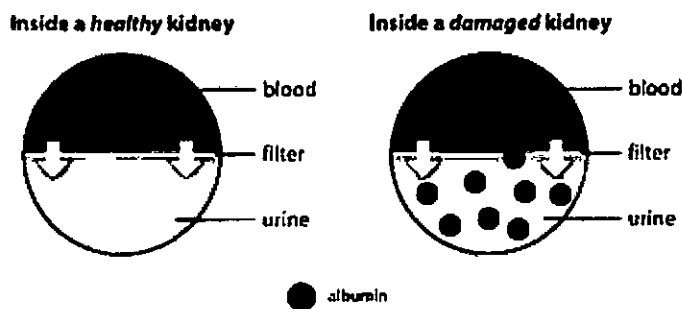
CKD and My Health

How does my health care provider know I have CKD?

Chances are, you feel normal and were surprised to hear that you have CKD. It is called a "silent" disease, because many people don't have any symptoms until their kidneys are about to fail. The only way to know is to get your kidneys checked with blood and urine tests.

1. A blood test checks your GFR, which tells how well your kidneys are filtering. GFR stands for glomerular filtration rate.

2. A urine test checks for albumin. Albumin is a protein that can pass into the urine when the kidneys are damaged. See picture below.



These two tests are used to monitor CKD and make sure that treatment is working. See CKD: Tracking My Test Results.

What causes CKD?

Diabetes and high blood pressure are the most common causes of CKD.

Your provider will look at your health history and may do other tests. You need to know why you have CKD, so your treatment can address the cause of the CKD.

What medicines are used to treat CKD?

People with CKD often take medicines to lower blood pressure, control blood glucose, and lower blood cholesterol. Two types of blood pressure medicines—ACE inhibitors and ARBs—may slow CKD and delay kidney failure, even in people who don't have high blood pressure. Many people need to take two or more medicines for their blood pressure. They also may need to take a diuretic (water pill). The goal is to keep your blood pressure at the level set by your health care provider.

Do I need to change my medicines?

Some medicines are not safe for people with CKD. Other medicines need to be taken in smaller doses. Tell your provider about all the medicines you take, including over-the-counter medicines (those you get without a prescription), vitamins, and supplements.

Can CKD affect my health in other ways?

People with CKD often have high blood pressure. They can also develop anemia (low number of red blood cells), bone disease, malnutrition, and heart and blood vessel diseases.

What tests will help track my CKD?

The blood and urine tests used to check for CKD are also used to monitor CKD. You need to keep track of your test results to see how you're doing.

Track your blood pressure.

If you have diabetes, monitor your blood glucose and keep it in your target range. Like high blood pressure, high blood glucose can be harmful to your kidneys. See CKD: Tracking My Test Results.

Will I have to go on dialysis?

Some people live with CKD for years without going on dialysis. Others progress quickly to kidney failure. You may delay dialysis if you follow your provider's advice on medicine, diet, and lifestyle changes.

If your kidneys fail, you will need dialysis or a kidney transplant to maintain health. Most people with kidney failure are treated with dialysis.

Will I be able to get a kidney transplant instead of going on dialysis?

Some people with kidney failure may be able to receive a kidney transplant. The donated kidney can come from someone you don't know who has recently died, or from a living person—a relative, spouse, or friend. A kidney transplant isn't for everyone. You may have a condition that makes the transplant surgery dangerous or not likely to succeed.

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CKD and My Lifestyle

People with CKD can and should continue to live their lives in a normal way: working, enjoying friends and family, and staying active. They also need to make some changes as explained here.

Do I need to change what I eat?

What you eat may help to slow down CKD and keep your body healthier. Some points to keep in mind:

	Choose and prepare foods with less salt (sodium). Use less salt at the table.
	Select the right kinds and smaller amounts of protein.
	Choose foods that are healthy for your heart, like lean cuts of meat, skinless chicken, fish, fruits, vegetables, and beans.
	Read the Nutrition Facts Label, especially for sodium, to help you pick the right foods and drinks.

Your provider may refer you to a dietitian. Your dietitian will teach you how to choose foods that are easier on your kidneys. You will also learn about the nutrients that matter for CKD.

Do I need to change what I drink?

- **Water** — You don't need to drink more water unless you have kidney stones. Drink as much water as you normally do.
- **Soda and other drinks** — If you are told to limit phosphorus, choose light-colored soda (or pop), like lemon-lime, and homemade iced tea and lemonade. Dark-colored sodas, fruit punch, and some bottled and canned iced teas can have a lot of phosphorus.
- **Juice** — If you are told to limit potassium, drink apple, grape, or cranberry juice. Instead of orange juice.
- **Alcohol** — You may be able to drink small amounts of alcohol. Drinking too much can damage the liver, heart, and brain and cause serious health problems.

Is smoking cigarettes bad for my kidneys?

Cigarette smoking can make kidney damage worse. Take steps to quit smoking as soon as you can.

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CKD: Tracking My Test Results

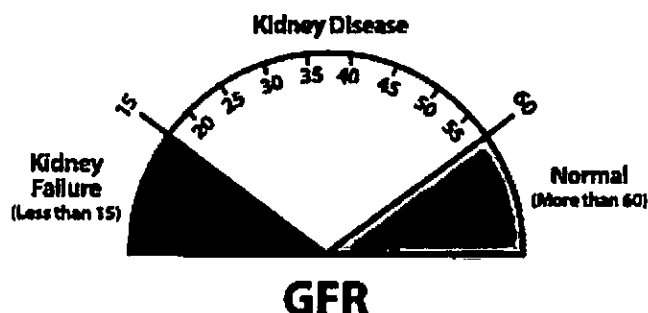
You are the most important person on your health care team. Know your test results and track them over time to see how your kidneys are doing. Bring this table to your health care visits and ask your

provider to complete it.

Test	Result/Date	Result/Date	Result/Date	Result/Date
Blood pressure				
Goal: Below ____ / ____				
GFR				
Goal: Keep from going down				
Urine Albumin				
Goal: The lower the better				
A1C (for people with diabetes)				
Goal: Less than 7				

GFR — The GFR tells you how well your kidneys are filtering blood. You can't raise your GFR. The goal is to keep your GFR from going down to prevent or delay kidney failure. See the dial picture below.

- A GFR of 60 or higher is in the normal range.
- A GFR below 60 may mean kidney disease.
- A GFR of 15 or lower may mean kidney failure.



Urine albumin — Albumin is a protein in your blood that can pass into the urine when kidneys are damaged. You can't undo kidney damage, but you may be able to lower the amount of albumin in your urine with treatment. Lowering your urine albumin is good for your kidneys.

Blood pressure — The most important thing you can do to slow down CKD is keep your blood pressure at the level set by your health care provider. This can delay or prevent kidney failure.

A1C — A1C test is a lab test that shows your average blood glucose level over the last 3 months. Lowering your A1C can help you to stay healthy. (For people with diabetes only.)

PDF files require Adobe Acrobat

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Project Services Utilization, 77 Ill. Admin. Code 1110. Appendix B

The annual utilization expected of an ASTC is 1,500 hours per surgical or procedure room. The proposal for this facility is to establish three procedure rooms, making the objective for demonstrating utilization of 4,500 hours. Based upon historical utilization and proposed patient volume, the facility should meet the state standard by its second year of operation.

Utilization

	<u>Service</u>	<u>Historical Utilization (Treatments)*</u>	<u>Projected Utilization</u>	<u>State Standard</u>	<u>Met Standard?</u>
Year 1	ASTC	1753	83%	> 4500 Hours	Yes
Year 2	ASTC	1928	91.2%	> 4500 Hours	Yes

* Average Procedure Time is 165 Minutes

There are a total number of 1,936 hours of operation in which procedures are scheduled, not taking into consideration the scheduling of emergency procedures. The average length of time for a procedure is 165 minutes, which includes the preparation, procedure, and cleanup time. An evaluation was performed, as evidenced by the attached analysis, that normalized the time of various procedures with the actual number of procedures performed to ensure a more realistic evaluation of utilization could be presented. The data of 1,223 unique patients with a representative number of 1,753 total procedures is reflective of the actual historical data. Thus, if there were no growth whatsoever, the first year number of treatments provided would be 1,753. As described throughout and as expected given the changes facing this industry, there is a likelihood of substantial growth based upon the number of practitioners leaving the marketplace without there being a correlating decrease in the care needed. Therefore, a modest predicted increase of 10% - 175 total procedures – was outlined for the second year of operation which, given the mathematical calculations, evidences that the facility should easily reach the state utilization standard by the end of its second year of operation.

Major Procedure Name	Unique Patients	Total Encounters	Avg Total Patient Time	Avg Total Pre Procedure Time	Sum of Total Avg Times	Total Avg In Minutes	Total Avg In Hours	
Accessory Vein Ligation	1	1						
Angiogram	244	284	1:24:40	0:12:00	1:36	96.67	457.56	27453.33
Angioplasty	451	837	1:47:13	0:17:38	2:04	124.85	1741.66	104499.5
Catheter Exchange	101	148	1:05:59	0:18:12	1:24	84.18	207.65	12459.13
Catheter Insertion	37	37	2:29:53	0:11:04	2:40	160.95	99.25	5955.15
Catheter Removal	128	129	1:23:15	0:18:59	1:42	102.23	219.80	13188.1
Catheter Repair	5	5	1:00:20	0:06:39	1:06	66.98	5.58	334.9167
Catheter Replacement	1	1	1:07:30	0:16:27	1:23	83.95	1.40	83.95
Thrombectomy	117	173	2:30:34	0:18:32	2:49	169.10	487.57	29254.3
Thrombectomy Declot	4	4	2:36:58	0:02:26	2:39	159.40	10.63	637.6
Vascular Mapping	58	58	1:30:19	0:31:33	2:01	121.87	117.80	7068.267
Venogram	76	76	1:08:14	0:19:08	1:27	87.37	110.66	6639.867
	1223	1753			20:57:33	1257.55	3459.57	207574.1 52590 260164.1
			2.75					118.4108 165

Annual Patient Hours	1936	Baseline	
Surgical Suites	3	1753	4820.75
Total Patient Surgical Hours	5808		0.830018939
Average Procedure Time	2.25 hours	Year 2	
Average Cleanup Time	.5 hours	1928	5302
Total Procedure Time	2.75 hours		0.912878788

Major Procedure Name				
Accessory Vein Ligation	36832	37241		
Angiogram	36147	36148	75791	
Angioplasty	35475	35476	37224	
Catheter Insertion	36558	36565		
Catheter Exchange	36581			
Catheter Replacement	36558/36589			
Catheter Repair	36575			
Catheter Removal	36589			
Thrombectomy	36870	37184	37187	37186
Thrombectomy Declot	37211	37212		
Vascular Mapping	G0365			
Venogram	75820	75822	75827	

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Geographic Service Area, 77 Ill. Admin. Code 1110.1540(c)

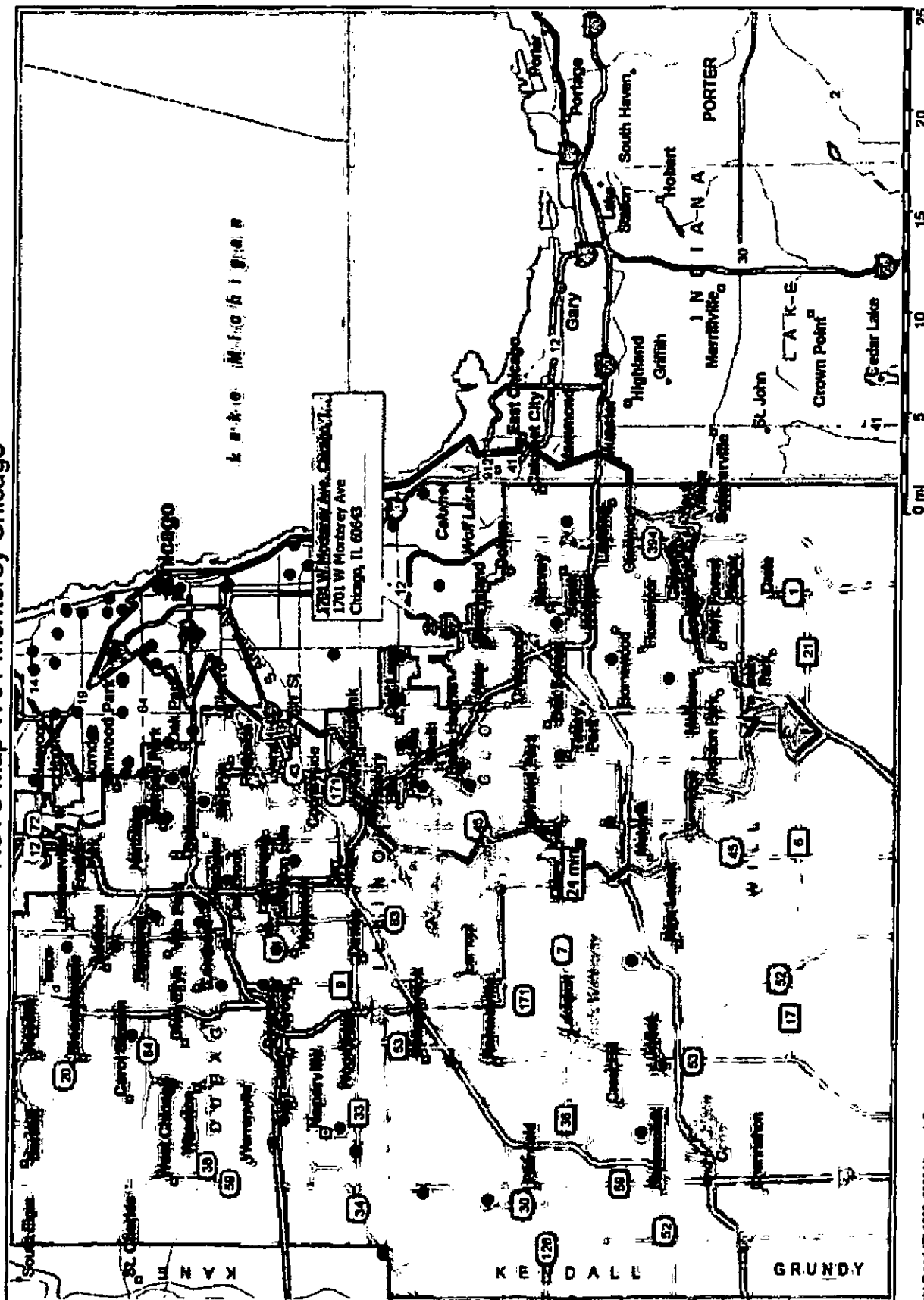
There is no formula need determination for the number of ASTCs and the number of surgical/treatment rooms in a geographic service area under the rules established by the HFSRB.

From the design of this project, it is clear that the primary purpose is to provide necessary healthcare to the residents of the geographic service area ("GSA") in which the facility will be located. The listing of zip codes for patients historically served by VACI should provide sufficient evidence that at least 50% of the patients to be served reside within the area immediately surrounding the proposed ASTC, thus residents of the GSA. In addition, this ASTC will also be located in a healthcare professional shortage area designated by the Health Resource and Services Administration. The focus of the facility, as described above, will be on providing vascular access surgical procedures.

In accordance with 77 Ill. Admin. Code 1110.1540(c)(2)(A), and listed on the accompanying pages, is a depiction of the GSA consisting of all zip code areas that are located within 45 minutes multi-directional travel time (under normal driving conditions) of the proposed site.

That 45 minute drive time area and those zip codes are listed below. We have also included the 10-mile radius which is reflected in the proposed rules, yet to be enacted, but seems reflective of the direction the HFSRB intends to take in consideration of these projects.

ASTC Map 1701 Monterey Chicago



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Key	Name	Address	City	State	Zip	License	F8	F9
133	TINLEY WOODS SURGERY CENTER	17896 96th Avenue	TINLEY PARK	IL	60477	7002652	4	18200 South LaGrange Road
116	Southwest Surgery Center	9295 West 191st Street	MOKENA	IL	60448-	7002595	3	19110 DARVIN DRIVE
85	Orland Park Surgical Center	9550 WEST 167TH STREET	ORLAND PARK	IL	60467	7002553	3	
177	Palos Health Surgery Center	153rd Street & West Avenue	Orland Park	IL			4	16-059
161	Preferred Surgicenter, LLC	10 Orland Square Drive	Orland Park	IL	60467	7003193	3	
60	INGALLS SAME DAY SURGERY	6701 WEST 159TH STREET	TINLEY PARK	IL	60477	7001043	4	
156	Palos Hills Surgery Center	10330 South Roberts Road	Palos Hills	IL	60465	7003186	2	
90	Palos Surgicenter	7340 WEST COLLEGE DRIVE	PALOS HEIGHTS	IL	60463-	7002470	4	
82	Oak Lawn Endoscopy Center	9921 SOUTHWEST HIGHWAY	OAK LAWN	IL	60453-3767	7003179	2	
79	Novamed Center for Reconstructive Surgery	6309 WEST 95TH STREET	OAK LAWN	IL	60453-2201	7002843	2	
117	Southwestern Medical Center	7456 South State Road	BEDFORD PARK	IL	60638	7003159	3	
70	Midwest Eye Center	1700 WEST ROAD	CALUMET CITY	IL	60409-	7001399	2	
41	Hyde Park Same Day Surgicenter	1644 EAST 53RD STREET	CHICAGO	IL	60615-	7002884	1	
111	Rush Surgicenter - Professional Building	1725 WEST HARRISON	CHICAGO	IL	60612	7001753	4	
1	25 EAST SAME DAY SURGERY	25 EAST WASHINGTON	CHICAGO	IL	60602-1708	7001969	4	
22	GRAND AVENUE SURGICAL CENTER	15 WEST GRAND AVENUE	CHICAGO	IL	60610-	7003133	5	
105	RIVER NORTH SAME DAY SURGERY CENTER	ONE EAST ERIE STREET	CHICAGO	IL	60611-2737	7002090	4	
8	Western Oversey Surgical Center	2744 NORTH WESTERN AVENUE	Chicago	IL	60647	7003183	2	
149	South Loop Endoscopy & Wellness Center	2336 South Wabash	Chicago	IL	60616	7003171	1	
131	The Surgery Center at 900 North Michigan Avenue	60 EAST DELAWARE	CHICAGO	IL	60611-	7002272	4	
137	Gold Coast Surgicenter	845 NORTH MICHIGAN AVENUE	CHICAGO	IL	60611-2201	7003150	2	
124	SURGICORE	10547 SOUTH EWING AVENUE	CHICAGO	IL	60617-	7003072	1	

KEY	NAME	STREET	CITY	Med-Surg	PED	HN	STATE	ZIP	F10	F11	F12
116	Palos Community Hospital	12251 South 80th Avenue	Palos Heights	306	15	3210	IL	60463-0000			
7	Advocate Christ Hospital and Medical Center	9500 South Kenneth Ave	Oak Lawn	394	45	315	IL	60453-0000	SR-22 & SR-59		
41	Franciscan St. James Hospital & Health Center	20201 South Crawford	Olympia Fields	157		5074	IL	60461-			
14	Advocate South Suburban Hospital	17800 South Kedzie Avenue	Hazel Crest	197	10	4697	IL	60429-0000			
42	Franciscan St. James Hospital & Health Center	4 E 14th St	Chicago Heights	0	0	2436	IL	60411			
100	MetroSouth Medical Center	12935 South Gregory Street	Blue Island	242		5116	IL	60406-0000			
68	Ingalls Memorial Hospital	One Ingalls Drive	Harvey	298	17	1099	IL	60426-0000	California at 15th Avenue		
79	Little Company of Mary Hospital and Health Care Center	2800 West 95th Street	Evergreen Park	208	20	1271	IL	60642-0000			
62	Holy Cross Hospital	2701 West 68th Street	Chicago	204		992	IL	60629-0000			
160	St. Bernard Hospital	326 West 64th Street	Chicago	126	12	2303	IL	60621-0000			
137	Roseland Community Hospital	45 West 111th Street	Chicago	77		2063	IL	60628-0000			
15	Advocate Trinity Hospital	2320 East 93rd Street	Chicago	158		4176	IL	60617-0000			
70	Jackson Park Hosp. Foundation	7531 Story Island Avenue	Chicago	144	1	1115	IL	60649-0000	240 East Ontario Suite 530		
185	University Of Chicago Medical Center	5841 South Maryland	Chicago	506	60	3897	IL	60637-0000	W Virginia Ave & Franklin Ave		
131	Provident Hospital of Cook County	500 East 51st Street	Chicago	79		4549	IL	60615-0000	721 East Court Street		
155	South Shore Hospital	8012 South Crandon	Chicago	114	0	3459	IL	60617-0000			
77	LaRabida Children's Hospital	6501 S. Promontory Drive	Chicago		49			60649			
159	St. Anthony Hospital	2875 West 19th Street	Chicago	62	12	4556	IL	60623-0000	1775 Dempster Street		
105	Mount Sinai Hospital Medical Center	1501 S California Ave	Chicago	165	31	1644	IL	60608-0000			
73	John H. Stroger Hospital of Cook County	1901 West Harrison Street - Suite 5650	Chicago	240	26	430	IL	60612-0000			
109	Norwegian American Hospital	1044 North Francisco Avenue	Chicago	98	5	1727	IL	60622-0000			
146	Saint Mary Of Nazareth Hospital	2233 West Division Street	Chicago	186	14	2584	IL	60622-0000	Tremont & Second Street		
162	St. Elizabeth's Hospital	1431 North Claremont	Chicago	40		2360	IL	60622-0000			
186	University of Illinois Hospital	1740 West Taylor Avenue	Chicago	240	44	2840	IL	60612-0000	315 8th Street		
140	Rush University Medical Center	1653 West Congress Parkway	Chicago	342	18	1917	IL	60612-0000			
97	Mercy Hospital & Medical Center	2525 South Michigan Avenue	Chicago	289	0	1578	IL	60616-2477			
108	Northwestern Memorial Hospital	251 East Huron St	Chicago	530		3251	IL	60611-0000	1225 Lake Street		

ZIP CODES

60617
60628
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60643
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46311
76137
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60482
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30152
39437
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36480
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60659
60458
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60153
90002
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60625
60405
60464
46312
60627
60505
46219
60602
60467
60803
60631
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63114
60202
46404
60362
60476

Service Demand, 77 Ill. Admin. Code 1110.1540(d)

Historical Referrals

Enclosed is a referral letter from the Medical Director of VACI that attests to a total of 1753 procedures that have historically been referred/performed by the physicians comprising VACI and which reflect services that will be referred to be performed at this ASTC (subject, of course, to HFSRB approval) in each of the coming two years. Included as part of the referral letter are the patient originations by zip code and the verification from the medical director that these patients and procedures have not been utilized to justify any other CON application.

Zip	Patient
60617	156
60628	138
60620	114
60619	83
60649	66
60636	54
60643	47
60629	46
60411	39
60827	34
60621	34
60409	32
60616	30
60473	27
60632	26
60653	25
60426	22
60637	22
60609	21
60652	19
60478	19
60419	17
60429	15
60438	14
60466	13
60453	12
60425	11
60428	11
60443	10

60638	9
60471	9
60459	8
60406	8
60455	7
60633	7
60615	6
60472	6
60608	6
60445	5
60484	5
60422	5
60430	5
46320	4
60477	4
60624	3
60423	3
60623	3
60644	2
60626	2
60804	2
46406	2
60402	2
60457	2
60417	2
60501	2
60449	2
60655	2
60452	2
60805	2
60169	2
60640	2
60475	2
60654	1
46311	1
76137	1
60610	1
60482	1
60612	1
60605	1
60415	1

30152	1
39437	1
60642	1
46407	1
36480	1
55411	1
60659	1
60458	1
60448	1
60153	1
90002	1
60460	1
60639	1
60461	1
60641	1
60625	1
60405	1
60464	1
46312	1
60627	1
60505	1
46219	1
60602	1
60467	1
60803	1
60631	1
60607	1
60172	1
63114	1
60202	1
46404	1
60362	1
60476	1
Grand Total	1331 patients

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MOHAMMAD FURI, M.D.

July 10, 2017

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

Dear Chairwoman Olson:

This letter is submitted on behalf of myself and my practice, Associates in Nephrology, S.C. This letter is to serve two separate purposes. First is to offer our support to the proposed establishment of a surgery center by Associates in Nephrology d/b/a Vascular Access Centers of Illinois. The second is to present the following information regarding our historical usage of the services they propose and the referrals we would envision sending to this facility. In the past twelve (12) months, our nephrologists have referred 1,753 procedures. The table attached to this letter reflects the zip codes of the residence for these patients, as required by your rules.

If the Health Facilities and Services Review Board is to approve this project, we would anticipate referring 1,800 procedures to this facility in each of the two years following the project completion. The projected patients all come from the proposed geographic service area of the proposed facility. Finally, I hereby verify that these referrals have not been used to support another pending or approved Certificate of Need application.

Best regards,

M.V. Rao

Vijaykumar M. Rao, MD
President

Treatment Room Need Assessment, 77 Ill. Admin. Code 1110.1540(f)

UTILIZATION					
	DEPT/ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	ASTC	1753	83%	>4500 hours	Yes
YEAR 2	ASTC	1928	91.2%	>4500 hours	Yes

*** Average Procedure Time is 165 minutes

There are a total number of 1,936 hours of operation in which procedures are scheduled, not taking into consideration the scheduling of emergency procedures. The average length of time for a procedure is 165 minutes, which includes the preparation, procedure, and cleanup time. An evaluation was performed, as evidenced by the attached analysis, that normalized the time of various procedures with the actual number of procedures performed to ensure a more realistic evaluation of utilization could be presented. The data of 1,223 unique patients with a representative number of 1,753 total procedures is reflective of the actual historical data. Thus, if there were no growth whatsoever, the first year number of treatments provided would be 1,753. As described throughout and as expected given the changes facing this industry, there is a likelihood of substantial growth based upon the number of practitioners leaving the marketplace without there being a correlating decrease in the care needed. Therefore, a modest predicted increase of 10% - 175 total procedures - was outlined for the second year of operation which, given the mathematical calculations, evidences that the facility should easily reach the state utilization standard by the end of its second year of operation.

Service Accessibility, 77 Ill. Admin. Code 1110.1540(g)

This application will, inevitably, receive a negative finding on the criteria of service accessibility because it is unquestionable that other surgery centers exist within the identified GSA that are not meeting the established utilization targets reflected in Board rules. This is not unexpected and is a challenge virtually all applications face.

As discussed in the alternatives section and as this Board has come to learn from the multitude of applications seeking to establish ASTCs dedicated to vascular access procedures, this care is fundamentally necessary to an unfortunately growing and evolving patient population struggling maintain their health and wellbeing. A 'solution' that is dependent on another ASTC or hospital with a focus beyond vascular access surgical procedures demonstrates the reality that these procedures, based upon the high Medicaid population and lower reimbursement model than other specialties, often find themselves being 'bumped' for more profitable procedures.

The fundamental changes in the reimbursement model for these procedures has compelled a restructuring of this aspect of care. As a longtime leader within the industry, VACI has concluded that a dedicated ASTC is the far more cost effective option when compared to a hospital surgical suite and is the best course of action to ensure quality patient care. Accordingly, the reasonable expectation is that the demand for these services is going to be substantially higher while the number of facilities designated or designed to perform these procedures is not sufficient. We truly believe that to meaningfully assess this issue requires going beyond the numbers to determine whether or not these services are truly needed within the community and whether those needs can practically and principally be met by existing facilities.

Accordingly, we invite the Board members to look past the question of whether or not capacity exists at other facilities and to evaluate the core question of whether there is a need for this project and whether or not it will increase access to necessary care for a vulnerable patient population. We believe the answers to all of these inquiries is yes, this project warrants approval.

Unnecessary Duplication / Maldistribution , 77 Ill. Admin. Code 1110.1540(h)

The core question behind the criteria is whether there are facilities that have the capability of meeting the needs of this patient requiring regular and ongoing vascular access procedures in the immediate area of the proposed site. The answer is no. A 'solution' that is dependent upon another ASTC or hospital with a focus that goes beyond vascular access surgical procedures introduces the reality that these procedures, based upon the high Medicaid population and lower reimbursement model than other specialties, often find themselves being 'bumped' for more profitable procedures. As discussed in the alternatives section, these patients require regular access to care that is fundamentally necessary to maintaining their health and wellbeing.

The fundamental changes in the reimbursement model for these procedures has required a redesign of this aspect of care. As a longtime leader within the industry, VACI has concluded that a dedicated ASTC is the far more cost effective option when compared to a hospital surgical suite and the best course of action to ensure quality patient care. Accordingly, the reasonable expectation is that the demand for these services is going to be substantially higher where the availability of facilities designated or designed to perform these procedures is not. We truly believe that to meaningfully assess this issue requires going beyond the numbers to assess whether or not these services are truly needed within the community and whether those needs can practically and principally be met by existing facilities.

There are sufficiently numerous individuals requiring dialysis and seeking care for end stage renal disease that there is a substantial need for these services that does not deem likely to reduce. Moreover, historically, many providers have been able to coexist in serving their patient populations, each reserved to smaller geographic areas. This is often because of the attending medical challenges facing these patients and the obstacles created by substantial travel. As evidenced in the attached articles, the need for access to this care is of fundamental importance, and this is not a time to decrease access to this care for this patient population. That is the motivation behind this project.

None of the existing surgery centers are designed for or dedicated to serving this patient population, making the likelihood of maldistribution minimal, nor is it going to lower the utilization of other area providers below the established standard nor lower, to a further extent, anyone that is currently below that standard. As this facility will be entirely dedicated to vascular access procedures, its impact on other surgery centers should be minimal.

Staffing, 77 Ill. Admin. Code 1110.1540(i)

The facility will appoint one of the existing VACI physicians, all board certified nephrologists, to act in the capacity of medical director for the facility.

The staffing of the facility will consist of already employed individuals and includes the following positions:

- 4 Registered Nurses
- 2 Scrub Techs
- 2 Administrative Staff
- 1 Vascular Care Coordinator
- 1 Radiological Technologist
- 1 Clinical Operations Director
- 1 Medical Director
- There are 38 physicians that are associated with VACI and others who refer patients and will perform procedures at the facility, if approved.

As needed, additional staff will be identified and employed utilizing existing job search sites and professional placement services.

Charge Commitment, 77 Ill. Admin. Code 1110.1540(j)

A list of the relevant CPT Codes, procedures and charges for the proposed ASTC is outlined below. In submitting this information, VACI verifies that it will not increase these charges (excluding changes in the Medicare Fee Schedule) for a minimum of 24 months.

2017 CPT		AIN FEE POS 24	MCR SI
36901	Angiogram	\$ 1,200.00	T
36902	Angioplasty	\$ 2,600.00	J1
36903	Angioplasty/Stent	\$ 12,000.00	J1
36904	Thrombectomy	\$ 3,800.00	J1
36905	Thrombectomy/Angioplasty	\$ 4,900.00	J1
36906	Thrombectomy/Stent	\$ 14,500.00	J1
36907	Angioplasty/Central Segment	\$ 1,600.00	N
36908	Stent/Central Segment	\$ 5,700.00	N
36909	Vascular Embolization	\$ 4,200.00	N
37224	Fem/Pop revascularizatio	\$ 8,400.00	J1
75710	Angiography/Radiological Supervision	\$ 350.00	Q2
36215	Selective Catheterization/Artery	\$ 2,600.00	N
36216	Selective Catheterization/Artery/Second order artery	\$ 2,800.00	N
36245	Selective Catheterization first order artery/Lower Extremity	\$ 3,000.00	N
36011	Selective Catheterization/Venous	\$ 2,600.00	N
36012	Selective Catheterization/Venous/Second Order Venous	\$ 487.00	N
36120	Catheterization/Retrograde Brachial artery	\$ 1,100.00	N
37238	Transcatheter Placement /Intravascular Stent/initial Vein	\$ 8,810.00	J1
37239	Transcatheter Placement /Intravascular Stent/Additional Vein	\$ 4,400.00	N
37187	Venous Thrombectomy	\$ 4,455.00	T
37607	Ligation/Banding of Angioaccess Arteriovenous Fistula	\$ 900.00	T
37241	Vascular Embolization or Occlusion/Venous	\$ 10,000.00	J1
37242	Vascular Embolization or Occlusion/Arterial	\$ 16,370.00	J1
75898	Transcatheter Therapy/Embolization/Radiological Supervision	\$ 270.00	Q2
37184	Mechanical Thrombectomy	\$ 5,000.00	T
37186	Secondary Mechanical Thrombectomy	\$ 3,400.00	N
37197	Transcatheter Retrieval of Intravascular Foreign Body	\$ 4,202.00	T
Q9967	Contrast	\$ 0.50	N
36558	Central Venous Catheter Insertion	\$ 1,460.00	T
36581	Central Venous Catheter Exchange	\$ 1,300.00	T
36575	Repair Central Venous Catheter	\$ 400.00	T
36556	Insertion of Non-Tunneled Central Venous Catheter	\$ 600.00	T
77001	Fluoroscopic Guidance for Central Venous Access Device Placement	\$ 190.00	N
76937	Ultrasound Guidance	\$ 85.00	N
36595	Fibrin Sheath Removal	\$ 1,750.00	T
75901	Radiological Supervision and Interpretation of Fibrin Sheath Removal	\$ 400.00	N

2017 CPT		AIN FEE POS 24	MCR SI
36410	Venipuncture/Requiring Physician's Skill	\$ 38.00	N
75774	Angiography/Radiological Supervision Each Additional Vessel	\$ 150.00	N
75860	Venography, Venous Sinus or Jugular, Catheter, Radiological Supervision and Interpretation	\$ 247.00	Q2
36589	Tunneled Catheter Removal	\$ 360.00	Q2
36598	Evaluation of Existing Tunneled Catheter	\$ 290.00	T
36593	Declotting by Thrombolytic agent of Implanted Vascular Access Device or Catheter	\$ 100.00	T
36596	Mechanical Removal of Obstructive Material from Central Venous Device	\$ 400.00	T
J2997	tPA	\$ 150.00	K
36005	Injection Procedure for Extremity Venography	\$ 700.00	N
G0365	Vein Mapping	\$ 400.00	S
75820	Venography, Extremity, Unilateral/Radiological Supervision and Interpretation	\$ 250.00	Q2
75822	Venography, Extremity, Bilateral/Radiological Supervision and Interpretation	\$ 300.00	Q2
75827	Superior Vena Cava Angiogram/Radiological Supervision and Interpretation	\$ 300.00	Q2
93930	Duplex Scan, Upper Extremity Arteries/Complete Bilateral Study	\$ 410.00	S
93931	Duplex Scan, Upper Extremity Arteries/ Unilateral, Limited Study	\$ 290.00	S
93970	Duplex Scan, Upper Extremity Veins/Complete Bilateral Study	\$ 450.00	S
93971	Duplex Scan, Upper Extremity Veins/Unilateral, Limited Study	\$ 300.00	S
93990	Duplex Scan of Hemodialysis Access	\$ 400.00	Q1
99152	Moderate Sedation Initial 15 Minutes	\$ 100.00	N
99153	Moderate Sedation each additional 15 minutes	\$ 25.00	N
J2250	Injection/Midazolam Hydrochloride	\$ 2.00	N
J3010	Injection/Fentanyl	\$ 1.00	N

Notes:

- J1 Hospital Part B services paid through a comprehensive APC
- K Nonpass-Through Drugs, paid under OPPS
- N Services packaged into APC rates, no separate payment made
- Q1 STV packaged code
- Q2 T packaged codes
- S Service not discounted when multiple
- T Multiple procedure Reduction applies, Paid under OPPS

Assurances, 77 Ill. Admin. Code 1110.1540(k)

Associates in Nephrology, SC d/b/a Vascular Access Centers of Illinois hereby attests, in accordance with the provisions of 735 ILCS 5/1-109, that it will implement a peer review program to evaluate whether patient outcomes are consistent with quality standards as established by the relevant professional organizations. In the unlikely event that the outcomes experienced do not meet or exceed those standards, it also verifies that it will initiate appropriate quality improvement plans.

As evidenced below, the project projects to meet the utilization standard for ASTCs by its second year of operation.

UTILIZATION					
	DEPT/ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	ASTC	1753	83%	>4500 hours	Yes
YEAR 2	ASTC	1928	91.2%	>4500 hours	Yes

There are a total number of 1,936 hours of operation in which procedures are scheduled, not taking into consideration the scheduling of emergency procedures. The average length of time for a procedure is 165 minutes, which includes the preparation, procedure, and cleanup time. An evaluation was performed, as evidenced by the attached analysis, that normalized the time of various procedures with the actual number of procedures performed to ensure a more realistic evaluation of utilization could be presented. The data of 1,223 unique patients with a representative number of 1,753 total procedures is reflective of the actual historical data. Thus, if there were no growth whatsoever, the first year number of treatments provided would be 1,753. As described throughout and as expected given the changes facing this industry, there is a likelihood of substantial growth based upon the number of practitioners leaving the marketplace without there being a correlating decrease in the care needed. Therefore, a modest predicted increase of 10% - 175 total procedures - was outlined for the second year of operation which, given the mathematical calculations, evidences that the facility should easily reach the state utilization standard by the end of its second year of operation.

Availability of Funds, 77 Ill. Admin. Code 1120.120

This project will be funded entirely through internal sources.

The only costs related to this project are the lease of the real property, lease of the necessary equipment, and initial startup costs related to various consultants. Those costs have all been outlined and incorporated within this CON application. Based upon discussion with Board staff, the cash necessary to cover the first five-year term of the lease, and the equipment lease costs for the initial five year term for this applications have been evidenced by presentation of the attached bank statement and the accompanying affidavit verifying that these funds are explicitly available and dedicated to the establishment of this ASTC, if approved by the HFSRB.

Commercial Banking
Bank of America, N.A.

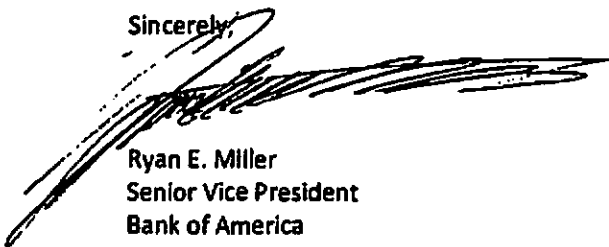
Bank of America 
Merrill Lynch

August 25th, 2017

Dear Illinois Health Facilities Planning and Review Board:

Associates in Nephrology, SC has maintained a banking relationship with Bank of America for over ten years. As of August 25, 2017, Associates has a cash balance of \$2,340,184 which is available for funding its vascular access center doing business as Vascular Access Centers of Illinois. Additionally, Associates has an unused credit line of \$1,500,000 which also is available for this purpose.

Sincerely,



Ryan E. Miller
Senior Vice President
Bank of America



Vascular Access Centers of Illinois

2608 W. Addison Vascular
Chicago, IL 6018
Phone: 773-756-333
Fax: 773-549-1717

9730 S. Western Ave. Suite GR-32
Evergreen Park, IL 60805
Phone: 708-229-8660
Fax: 708-229-8660

August 28, 2017

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

Chairwoman Olson:

Already accompanying this application is verification from our banker with Bank of America Merrill Lynch that we have more than sufficient cash funds available to ensure this project is completely funded through internal sources. To fully address the financial viability waiver requirements reflected in the CON application and related to the requirements of 77 Ill. Admin. Code 1120.130, I hereby certify under penalty of perjury that the \$1,207,344.40 in funds necessary to complete this proposed project are designated by Associates in Nephrology S.C. d/b/a Vascular Access Centers of Illinois ("VACI") for the completion of this project. These funds are currently available, will remain available throughout the CON Process, and will remain designated solely for the use of completing this project, subject to approval of this project by the Health Facilities and Services Review Board.

I hereby certify that this is based upon my personal knowledge and is true and correct under penalty of perjury, in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Kevin Flynn", is written over a horizontal line.

P. Kevin Flynn

CFO/Vice President-Finance

<u>Current Ratio</u>	<u>State Standard</u>	<u>Result</u>	<u>Met Standard?</u>
Assets / Liabilities (current)			
\$7,418,464 / \$4,472,595	1.5 or Greater	1.66	Yes
<u>Net Margin Percentage</u>			
(Net Income / Net Operating Revenue) x 100			
(\$4,835,334 / \$1,146,070) x 100	3.5% or More	23.7%	Yes
<u>Long-Term Debt to Capitalization</u>			
(Long-Term Debt/LTD + Net Assets) x 100			
0 / \$2,181,704	80% or less	0%	Yes
Note: There is no long-term debt			
<u>Projected Debt Service Coverage</u>			
Net Income Plus (Depreciation plus Interest plus Amortization)/Principal Payments plus Interest Expense for the Year of Maximum Debt Service after Project Completion			
(\$4,835,334 / \$0) – cannot divide by zero	1.75 or more	n/a	Yes
Note: there is no Debt Service			
<u>Days Cash On Hand</u>			
Cash / (Operating Expense / 365)			
\$2,181,704 / (\$3,843,450/365)	45 Days or More	207.18	Yes
<u>Cushion Ratio</u>			
Cash / Principles Payments plus Interest			
\$2,181,704 / \$386,150	3.0 or More	5.65	Yes

MONTEREY PROFESSIONAL CENTER
AMENDED AND RESTATED OFFICE LEASE
FOR
ASSOCIATES IN NEPHROLOGY, S.C.
An Illinois Corporation,
doing business as Vascular Access Centers of Illinois

1701 WEST MONTEREY AVENUE
SUITES 7-12
CHICAGO, IL 60643

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EXHIBITS

Exhibit A-1	Legal Description
Exhibit A-2	Center Site Plan
Exhibit B	Premises Floor Plan
Exhibit C-1	Design Criteria for Tenant's Signage
Exhibit C-2	Tenant's Approved Signage
Exhibit D	Description of Tenant's Work
Exhibit E	Description of Landlord's Work
Exhibit F	Rules and Regulations
Exhibit O	Exclusions from Operating Expenses

**AMENDED AND RESTATED OFFICE LEASE
MONTEREY PROFESSIONAL CENTER**

THIS AMENDED AND RESTATED OFFICE LEASE (the "Lease") is entered into as of the ____ day of _____, 2017 (The "Effective Date"), by and between AIN Investments, LLC, an Illinois limited liability company ("Landlord"), and Associates In Nephrology, S.C. an Illinois corporation, doing business as Vascular Access Centers of Illinois ("Tenant"), for the term, at the rental and subject to and upon all of the terms, covenants and agreements in this Lease.

RECITALS

WHEREAS, Monterey Professional Center, LLC (the "Original Landlord") and Tenant entered into an Office Lease dated as of November 1, 2016 (the "Original Lease") for Suites 9-12 of the office center development known as the Monterey Professional Center located at 1701 West Monterey, Chicago, Illinois and legally described on Exhibit A-1 attached hereto (the "Center");

WHEREAS, Landlord acquired the Center from Original Landlord on December 15, 2016 and at Tenant's request Landlord negotiated a termination of the then existing Office Leases with Roseland Community Hospital for Suites 7 and 8 of the Center;

WHEREAS, Landlord and Tenant have agreed to enter into this Amended and Restated Lease to add Suites 7 and 8 to the Original Lease for Suites 9 through 12 inclusive at the Center and to amend and restate in its entirety the Original Lease as of the Effective Date of this Lease. Subject to any surviving obligations under the Original Lease, from and after the Effective Date the rights obligations of the parties shall be governed by the terms and provisions of this Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

ARTICLE 1 – PREMISES

Section 1.1 – Premises Defined.

Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain premises known as Suites 7-12, comprising approximately 7,855 square feet of rentable space (the "Premises" or "Leased Premises") situated in the City of Chicago, County of Cook, State of Illinois as shown on Exhibit B attached hereto. The Leased Premises, together with the land legally described on Exhibit A-1 attached hereto and the improvements thereon owned by Landlord, comprise the Center. The Center contains 16,255 square feet of rentable space and is depicted on the site plan set forth on Exhibit A-2 attached hereto (the "Site Plan"). Subject to Article 20, the Leased Premises are leased together with the right to use, on a non-exclusive basis and in common with other tenants of the Center, the parking and other common areas of the Center.

Section 1.2 – Condition of Premises.

Subject to the terms and conditions hereinafter set forth, and in consideration of the Rents (as hereinafter defined) and the terms, covenants, conditions and agreements contained herein, Landlord does hereby lease, rent, let and demise to Tenant, and Tenant does hereby take and hire from Landlord, the Leased Premises, together with all appurtenances, fixtures and other facilities used in connection with the operation or occupancy of the Leased Premises and all alterations and additions thereto and restorations and replacements thereof. The parties acknowledge that Landlord is leasing the Leased Premises to Tenant on an "AS IS-WHERE IS" basis without representation or warranty whatsoever except as specifically set forth herein.

ARTICLE 2 – POSSESSION

Section 2.1 – Delivery of Premises.

Tenant received possession of the Premises on December 16, 2016 (the "Possession Date").

ARTICLE 3 – TENANT'S WORK

Section 3.1 – Tenant's Work Defined.

The contractor selected to perform the work necessary to prepare the Premises for Tenant's Permitted Use (as defined herein) which is generally described on Exhibit D attached hereto ("Tenant's Work") shall be approved by Landlord and provide a satisfactory certificate or certificates from an insurance company evidencing workmen's compensation coverage, builders risk insurance in amounts reasonably acceptable to Landlord, and insurance coverage insuring Landlord against public liability and property damage to any person or property, on or off the Leased Premises, arising out of and during the completion of Tenant's Work.

Section 3.2 – Tenant Permits and Licenses.

Tenant shall apply for and obtain, at Tenant's sole cost and expense, (i) all permits (collectively, the "Building Permits") required under applicable law for the performance of Tenant's Work, prior to the commencement of Tenant's Work, and (ii) all licenses and other approvals (the "Licenses," the Building Permits and the Licenses are collectively referred to herein as the "Required Permits") required under applicable law for the operation of a medical office in the Leased Premises solely for the purpose of the Permitted Use, prior to the date Tenant commences the Permitted Use in the Leased Premises. Tenant shall provide Landlord with copies of all applications and other materials filed with any governmental or private entities in connection with obtaining the Required Permits, on the date such materials are filed. Tenant shall deliver copies of the Required Permits to Landlord immediately upon its receipt of the same. Notwithstanding anything contained herein to the contrary, Tenant shall not have the right to modify the existing zoning of the Leased Premises, the Center including but not limited to, any zoning map amendments, PUDs, variances, exceptions, or special use permits, without the prior written consent of Landlord which consent may be withheld or delayed by Landlord in Landlord's sole and absolute discretion. Landlord will cooperate with Tenant's reasonable requests, if any, in the procurement of the Required Permits.

Section 3.3 – Improvement Allowance.

Landlord shall reimburse Tenant up to Fifty Thousand Two Hundred Fifty 00/100 (\$50,250.00) Dollars plus a credit up to Twenty Thousand 00/100 (\$20,000.00) Dollars for the actual out of pocket costs for the demolition of existing interior demising walls, fixtures and equipment located in the Leased Premises necessary for Tenant to complete Tenant's Work, to be used solely, and for no other reason, as an allowance for improvements ("Improvement Allowance"), the nature and location of which are more fully described in Tenant's Work. For federal income tax purposes, Landlord and Tenant agree that Landlord is the tax owner of Tenant's improvements constructed with the Improvement Allowance. Provided Tenant is not in default hereunder, Landlord will disburse the Improvement Allowance to Tenant within thirty (30) days after the latest of:

- (i) completion of the improvements required to be made by Tenant accompanied by evidence of payment, including lien waivers therefor, and Tenant's acquisition, at its sole cost and expense, of an unconditional, permanent certificate of occupancy;
- (ii) the Term Commencement Date;
- (iii) the execution and delivery to Landlord of an estoppel certificate.

In the event the Improvement Allowance is not paid within thirty (30) days of the delivery of items (i), (ii) and (iii) above, Tenant may offset such amount against rent due under the Lease. Further, Tenant will be entitled to interest on the unpaid sums after the due date at the Lease Interest Rate until paid or credited (as hereinafter defined).

ARTICLE 4 – LEASE TERM

Section 4.1 – Commencement Dates.

The term of this Lease ("Lease Term") shall commence on July 1, 2017, being hereinafter referred to as the "Term Commencement Date" even though Tenant does not anticipate completion of the Tenant's Work by the Commencement Date. The obligation of Tenant to pay Minimum Rent (as defined in Article 5 of this Lease) shall commence and accrue as of and on the Term Commencement Date and Tenant's obligation to pay its Pro Rata Share (as defined in Article 8 of this Lease) of Real Estate Taxes, Insurance Payments and Common Area Charges shall commence and accrue as of the Term Commencement Date. It is further understood and agreed that, as of 12:01 a.m. on the Possession Date, and continuing throughout the Lease Term, Tenant shall comply with, and perform, on a timely basis, all of the obligations and liabilities imposed on Tenant under the terms of this Lease.

Section 4.2 – Lease Expiration Date and Extension Option.

The term of this Lease shall end on the last day of the [fifth (5th)] consecutive Lease Year (as that term is defined below in Section 4.3 of this Lease) following the Term Commencement Date, hereinafter referred to as the "Lease Expiration Date," unless terminated sooner as provided in this Lease. Tenant shall have [three (3)] options to extend the Term each for an additional five (5) years (each, an "Extended Term") by providing written notice to Landlord no later than [one hundred eighty (180)] days prior to the expiration of the then-current Term.

Section 4.3 – Lease Year.

The term "Lease Year," as referred to in this Lease, means a period of twelve (12) consecutive calendar months. The first Lease Year shall begin on the Term Commencement Date if the Term Commencement Date occurs on the first day of the calendar month; or, if not, then the first Lease Year shall commence on the first day of the first calendar month after the Term Commencement Date. Each succeeding Lease Year shall commence upon the anniversary of the commencement date of the first Lease Year.

ARTICLE 5 – RENT

Section 5.1 – Rent Defined.

For all purposes under this Lease, "Rent" shall be deemed to mean, on a collective basis, Minimum Rent and Tenant's Pro Rata Share of Real Estate Taxes, Insurance Payments and Common Area Charges, and any and all other sums or payments, of any nature whatsoever, due from Tenant to Landlord under the terms of this Lease.

Section 5.2 – Minimum Rent.

Tenant agrees to pay to Landlord as "Minimum Rent", without notice or demand or setoff of any kind, except as otherwise expressly provided in this Lease, the monthly sum as set forth in Section 5.4 below, in advance, on or before the first day of each and every successive calendar month during the Lease Term. Rent and other charges to be paid to Landlord under this Lease for any period less than one (1) month shall be prorated on a per diem basis. All Rent and other charges due under this Lease shall be payable to Monterey Professional Center LLC, 1050 E. 95th Street, Chicago, Illinois 60619, Attention: Mr. Albert Cornejo, or at such other place as Landlord may from time to time designate in writing to Tenant.

Section 5.3 – ACH Processing.

If Tenant fails to timely pay Minimum Rent two (2) times in any twelve (12) month period during the Lease Term, then at Landlord's option, to be exercised by prior written notice to Tenant, Tenant agrees and acknowledges that the Rent shall be paid via "ACH" processing through the primary operating account of Tenant as and when such amounts are due and owing under this Lease, and Landlord and Tenant shall execute and deliver such forms and documents as may be necessary to effectuate this provision. Notwithstanding the foregoing, Landlord shall not have direct access to Tenant's accounts and such ACH transfers shall be set up by Tenant. Tenant further agrees and acknowledges that it shall maintain sufficient deposits in the designated account in order to provide for the Rent payments pursuant to this Lease, and further, that if any Rent debit is not accepted or permitted by Tenant or by the financial institution where Tenant's deposit account is located and/or the same is returned unpaid or partially paid, then such payment will be considered delinquent under the terms of this Lease.

Section 5.4 – Minimum Rent Amounts.

Minimum Rent shall be payable during the Lease Term as follows:

<u>Term</u>	<u>Lease Year</u>	<u>Base Rent</u>	<u>Rent Discount</u>	<u>Effective Net Rent</u>	<u>Annual Net Rent</u>	<u>Monthly Net Rent</u>
Primary	1	\$20.00	\$2.00	\$18.00	\$141,390.00	\$11,782.50
	2	\$20.40	\$2.00	\$18.40	\$144,532.00	\$12,044.33
	3	\$20.81	\$2.00	\$18.81	\$147,752.55	\$12,312.71
	4	\$21.22	\$2.00	\$19.22	\$150,973.10	\$12,581.09
	5	\$21.65	\$2.00	\$19.65	\$154,350.75	\$12,862.56

Tenant shall pay for all water, gas, electric, heat, light, power, sewer charges, telephone service, medical waste removal and all other services and utilities supplied to the Leased Premises, together with any taxes thereon, each of which shall be separately metered to Tenant. Tenant shall arrange and pay for all utilities or services at the Leased Premises.

Section 5.5 – Extended Term Minimum Rent Amounts.

If Tenant exercises its option to renew this Lease pursuant to 4.2, Minimum Rent shall be payable during the Extended Term(s) as follows:

<u>Term</u>	<u>Lease Year</u>	<u>Base Rent</u>	<u>Rent Discount</u>	<u>Effective Net Rent</u>	<u>Annual Net Rent</u>	<u>Monthly Net Rent</u>
Option Term 1	6	\$22.08	\$0.00	\$22.08	\$173,438.40	\$14,453.20
	7	\$22.52	\$0.00	\$22.52	\$176,849.60	\$14,741.22
	8	\$22.97	\$0.00	\$22.97	\$180,429.35	\$15,035.78
	9	\$23.43	\$0.00	\$23.43	\$184,042.65	\$15,336.89
	10	\$23.90	\$0.00	\$23.90	\$187,734.50	\$15,644.54
Option Term 2	11	\$24.38	\$0.00	\$24.38	\$191,504.90	\$15,958.74
	12	\$24.87	\$0.00	\$24.87	\$195,353.85	\$16,279.49
	13	\$25.36	\$0.00	\$25.36	\$199,202.80	\$16,600.07
	14	\$25.87	\$0.00	\$25.87	\$203,208.85	\$16,934.07
	15	\$26.39	\$0.00	\$26.39	\$207,293.45	\$17,274.45
Option Term 3	16	\$26.92	\$0.00	\$26.92	\$211,456.60	\$17,621.38
	17	\$27.46	\$0.00	\$27.46	\$215,698.30	\$17,974.86
	18	\$28.00	\$0.00	\$28.00	\$219,940.00	\$18,328.33
	19	\$28.56	\$0.00	\$28.56	\$224,338.80	\$18,694.90
	20	\$29.14	\$0.00	\$29.14	\$228,894.70	\$19,074.56

ARTICLE 6 – SECURITY DEPOSIT

[Upon execution of this Lease, and subject to Landlord's review and approval any provision of this Lease, including, but not limited to, the provisions relating to payment of Rent or any monetary sums due hereunder, if permitted by law, Landlord may (but will not be required to) require Tenant to increase the Security Deposit by one (1) month of total Rent due, including CAM and Real Estate Taxes, for the payment of any Rent or any such monetary sum in default or any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default. Tenant's failure to do so will be a material breach of this Lease. Landlord will not be required to keep the Security Deposit separate from its general funds, and Tenant will not be entitled to interest on the Security Deposit. If Tenant is not then in default, the Security Deposit or any balance thereof will be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within thirty (30) days following the expiration of the Lease Term. If Tenant is in default under this Lease, the Security Deposit will be held until after Tenant has vacated

the Leased Premises, subject to Landlord's rights to apply or use the Security Deposit as described herein. If there is a termination of Landlord's interest in this Lease, Landlord will transfer the Security Deposit to Landlord's successor in interest, whereupon Tenant agrees that Landlord will thereupon be released from all liability for the return of such deposit or the accounting therefor provided that the successor in interest assumes Landlord's obligations under this Section.]

ARTICLE 7 – COMMON AREA MAINTENANCE AND TAXES

Section 7.1 – Common Area and Common Area Charges Defined.

The term "Common Area" means the entire areas designed from time to time by Landlord for common use or benefit for the occupants of the Center including, but not by way of limitation, parking lots (permanent and temporary), landscaped and vacant areas, passages for trucks and automobiles, sereaways, roads, walks, roof, curbs and courts together with facilities such as drinking fountains, stairs, ramps, shelters, and loading docks, with facilities appurtenant to each, and common utility facilities, whether within or outside of the Center, but excluding any rentable office space. The term "Common Area Charges" means all costs of operation, maintenance, repair, replacement and management of the Common Area, including without limitation the following:

(i) All insurance premiums for fire, extended coverage, public liability and any other insurance that Landlord reasonably deems necessary with regard to the Center with no deduction for depreciation; public liability insurance; worker's compensation; terrorism; property damage insurance; rent loss insurance; and any other costs incurred in the placing of said insurance;

(ii) All reasonable costs to maintain and repair the downspouts and gutters of the buildings, the utility systems, lines, conduits and appurtenances thereto serving the buildings or other improvements, parking lots, signs, lighting, sidewalks, driveways and other areas used in common by the tenants or occupants of the Center;

(iii) Any parking charges, utilities, surcharges, or any other costs or expenses levied, assessed or imposed by or at the direction of or resulting from statutes or regulations or judicial or administrative interpretations thereof, promulgated by any governmental authority in connection with the use or occupancy of the Leased Premises or the parking facilities serving the Leased Premises;

(iv) All reasonable costs and expenses of operating and maintaining the common areas (hereinafter defined) of the Center, all reasonable costs to supervise, administer and maintain the parking lot, sidewalks, fences, driveways and other areas used in common by the tenants or occupants of the Center. Such cost and expense may include, but not be limited to, all sums incurred in connection with operating, repairing, lighting, cleaning, painting, removing snow, ice, debris, and surface water, sewer, striping, security, electronic intrusion and fire control devices and telephonic alert system devices, inspecting, traffic consultants and traffic regulation, directional signs, equipment depreciation, fidelity bonds for personnel, insurance against liability for defamation and claims of false arrest occurring in and about the Center, regulation of traffic, fees for permits and licenses;

(v) Water, drainage and sewerage, wages and benefits of employees and other employee expenses and fringe benefits (including social security taxes, unemployment insurance taxes, and any other cost or expense which Landlord pays or incurs to provide benefits for employees so engaged in the operation, management, maintenance and repair of the Center), all costs and expenses of plantings and replacing flowers, shrubbery, and planters, and all costs and expenses of maintaining curbs, sidewalks, walkways, parking surfaces, landscaping, drainage, utilities, motor vehicles, machines and equipment, and lighting facilities;

(vi) If the parking lot is replaced, only the annual amortized cost of the replacement, using a 7 year period, will be included in common area charges, and the tenant will only be charged for amortized costs falling due during the Lease Term (for the purpose of this paragraph, an overlay or restriping of the drive and parking areas shall be considered a maintenance item not subject to amortization);

(vii) The cost of maintaining and operating (including, without limitation, electrical costs) any monument sign for the Center, the cost of roof repair and maintenance, supplies, sundries, sales or use tax on supplies or sundries, telephone service, internet service cost, postage, and office supplies, waste removal service, window cleaning, janitorial service, and painting, repair, maintenance, and replacement of any monument or pylon signage;

(viii) The cost of maintaining and repairing the rooftop HVAC Systems, whether regularly scheduled or otherwise. If the HVAC System is replaced, only the annual amortized cost of the replacement, using a 5-year period, will be included in common area charges, and the tenant will only be charged for amortized costs falling due during the Lease Term. Notwithstanding the foregoing, the installation of the new rooftop HVAC Systems by Landlord as part of Landlord's Work shall not be subject to reimbursement to Landlord since it is part of Landlord's agreed upon Landlord's Work;

(ix) Other costs as Landlord may reasonably determine are required for the proper maintenance of the Common Areas and the facilities located in said Common Areas. Common Area Charges shall also include a management and/or administrative fee in an amount equal to five percent (5%) of the gross revenues from the Center in the event a third party manager is retained or three percent of the gross revenue from the Center if the manager is affiliated with Landlord; and

(x) Other costs, expenses or charges, whether or not hereinbefore mentioned, which in accordance with generally accepted accounting and management principles, would be considered as an expense of owning, managing, operating, maintaining or repairing the Common Areas. Notwithstanding, Common Area Charges shall not include those items listed in Exhibit G.

Section 7.2 – Taxes Defined.

"Real Estate Taxes" shall mean and include all real estate taxes, assessments, special taxes, special assessments, personal property taxes, special service area assessments or taxes, and other governmental impositions and charges of every kind and nature whatsoever (except income, franchise, capital stock, federal and state estate and inheritance taxes and taxes based upon receipt of rentals, unless the taxes based on receipt of rentals is a gross tax and is enacted in lieu of Real Estate Taxes), extraordinary as well as ordinary, foreseen and unforeseen, present or future, and each and every installment thereof which shall or may, during the Lease Term, become due and payable or arising in connection with, the ownership, use, occupancy, or possession of, or due or payable out of or for, the Center or any part thereof. The amount of Real Estate Taxes attributable to any calendar year of the Lease Term shall be the amount of Real Estate Taxes payable with respect to such year as opposed to those taxes which accrue or become a lien during the Term, it being the express intention of the parties that Real Estate Taxes be passed through to Tenant and there shall be no further obligation to pay Real Estate Taxes which become due and payable after the Lease Term. Real Estate Taxes for any partial year shall be prorated. Tenant's obligation for payment of Real Estate Taxes shall survive the expiration or earlier termination of the Lease Term.

Section 7.3 – Tax Protests.

Tenant agrees that Landlord may include in Real Estate Taxes all reasonable costs and expenses incurred by Landlord with respect to any efforts on the part of Landlord or Landlord's representatives to minimize, reduce, protest, negotiate, or adjust any real estate tax bill, tax assessment, or assessed valuation with regard to the Center including, without limitation, the cost of appraisals, witness fees, and attorneys' fees, not to exceed market charges for such work. Notwithstanding anything to the contrary contained in this Lease, in no event, and under no circumstances, shall Tenant have any right to contest or protest any Real Estate Taxes or other taxes levied and assessed against the Center or the Leased Premises during the Lease Term or any extension thereof.

Section 7.4 – Personal Property Taxes.

Tenant will pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon or measured by the value of its business operation or its furniture, fixtures, leasehold improvements, if any, and other property at any time situated on or installed in the Leased Premises by Tenant. If at any time during the Lease Term any of the foregoing are assessed as a part of the real property of which the Leased Premises are a part, Tenant will pay to Landlord upon demand the amount of such additional taxes as may be levied against

said real property by reason thereof as reasonably determined and apportioned by Landlord. Landlord shall provide evidence reasonably satisfactory to Tenant of its apportionment of such taxes.

ARTICLE 8 - ADDITIONAL RENT

Section 8.1 - Estimated Payments.

From and after the Term Commencement Date, and continuing thereafter throughout the Lease Term, Tenant shall promptly pay to Landlord, without demand and as Rent under this Lease, 48.32% ("Pro Rata Share") of Common Area Charges and Real Estate Taxes in an amount to be reasonably estimated by Landlord and to be adjusted periodically (but not more than two (2) times in any twelve (12) consecutive months during the Lease Term) based upon Landlord's actual cost and expenses. An amount equal to 1/12th of Tenant's Pro Rata Share of Landlord's estimate of the current Common Area Charges and Real Estate Taxes ("Additional Rent") shall be payable in advance from and after the Term Commencement Date and continuing thereafter throughout the Lease Term on the first day of each calendar month and a proportionate sum for partial months, if any, at the beginning and end of the Lease Term. The anticipated Additional Rent for the first Lease Year shall be Five Thousand Two Hundred Seventeen and 03/100 (\$5,217.03) Dollars per month for the period between such commencement and the following December 31st, and Tenant shall pay such Adjustments on a monthly basis concurrently with the payment of Rent. Notwithstanding anything contained herein to the contrary, annual increases in Controllable Common Area Charges shall be capped at five (5%) percent over the previous year ("Controllable CAM Cap"). "Controllable Common Area Charges" are those Common Area Charges that do not include expenses for snow and ice removal, common utilities, and insurance.

Section 8.2 - Reconciliation Statement.

Tenant will continue to make monthly Additional Rent payments until notified by Landlord of a change thereof. By March 1st of each year, Landlord will give tenant a statement showing the total actual Additional Rent for the Center for the prior calendar year and Tenant's pro rata share thereof, prorated, during the first year of the Lease Term, from the Rent Commencement Date.

If the total of the Additional Rent payments which Tenant has made for the prior calendar year is less than Tenant's actual share of such Additional Rent, then Tenant will pay the difference in one lump sum within ten (10) days after receipt of such statement from Landlord and will concurrently pay the difference in monthly payments made in the then calendar year and the amount of monthly payments which are then calculated as monthly Additional Rent based on the prior years' experience. Any overpayment by Tenant will be credited towards the monthly Additional Rent next coming due or will be promptly refunded to Tenant, at Landlord's option. The actual Additional Rent for the prior year will be used for purposes of calculating the estimated monthly Additional Rent for the then current year with actual determination of such Additional Rent after each calendar year as above provided, except that in any year in which resurfacing of the parking area or driveways or roof repair is contemplated, Landlord will be permitted to include the anticipated cost of same as part of the estimated monthly Additional Rent and in any year following a year during which the Center was not assessed as fully completed for real estate tax purposes, Landlord may estimate the amount of the real estate taxes on a fully assessed basis. Though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's share of said Additional Rent for the year in which this Lease terminates, Tenant will immediately pay any increase due over the estimated Additional Rent previously paid and, conversely, any overpayment made will be immediately refunded by Landlord to Tenant. Failure of Landlord to submit statements as called for herein will not be deemed to be a waiver of Tenant's requirement to pay sums as herein provided.

Tenant, upon at least ten (10) days prior written notice to Landlord, shall have the right to audit all of Landlord's bills and records relating to the Common Area Charges and Real Estate Taxes, but not more than once per twelve (12) month period. If the parties are unable to resolve any dispute as to the correctness of such Landlord's Common Area Charges statement within ninety (90) days following such notice of objection, either party may refer the issues raised to an independent firm of certified public accountants selected by Tenant and reasonably acceptable to Landlord, and the decision of such accountants shall be conclusively binding upon Landlord and Tenant. The fees and expenses relating to such procedure shall be borne by Tenant, unless such audit reveals that Tenant's payments

for Common Area Charges or Real Estate Taxes exceed Tenant's actual Pro Rata Share of Common Area Charges and Real Estate Taxes by more than five percent (5%), in which case Landlord shall pay all of Tenant's out of pocket costs and expenses relating to the audit; and in no event shall Tenant's cost of audit include transportation, lodging or meal costs or be performed on a contingency basis. If the audit correctly reveals that Tenant's payments for the Common Area Charges or Taxes were excessive, Landlord shall credit such overpayment against Rent to be paid by Tenant hereunder, or, if such overpayment is discovered after the end of the Term, Landlord shall refund the excess to Tenant together with such statement.

Notwithstanding anything herein to the contrary, if Landlord fails to bill Tenant for any Common Area Charges or Real Estate Taxes within twenty-four (24) months of the date that such charges are incurred, then Tenant shall not be required to pay such Common Area Charges or Real Estate Taxes.

ARTICLE 9 – USE

Section 9.1 – Permitted Use.

Tenant shall use the Leased Premises for only a medical office use, including nephrology services to patients suffering from hypertension, diabetes, kidney disorders and end-stage renal disease and subject to all requisite consents by governmental agencies, an ambulatory surgery center. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not do or permit anything to be done in or about the Leased Premises which will: (i) increase the existing rate of, or affect, any fire or other insurance policy for the Center of which the Leased Premises are a part, or cause a cancellation of any insurance policy covering the Center, or any part thereof, or any of its contents (and Landlord represents that, to its knowledge, the Permitted Use shall not do so); (ii) obstruct or interfere with the rights of other tenants or occupants of the Center; (iii) allow the Leased Premises to be used for any unlawful purpose; (iv) cause, maintain or permit any nuisance in, on or about the Leased Premises; (v) violate, or cause Landlord to violate, a then existing or future exclusive, restricted, or prohibited use of any other tenant or the rights of any other tenant of the Center, except that Tenant may use the Leased Premises for the Permitted Use; (vi) constitute waste in or upon the Leased Premises; (vii) violate, or cause Landlord to violate, any terms or provisions of this Lease, or any regulations, statutes or ordinances, including, but not limited to, any zoning laws (and Landlord represents that, to its knowledge, the Permitted Use shall not do so). Tenant agrees that it will not use or permit its employees, agents or invitees to use the Leased Premises for any use or purpose in violation of any governmental law or authority and that Tenant will at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to the condition, use or occupancy of the Leased Premises, excluding changes not relating to the Permitted Use. Landlord agrees that during the Lease Term and during any Extended Term, Landlord shall not lease or permit any portion of the Center to be occupied by any party providing nephrology services to patients which include a vascular access center, end-stage dialysis treatment or a home dialysis treatment program.

Section 9.2 – Landlord Warranties.

Landlord shall ensure that on the Commencement Date the roof on the Premises will be free from leaks. Landlord represents and warrants to Tenant that on the Possession Date the Center and the Premises, are in compliance with all governmental or regulatory requirements that affect the Center, including zoning, parking and land use those under the Americans With Disabilities Act ("ADA"); provided, however, Tenant will be responsible for code compliance as it relates to Tenant's Work to make the Premises including ADA compliance. Landlord represents and warrants to Tenant that there are no exclusive use restrictions or prohibitions that limit or conflict with Tenant's Permitted Use. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Leased Premises or the suitability of the Leased Premises or the Center for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Leased Premises, except as specifically provided for in this Lease. The taking of possession of the Leased Premises by Tenant will conclusively establish that the Leased Premises were at such time in satisfactory condition.

Section 9.3 – Prohibited Uses.

Notwithstanding anything contained in this Lease to the contrary, it is specifically acknowledged and agreed by Tenant that the following uses by Tenant shall be prohibited in the Leased Premises:

A. Tenant may not display or sell merchandise or allow carts, portable signs, devices or any other objects to be stored or to remain outside the defined exterior walls and permanent doorways of the Leased Premises. Tenant further agrees not to install any exterior lighting, amplifiers or similar devices or use in or about the Leased Premises any advertising medium which may be heard or seen outside the Leased Premises, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts.

B. No merchandise, equipment or services, including, but not limited to, vending machines, promotional devices and similar items, shall be displayed, offered for sale or lease, or stored within the common areas of the Center. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not serve any food or beverages outside of the Leased Premises nor shall any patio area or other outdoor seating area be created or used, without the prior written approval of Landlord, which approval may be withheld in the absolute discretion of Landlord.

C. Tenant will not do or permit anything to be done in or about the Leased Premises which will in any way unreasonably obstruct or interfere with the rights of other tenants or occupants of the building of which the Leased Premises may be a part or use or allow the Leased Premises to be used for any unlawful purpose, nor will Tenant cause or maintain any nuisance in, on or about the Leased Premises. Tenant will not commit or allow to be committed any waste in or upon the Leased Premises. Tenant will keep the Leased Premises in a clean and wholesome condition.

D. Tenant will not allow the Leased Premises to be used for a bank, ATM or loan office; family dental care; obstetrics and gynecology, gastroenterology or laboratory, except for routine laboratory services performed in a private physician's office. In addition to the foregoing, Tenant will not use the Leased Premises for any non-professional office use, including, but not limited to a retail store, day care, hair salon, spa, restaurant or entertainment venue.

ARTICLE 10 – UTILITIES

Tenant shall pay for all water, gas, electric, heat, light, power, sewer charges, telephone service, medical waste removal and all other services and utilities supplied to the Leased Premises, together with any taxes thereon, each of which shall be separately metered to Tenant. Tenant shall pay all electric charges for its exterior building signs, if any (but not the Monument Sign). Tenant shall arrange and pay for all utilities or services at the Leased Premises used by it or its agents, employees or contractors. If any such utilities and/or related services are not separately metered or assessed, or are only partially separately metered or assessed, and are used in common with other tenants in the Center, Tenant will pay to Landlord a proportionate share of charges for such utilities and/or related services as determined in the sole and absolute discretion of Landlord. In addition, Tenant shall be responsible for installation of separate meters for space within the Leased Premises which is sublet by Tenant in accordance with the terms of this Lease, at Tenant's sole cost and expense. Tenant shall be responsible for contracting directly with all suppliers of utility services. In the event that any charge or fee is required by the State of Illinois or City of Chicago, or by any agency, subdivision or instrumentality thereof, or by any utility company or other entity furnishing services or utilities to the Leased Premises, as a condition precedent to furnishing or continuing to furnish utilities or services to the Leased Premises, such charge or fee shall be deemed to be a utility charge payable by Tenant. The provisions of this paragraph shall include, but shall not be limited to, any charges or fees for present or future water or sewer capacity to serve the Leased Premises, any charges for the underground installation of gas or other utilities or services, and other charges relating to the extension of or change in the facilities necessary to provide the Leased Premises with adequate utility services. The interruption or curtailment of any service caused by any event, other than Landlord's intentional misconduct, shall not constitute constructive eviction and shall not entitle Tenant to any abatement of rent or any other claim against Landlord.

ARTICLE 11 – MAINTENANCE AND REPAIRS

Section 11.1 – Landlord Repair Responsibility.

Landlord shall repair and maintain the exterior walls, concrete slab and footings and roof (provided that repair to the roof membrane shall be included in Common Area Charges), any other structural components of the Center and plumbing, pipes, electrical wiring and conduits serving the Common Areas (but not exclusively serving the Leased Premises). However, if the need for such maintenance and repairs is caused, in part or in whole, by the act, neglect, fault or omission of any duty by the Tenant, its agents, servants, employees or invitees, then Tenant shall pay to Landlord the actual out-of-pocket cost of such maintenance, repairs or replacements. In addition, Landlord shall be responsible for the replacement, repair and preventative maintenance of the HVAC Systems located on the roof (provided that such maintenance shall be included in Common Area Charges). The HVAC Units to be installed by Landlord shall be sufficient to maintain interior temperatures between 65 degrees and 72 degrees Fahrenheit during all weather conditions. Further, such HVAC Units shall be maintained so that such temperatures are maintained at all times during the Lease Term and any Extended Term. Landlord shall not be liable for any failure to make such repairs or to perform any maintenance or replacements unless such failure shall persist for more than thirty (30) days after written notice of the need for such repairs, maintenance or replacements is given to Landlord by Tenant, unless an emergency shall exist, in which case Landlord shall commence the repair promptly after receipt of notice from Tenant. Subject to the provisions contained in this Lease, there shall be no abatement of Rent, and no liability of Landlord by reason of any injury to, or interference with, Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Center or the Leased Premises or in or to fixtures, appurtenances and equipment therein. The provisions of this paragraph shall not apply in the case of damage or destruction by fire or other casualty or a taking under the power of eminent domain. Except as expressly provided in this Lease, Landlord shall not be obligated to make repairs, replacements or improvements of any kind in or to the Leased Premises, or any equipment, facilities or fixtures contained therein, which are the responsibility of Tenant.

In the event of an emergency (an event threatening life, safety or property, which requires a repair to be made within twenty four (24) hours ("Emergency Repairs")), Tenant may make reasonable and necessary Emergency Repairs on Landlord's behalf to eliminate the emergency condition, which will be reimbursed by Landlord within thirty (30) days of Tenant's submission of an invoice therefor, provided that Landlord reasonably agrees in writing to the cost, quality and nature of the Emergency Repairs made by Tenant.

Section 11.2 – Tenant Repair Responsibility.

Tenant shall, at Tenant's sole cost and expense, keep the Leased Premises and every part thereof in good condition and repair and maintain (except as otherwise specifically provided in Section 11.1 with respect to Landlord's responsibilities) including, without limitation, the maintenance, replacement and repair of any interior walls, metal storefront, signage, floors, ceilings, plate glass, partitions, doors, doorways, locks, window casements, fixtures, glazing, plumbing, pipes, electrical wiring and conduits serving the Leased Premises, as well as all lighting and plumbing fixtures and systems, life safety systems, and all electrical and fire protection systems installed by Tenant or serving the Leased Premises and including space around ducts, pipes, vents or other parts of the HVAC Systems and plumbing systems which protrude through the roof of the Leased Premises and equipment and appurtenances thereto. Notwithstanding anything contained herein to the contrary, Tenant shall, at Tenant's sole cost and expense, (except as otherwise specifically provided in Section 11.1 with respect to Landlord's responsibilities) repair the heating, ventilating and air-conditioning systems (collectively "HVAC Systems"), provided Tenant must engage Landlord's HVAC contractor or obtain Landlord's written approval for an alternate contractor, which approval shall not be unreasonably withheld. Any damage to the Leased Premises or adjacent premises caused by Tenant's use of the Leased Premises shall be immediately repaired by Tenant, to Landlord's satisfaction, at the sole cost and expense of Tenant. If Tenant refuses or neglects to commence and to complete any or all of the repairs, replacements or maintenance required under this Lease promptly and adequately, Landlord may, after notice to Tenant, but shall not be required to, make and complete said repairs and Tenant shall pay the cost thereof, together with a ten percent (10%) administrative expense, to Landlord, upon demand, as additional rent under this Lease. Without limiting Tenant's repair responsibilities or any other obligation under this Lease, Tenant shall install and maintain hair traps, filters and other screening devices and any other devices required by applicable codes and ordinances to prevent clogging pipes or plumbing or any damage to pipes and plumbing. No representations or

warranties respecting the condition of the Leased Premises, or the Center have been made by Landlord to Tenant except as specifically set forth in this Lease. Tenant shall provide Landlord with five (5) days prior written notice of any non-structural maintenance, replacement or repair to the Leased Premises as provided above, including without limitation, the mechanical, electrical or plumbing systems and HVAC Systems, whose costs shall exceed \$5,000 ("Repair Notice") and Tenant shall not perform said work without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Notwithstanding anything contained herein to the contrary, Tenant shall not perform any structural repair, replacement or maintenance to the Center or the Leased Premises including without limitation the roof, foundation or exterior walls, without the prior written consent of Landlord which consent may be withheld or delayed in Landlord's absolute discretion. All repairs made or performed by Tenant pursuant to this Section 11.2 shall be performed in accordance with Article 12 below.

Section 11.3 – Condition Upon Expiration of Lease Term.

Upon the expiration or earlier termination of this Lease, Tenant will surrender the Leased Premises broom clean, ordinary wear and tear and loss by fire or other casualty or condemnation excepted.

ARTICLE 12 – ALTERATIONS AND ADDITIONS

Section 12.1 – Landlord Alterations and Additions.

Landlord hereby reserves the right, at any time and from time to time, to make changes, alterations or additions to the Center, its parking lot and other Common Areas, including, but not limited to, construction of additional buildings and improvements, or to change the size, shape or dimensions of the Center. Landlord also reserves the right, from time to time, to construct other buildings, structures, kiosks or improvements, including, but not limited to temporary scaffolds and other aids to construction. Landlord shall not unreasonably obstruct or impede access to or the use of the Leased Premises or the parking area or reduce the number of parking spaces available to Tenant. If as a result of Landlord's changes, alterations or additions to the Center, the rentable square footage of the Center is permanently increased, then from and after the date of such increase, Tenant's Pro Rata Share shall be proportionately adjusted.

Prior to the Term Commencement Date, Landlord will complete "Landlord's Work" as described in Exhibit E to Tenant's reasonable satisfaction. Tenant will notify Landlord at least thirty (30) days prior to completion of Tenant's Work as described in Exhibit D and will cooperate with Landlord in the installation of the replacement rooftop HVAC units as described in Exhibit E which will occur after Tenant has completed all necessary HVAC distribution systems installation.

Section 12.2 – Tenant Alterations and Additions.

Except as otherwise specifically provided in this Lease, Tenant shall not, at any time during the Lease Term, make any alterations, decorations, additions, or improvements to the Leased Premises (each, an "Alteration" and collectively, "Alterations") (1) in excess of \$5,000 for any one Alteration, (2) in excess of \$10,000 in any period of twelve (12) consecutive months during the Lease Term, or (3) which affect the structural components or electrical, plumbing or life safety systems servicing the Leased Premises, the HVAC Systems or the roof or facade of the Leased Premises, without Landlord's prior written consent, which consent to interior non-structural Alterations shall not be unreasonably withheld, but consent to exterior or structural Alterations may be withheld or delayed by Landlord, in its sole and absolute discretion unless Tenant agrees to address any reasonable concerns raised by Landlord in which case such consent shall not be unreasonably withheld. In the event that Landlord consents to the performance of any such Alterations, Landlord may impose on Tenant whatever requirements or conditions Landlord may reasonably deem appropriate in connection with the performance of such Alterations (e.g. insurance, performance bond, lien waivers, plans and specifications, use of licensed contractor, permits and licenses).

Section 12.3 – Prior Notice to Landlord.

No Alterations to the Leased Premises for which Landlord's consent is required shall be commenced by Tenant until Tenant has furnished Landlord with final plans and specifications for Landlord's approval and a satisfactory certificate or certificates from an insurance company evidencing workmen's compensation coverage, builders risk insurance in amounts acceptable to Landlord, and insurance coverage protecting Landlord against public liability

and property damage to any person or property, on or off the Leased Premises, arising out of and during the making of such Alterations in accordance with Exhibit D of this Lease. Any Alterations by Tenant hereunder shall be performed in accordance with Exhibit D and (i) in a lien free, good and workmanlike manner by licensed and bonded contractors, (ii) in compliance with all applicable governmental laws, statutes, ordinances or regulations, and (iii) in a manner which does not (a) weaken or impair the value of the Center or (b) void any warranty applying to the Center.

Section 12.4 – No Liens.

Tenant shall not cause or permit any mechanic's lien to be filed against the Leased Premises or Center by reason of, or due to, or as a result of, any work, labor, services, or materials performed at, or furnished to, the Leased Premises, by, or on behalf of, the Tenant, or to anyone holding the Leased Premises through or under Tenant. If any such mechanic's lien shall at any time be filed, Tenant shall immediately cause the same to be discharged of record by payment, bond, order of a court of competent jurisdiction or otherwise; provided, however, that Tenant shall have the right to contest any and all such liens provided the Superior Mortgagee consents to such contest and evidence of security which is reasonably satisfactory to Landlord and the Superior Mortgagee, is delivered to Landlord and Tenant diligently pursues the dismissal of such lien. Tenant shall cause such lien to be dismissed within sixty (60) days from the filing date of said lien. Subject to the immediately preceding sentence, in the event that Tenant fails to cause any such lien to be discharged within sixty (60) days after being notified of the filing thereof and before judgment or sale thereunder, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due, or by bonding or other proceeding reasonably deemed appropriate by Landlord, and the amount so paid by Landlord, together with all costs and expenses (including, but not limited to, reasonable attorney's fees), reasonably incurred by Landlord in procuring the discharge of such lien, shall be deemed to be Additional Rent and shall immediately become due and payable by Tenant to Landlord on the first day of the next following month. If requested by Landlord, Tenant shall execute and return any undertaking or indemnity in favor of a title company required by said title company in order to issue extended title coverage (including, but not limited to, any extended coverage for possible mechanic's liens caused by Tenant) to any of Landlord's lenders or to any third party buyer of the Center and/or such buyer's lender. Landlord shall also cause the Guarantor, if any, to execute and return said indemnity and/or undertaking.

ARTICLE 13 – INDEMNITY AND RELEASE

Section 13.1 – Indemnity.

Tenant shall, and does hereby, indemnify, protect, defend and hold harmless Landlord and Landlord's mortgagee and their respective members, managers, partners, shareholders, officers, agents and employees (collectively, the "Indemnified Parties") from and against any and all claims, damages, liabilities, obligations, losses, causes of action, costs and expenses (including, but not limited to, attorneys' fees and court costs) (collectively, the "Claims") suffered or incurred by any or all of the Indemnified Parties and arising from or as a result of (x) Tenant's or Tenant's officers, agents, contractors, employees, guests, or invitees use of the Leased Premises and/or Center, or from the conduct of Tenant's business, or from any activity, work, or other things done, permitted or suffered by the Tenant in or about the Leased Premises and/or Center; (y) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease; or (z) any wrongful act or negligence of Tenant, or any officer, agent, contractor, employee, guest or invitee of Tenant. In the event any action or proceeding is brought against any or all of the Indemnified Parties by reason of (x), (y) or (z) above, then Tenant, upon notice from any Indemnified Parties, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Leased Premises and/or Center from any cause other than Landlord's gross negligence or intentional misconduct, and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents in or about the Leased Premises. The insurance that Tenant is required to carry pursuant to Article 15 of this Lease shall include coverage of the foregoing contractual indemnity.

Landlord shall, and does hereby, indemnify, protect, defend and hold harmless Tenant and Tenant's members, managers, partners, shareholders, officers, agents and employees (collectively, the "Tenant Indemnified Parties")

from and against any and all Claims suffered or incurred by any or all of the Tenant Indemnified Parties and arising from or as a result of (a) any uncured breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease; or (b) any wrongful act of Landlord, or any officer, agent, contractor, employee, guest or invitee of Landlord, but only to the extent attributable to such wrongful act. In the event any action or proceeding is brought against any or all of the Tenant Indemnified Parties by reason of (a) or (b) above, then Landlord, upon notice from any Tenant Indemnified Parties, shall defend the same pursuant to Landlord's insurance.

Section 13.2 – Hold Harmless.

Except for the negligence or intentional acts of Landlord, Landlord will not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Leased Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether the damage or injury results from conditions arising upon the Leased Premises or upon other portions of the Center of which the Leased Premises are a part, or from any other source without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the acts specifically enumerated above, or from any other thing or circumstance, whether of a like nature or of a wholly different nature, the parties agreeing to look to insurance for coverage over said damages and losses.

ARTICLE 14 – ENVIRONMENTAL

Section 14.1 – Environmental Definitions.

"Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect and as amended from time to time relating to environmental quality, health, safety, contamination and cleanup, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. Section 136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 42 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; and the Environmental Protection Act of Illinois ("IEPA"), Ill. Rev. Stat. ch. 111 1/2, para. 1001 et seq., and state and local superlien and environmental statutes and ordinances, with implementing regulations, rules and guidelines, as any of the foregoing may be amended from time to time. Environmental Laws shall also include all state, regional, county, municipal, and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the applicable federal laws recited above or purport to regulate Hazardous Materials (as hereinafter defined).

As used herein, the term "Hazardous Substance" means (i) any "hazardous substance" defined in the Comprehensive Environmental Response Compensation and Liability Act, 42, U.S.C. Sec. 9601 et seq., as amended, ("CERCLA"), (ii) petroleum, petroleum products, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas, or (iii) any other substance or material that is deemed to be hazardous, dangerous, toxic or a pollutant under any federal, state or local law.

Section 14.2 – Environmental Compliance.

During the Lease Term, Tenant shall comply at its sole cost and expense with all Environmental Laws in the disposal, storage, treatment, transport, handling, and management of any Hazardous Materials on the Leased Premises, or the Center. Provided, however, Tenant shall not take any action that would subject the Leased

Premises, or the Center to the permit requirements under RCRA for storage, treatment or disposal of Hazardous Materials without Landlord's prior written consent, which may be withheld in its sole discretion. Tenant shall not dispose of Hazardous Materials in dumpsters provided by Landlord for tenant use, and Tenant shall not discharge Hazardous Materials into drains or sewers located on the Leased Premises, or the Center. Further, Tenant shall not cause or allow the Release of any Hazardous Materials on, to or from the Leased Premises, or the Center, and Tenant shall arrange at its sole cost and expense for the lawful transportation and off-site disposal of "medical waste" at permitted landfills or other permitted disposal facilities in accordance with all applicable Environmental Laws. If Tenant's management of Hazardous Materials at the Leased Premises, or the Center (i) gives rise to liability or to a Claim under any Environmental Law, or any common law theory of tort or otherwise, (ii) causes a threat to, or endangers, the public health, or (iii) creates a nuisance or trespass, Tenant shall, at its sole cost and expense, promptly take all applicable action in response so as to comply with all applicable Environmental Laws and eliminate or avoid any liability claim with respect thereto. Notwithstanding any provision of this Article 14 to the contrary, Tenant shall have the right to use small quantities of Hazardous Materials for medical or cleaning purposes, provided that any such use complies with all applicable Environmental Laws.

Section 14.3 – Environmental Indemnity.

Notwithstanding anything contained in this Lease to the contrary, Tenant shall reimburse, defend, indemnify and hold Landlord, and its beneficiaries, officers, directors, shareholders, members, managers, employees, and agents, free and harmless from and against any and all Claims, response costs, losses, liabilities, damages, costs, and expenses, including, without limitation, loss of rental income, loss due to business interruption, and reasonable attorneys' fees and costs, arising out of or in any way connected with Tenant's management or release of Hazardous Materials on, to or from the Leased Premises or the Center.

Landlord, to the best of its knowledge as disclosed to Tenant in the Phase I Environmental Assessment prepared by Noble & Associates, Inc. dated October 31, 2006 and the Phase II Subsurface Investigation Report prepared by Pioneer Environmental Services, LLC dated July 10, 2015, represents and warrants to Tenant that as of the Possession Date the Leased Premises and the Center complies with all Environmental Laws. Landlord shall reimburse, defend, indemnify and hold Tenant, and its beneficiaries, officers, directors, shareholders, members, managers, employees, and agents, free and harmless from and against any and all Claims, response costs, losses, liabilities, damages, costs, and expenses, including, without limitation, loss of rental income, loss due to business interruption, and reasonable attorneys' fees and costs, arising out of or in any way connected with preexisting environmental conditions and violations of Environmental Laws at the Center unless caused by Tenant.

ARTICLE 15 – INSURANCE

Section 15.1 – Insurance Limits.

Tenant will, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of commercial general liability insurance insuring Tenant (and Landlord as an additional insured), against any liability for injury or death arising out of the ownership, use, occupancy or maintenance of the Leased Premises and all areas appurtenant thereto with a combined single limit of not less than \$1,000,000 for bodily injury, death or property damage and medical expenses in an amount not less than \$5,000.00 per person, per accident. Tenant may, at its option, obtain an umbrella liability policy sufficient to provide aggregate general liability insurance in an amount not less than \$3,000,000, provided that said insurance will have a landlord's protective liability endorsement attached thereto. Tenant shall also obtain Workers' Compensation Insurance in amounts required by applicable laws, statutes, regulations and ordinances and employer's liability insurance covering all persons employed in connection with any work conducted on or about the Leased Premises with limits of not less than \$100,000 each accident, \$500,000 disease policy limit, and \$100,000 disease per employee, and other insurance as required by any Employee Benefit Act or other applicable statute. In addition, Tenant shall obtain other amounts of insurance coverage and types of insurance coverage which at the time are commonly obtained in the case of property similar to the Leased Premises in the Chicago Metropolitan Area as reasonably determined by Landlord. All Tenant policies shall be written as primary policies not contributing with and not in excess of Landlord's coverage.

Section 15.2 – Builder's Risk.

Before any alterations, additions, improvements or construction are undertaken, Tenant shall carry and maintain, at its expense, and Tenant shall require any contractor performing work on the Leased Premises to carry and maintain, at no expense to Landlord, in addition to worker's compensation insurance as required by the jurisdiction in which the Center is located, All-Risk Builder's Risk Insurance in the amount of 100% of the replacement cost of the Tenant's Work including the proposed alteration. In no event will Tenant allow a contractor to perform work with less than \$500,000 of Builder's Risk Insurance.

Section 15.3 – Proof of Insurance.

Tenant will deliver to Landlord, prior to execution of this Lease, certificates evidencing the existence and amounts of such insurance with loss payable clauses reasonably satisfactory to Landlord. No policy will be cancelable or subject to reduction of coverage except upon not less than thirty (30) days' prior written notice to Landlord. All insurance shall be issued by companies licensed to do business in Illinois and rated by Best's Insurance Reports not less than A-/VIII. If Tenant fails to procure and maintain said insurance, Landlord may, after notice to Tenant, but will not be required to, procure and maintain same, but at the expense of Tenant. In such event, Tenant will reimburse Landlord for the cost of such insurance upon demand with interest at the Lease Interest Rate (defined below). Insurance required hereunder will be in companies reasonably acceptable to Landlord.

Section 15.4 – Waiver of Subrogation.

Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss compensated for by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party will apply to its insurer to obtain said waivers and will secure any special endorsements if required by its insurer to comply with the provisions of Article 15.

ARTICLE 16 – DAMAGE OR DESTRUCTION

Section 16.1 – Insured Loss.

In the event the Leased Premises are damaged by fire, or other perils covered by extended coverage insurance, to an extent which is less than fifty (50%) percent of the cost of replacement of the Leased Premises, the damage will be repaired by Landlord, at Landlord's expense, within ninety (90) days thereafter. In the event of any such damage and if (i) Landlord is not required to repair as hereinabove provided or (ii) the Leased Premises will be damaged to the extent of fifty (50%) percent or more of the cost of replacement, or (iii) the Center is damaged by more than twenty-five (25%) percent of the aggregate cost of replacement, Landlord may elect either to repair or rebuild the Leased Premises or the Center or to terminate this Lease upon giving notice of such election in writing to Tenant within sixty (60) days after the occurrence of the event causing the loss. If the Leased Premises are untenantable in whole or in part as a result of a casualty, there will be an abatement of the Minimum Rent in the proportion that the untenantable space bears to the total area of the Leased Premises, as reasonably calculated by Landlord, from the date of damage until the date Landlord completes its work. If the damage is due to the fault or neglect of Tenant, its agents or employees, there will be no abatement of Rent. In the event the damage referred to in (iii) above does not affect the Leased Premises, this Lease shall remain in full force and effect and Landlord shall remove the damaged portion of the Center in compliance with applicable codes.

Section 16.2 – Uninsured Loss.

In the event the Leased Premises or the Center are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance or if the proceeds of insurance received by Landlord are insufficient, in Landlord's judgment, to defray the costs of repair and restoration, then Landlord will have the option to either (i) repair or restore such damage, this Lease continuing in full force and effect but the Minimum Rent and Additional Rent to be proportionately reduced as stated above in Section 16.1, or (ii) give notice to Tenant at any time within sixty (60) days after such damage, terminating this Lease as of the date of such damage. In the event of giving such notice, this Lease will expire and all interest of Tenant in the Leased Premises will terminate on the date so specified in such notice and the Minimum Rent, reduced by a proportionate reduction as above stated, will be paid to the date of such termination.

Section 16.3 – Landlord Duty.

Notwithstanding anything to the contrary herein set forth: (a) Landlord shall have no duty to repair or to restore any portion of the alterations, additions or improvements owned or made by Tenant in the Leased Premises; (b) Landlord shall have no duty to expend for any repair or restoration in excess of insurance proceeds available for repair or restoration and paid to Landlord so long as Landlord has maintained at the time of the casualty full replacement cost coverage; (c) Landlord at all times shall be entitled to all insurance proceeds; (d) Landlord's lender or mortgagee shall be entitled to all insurance proceeds if such mortgagee or lender has the right to obtain, keep or apply such proceeds against any outstanding debt owed by Landlord to said mortgagee or lender, provided Landlord has used reasonable efforts to cause such lender to apply the insurance proceeds available for repair and restoration to the repair or restoration of the Leased Premises; or (e) Landlord shall have no duty to repair and restore hereunder if the damage from casualty occurs during the last twelve (12) months of the Lease Term.

ARTICLE 17 – CONDEMNATION

If twenty-five percent (25%) or more of the Leased Premises will be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto will have the right, at its option, within sixty (60) days after such taking or appropriation, to terminate this Lease upon thirty (30) days written notice to the other. If any part of the Leased Premises are so taken (and neither party elects to terminate as herein provided), the Minimum Rent and Additional Rent thereafter to be paid will be equitably reduced, as reasonably determined by Landlord and Tenant. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards, judgments or settlements which may be given and Tenant hereby assigns to Landlord all of its right, title and interest in any such award, judgment or settlement and Tenant shall have no claim against Landlord for the value of any unexpired portion of the Lease Term. Landlord solely shall have the right to prosecute claims in any condemnation proceedings. Tenant may seek an award relating to its moving expenses, and for Tenant's Work and personal property; provided, however, in no event shall Tenant be entitled to seek such awards if the granting of such award would serve to reduce or diminish Landlord's award. Tenant shall have no claim against Landlord for the value of any unexpired portion of the Lease Term. In no event shall Tenant pursue a claim for the loss of its leasehold estate.

ARTICLE 18 – ASSIGNMENT AND SUBLETTING

Tenant will not assign, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Leased Premises, and will not sublet all or any part of the Leased Premises, without the prior written consent of Landlord in each instance, not to be unreasonably withheld. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent will be wholly void. No subletting or assignment, even with the consent of Landlord, will relieve Tenant of its obligations to pay Rent and to perform all of the other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person will not be deemed to be a waiver by Landlord of any provision of this Lease or to be consent to any assignment or subletting. Consent to one assignment or subletting will not be deemed to constitute consent to any subsequent assignment or subletting. Landlord's consent to an assignment or sublease shall not be unreasonably withheld. In granting or denying any such consent, in addition to other factors, Landlord shall not be deemed to have unreasonably withheld its consent should Landlord take into consideration the following non-exhaustive list of factors: (i) the business reputation, financial condition, and credit worthiness of the proposed transferee, subtenant or assignee; (ii) any required alteration of the Leased Premises; (iii) the intended use of the Leased Premises by the proposed transferee, subtenant or assignee; and (iv) any other reasonable factors which Landlord shall deem relevant. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any proposed assignment, sublease or other transfer together with financial statements for the proposed assignee or sublessee. Any assignment, subletting, use, hypothecation, mortgage, occupancy, use, transfer or encumbrance of this Lease or the Leased Premises without Landlord's prior written consent shall be of no effect and shall constitute a default hereunder. Tenant shall pay to Landlord a \$500 assignment fee plus any actual out of pocket costs (including attorney's fees) incurred by Landlord in order for Landlord to review any request for permission to assign or sublease.

Notwithstanding anything set forth herein to the contrary, so long as Tenant is not then in default under this Lease beyond any applicable notice and cure periods, Tenant shall have the right to assign this Lease or to sublet all or any portion of the Premises without Landlord's consent, (i) to any parent, subsidiary, or corporate affiliate of Tenant with so long as Tenant remains liable under the Lease; (ii) in connection with a merger or consolidation, or by any operation of law, or pursuant to the sale of all or substantially all of Tenant's assets; or (iii) to any corporation or other entity which acquires fifty percent (50%) or more of the issued and outstanding voting stock of Tenant. Each of the foregoing circumstances may be referred to herein as a "Permitted Transfer". In any of the foregoing circumstances (i) through (iii), Tenant shall give Landlord notice of such assignment or subletting fifteen (15) days prior to the effective date of such assignment or subletting and in the event of an assignment, the assignee shall assume all of Tenant's obligations under this Lease. The foregoing shall not be deemed a release of Tenant's liability with regard to any obligations that have accrued under this Lease prior to the effective date of such assignment. The foregoing shall not be deemed to permit a second such assignment without first obtaining Landlord's written consent as set forth above.

ARTICLE 19 – SUBORDINATION AND ATTORNMENT

Section 19.1 – Subordination.

Subject to receipt of a commercially reasonable non-disturbance agreement, this Lease will be subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Leased Premises or the land upon which the Leased Premises are situated or both, to all declarations of covenants, easements and/or restrictions or amendments or modifications thereof copies of which have been delivered to Tenant prior to the execution of this Lease ("Restrictions"), provided that such Restrictions do not adversely affect the use or occupancy of the Leased Premises or the Center, and to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Leased Premises are a part, or on or against Landlord's interests or estate therein, or on or against any ground or underlying leases. Tenant agrees to execute any commercially reasonable instruments which may be requested or required to evidence such subordination provided that such further instruments provide for an obligation by the lessor or mortgagee to assume the Landlord's obligations this Lease if such mortgagee succeeds to the interest of Landlord agrees not to disturb Tenant's interest in the Leased Premises under this Lease and agrees not to make Tenant a party to any foreclosure litigation so long as Tenant is not a necessary party to such litigation. Notwithstanding, contemporaneously with the execution of this Lease, Landlord shall cause Landlord's lender to enter into a commercially reasonably subordination, non-disturbance and attornment agreement, the form of which is as approved by Landlord's lender.

If any mortgagee, trustee or ground lessor will elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and will give written notice thereof to Tenant, this Lease will be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of the recording thereof.

Section 19.2 – Delivery of Agreement.

Tenant shall execute, acknowledge and deliver with ten (10) business days of a request from Landlord any commercially reasonable instrument that Landlord, the lessor under any current or future ground lease, or the holder of any current or future mortgage (or their respective successors-in-interest), may request in order to evidence such subordination.

Section 19.3 – Attornment.

In the event any proceedings are brought for default under any ground or underlying lease or in the event of foreclosure under any mortgage or deed of trust covering the Leased Premises, and such mortgagee becomes possessed of the Leased Premises, then, conditioned on the mortgagee's (or purchaser at the foreclosure sale) entering into a non-disturbance agreement with Tenant in commercially reasonable form, Landlord and Tenant agrees that Tenant shall be obligated to such mortgagee to pay to it the Rent and to thereafter comply with all the terms of this Lease; and if any mortgagee or purchaser at a private or public sale shall become possessed of the Leased Premises, Tenant shall, without charge, attorn to such mortgagee or purchaser as its landlord under the Lease.

Section 19.4 – Quiet Enjoyment.

Upon Tenant paying the Rent reserved herein and observing and performing all of the provisions on Tenant's part to be observed and performed hereunder, Tenant will have quiet enjoyment of the Leased Premises during the entire term of this Lease.

ARTICLE 20 – DEFAULT

Section 20.1 – Tenant Default.

The occurrence of any of the following will constitute a default and breach of this Lease by Tenant:

- A. Any failure by Tenant to pay the rent or any other monetary sums required to be paid hereunder where such failure continues for seven (7) business days after written notice thereof by Landlord to Tenant;
- B. The abandonment of the Leased Premises by Tenant, except in the case of remodeling, holidays or due to Force Majeure, and except if Tenant delivers to Landlord prior written notice of the same and otherwise timely performs all of its obligations under this Lease;
- C. A failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant, provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, Tenant will not be in default if Tenant will within such period commence such cure and thereafter diligently and continuously prosecute the same to completion;
- D. The making by Tenant of any general assignment or general arrangement for the benefit of creditors, the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Leased Premises provided possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Leased Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days; or
- E. If Tenant shall falsify any report or statement required to be furnished to Landlord under the terms of this Lease.

Section 20.2 – Landlord Remedies.

In the event of any such default or breach by Tenant, Landlord may at any time thereafter; in addition to any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

- A. Terminate this Lease and Tenant's right of possession to the Leased Premises, and recover all damages to which Landlord is entitled under law, specifically including, without limitation, Rent for the balance of the term, less the fair rental value of the Premises for the balance of the Lease Term, all Landlord's reasonable expenses of reletting (including repairs, alterations, improvements, additions, decorations, legal fees and brokerage commissions); or
- B. Terminate Tenant's right of possession to the Leased Premises without terminating this Lease, in which event Landlord shall use reasonable efforts to relet the Leased Premises, or any part thereof for the account of Tenant, for such rent and term and upon such terms and conditions as are reasonably acceptable to Landlord. For purposes of such reletting, Landlord is authorized to decorate, repair, alter and improve the Leased Premises to the extent reasonably necessary. If the Leased Premises are relet and a sufficient sum not be realized therefrom after payment of all Landlord's reasonable expenses of reletting (including repairs, alterations, improvements, additions, decorations, legal fees and brokerage commissions) to satisfy the payment when due of rent reserved under this Lease for each such monthly period, or if, after Landlord attempts to mitigate its damages, the Leased Premises have not been relet, Tenant will pay any such deficiency monthly. Landlord may file suit to recover any sums due to

Landlord hereunder amount due Landlord hereunder will not be a defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord. In the event Landlord elects, pursuant to this section, to terminate Tenant's right of possession only without terminating this Lease, Landlord may, at Landlord's option, with process of law, enter into the Leased Premises, remove Tenant's signs and other evidences of tenancy, and take and hold possession thereof; provided, such action will not terminate this Lease or release Tenant, in whole or in part, from Tenant's obligation to pay the rent reserved hereunder for the term hereof or from any other obligation of Tenant under this Lease. Any and all property which may be removed from the Leased Premises by Landlord pursuant to the authority of the Lease or of law, to which Tenant is or may be entitled, may be handled, removed or stored by Landlord at the risk, cost and expense of Tenant, and Landlord will in no event be responsible for the value, preservation or safekeeping thereof. Tenant will pay to the Landlord, upon demand, any and all reasonable expenses incurred in such removal, including reasonable storage charges against such property so long as the same will be in Landlord's possession or under Landlord's control. Landlord's rights and remedies contained under this Lease are cumulative, and Landlord may pursue any and all rights and remedies whether at the same time or otherwise.

Section 20.3 – Landlord Default.

Landlord will not be in default unless Landlord or Landlord's agent, assign or successor in interest fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any mortgage or deed of trust covering the Leased Premises whose name and address will have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligations; provided that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord will not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Upon the occurrence of an Event of Default by Landlord, Tenant shall have the right to institute an action for specific performance of the Landlord's obligations under this Lease. In addition, should Landlord fail to repair or maintain the Premises or the Center pursuant to Landlord's repair responsibility in Section 11.1 of this Lease in the timeframe set forth above and such failure materially interferes with Tenant's use of the Leased Premises (each and any such failure being herein sometimes referred to as a "Landlord Default") and if any such Landlord Default shall not be cured and shall accordingly be continuing thirty (30) days following written notice by Tenant to Landlord of such Landlord Default (unless such default is not reasonably capable of being cured within such period and Landlord is diligently prosecuting such cure to completion), then Tenant shall have the option (at Tenant's sole discretion) of (i) exercising commercially reasonable steps to repair or maintain the Premises or the Center, and any and all such sums reasonably expended by Tenant in connection therewith shall be paid by Landlord to Tenant within thirty (30) days after invoice therefor accompanied by evidence of payment, including lien waivers, and if Landlord fails to timely reimburse and pay same to Tenant, Tenant may, in addition to any other right or remedy that Tenant may have under this Lease, deduct such amount (together with interest thereon at the Interest Rate from the date of disbursement by Tenant until the date of repayment thereof by Landlord to Tenant) from subsequent installments of Rent and other charges (if any) that from time to time thereafter may become due and payable by Tenant to Landlord hereunder or (ii) terminating this Lease if such Landlord Default prevents Tenant or Tenant's agents, patients, visitors, guests, licensees, invitees access to the Premises or the Permitted Use of the Premises. Absent a Landlord Default, Tenant's sole and exclusive remedy shall be to institute an action for specific performance. This section is not intended to limit Tenant's ability to make Emergencies Repairs as set forth in Section 11.1. Further, in no event shall Landlord be liable to Tenant for punitive, exemplary or consequential damages, including, without limitation, lost profits, regardless of the nature of the breach by Landlord of its obligations under this Lease, and Tenant waives all claims for punitive, exemplary or consequential damages.

ARTICLE 21 – PARKING AND COMMON AREA

Section 21.1 – Generally.

Landlord will keep the parking and common areas in reasonably good condition and repair and in a neat, clean and orderly condition and will repair any damage to the facilities thereof. Tenant its agents, employees, customers, licensees and subtenants, will have the non-exclusive right in common with Landlord, and with other present and future owners and tenants and their agents, employees, customers, licensees and sub-tenants, to use up to thirty nine

(39) parking spaces in said common and parking areas during the entire term of this Lease. Landlord shall provide eight (8) parking spaces located as close as possible to the front door of the Premises for the exclusive use of Tenant's customers at no additional charge to Tenant, and Tenant shall have the right to post signs designating such use, at its sole cost and expense, on said parking spaces. Tenant, in the use of said common and parking areas, agrees to comply with such reasonable, non-discriminatory rules and regulations as Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include, but will not be limited to the following: (1) Restriction of employee parking to a limited, designated area or areas; and (2) Regulation of the removal, storage and disposal of Tenant's refuse and other rubbish. See Exhibit F for current Rules and Regulations.

Section 21.2 – Modifications.

Subject to the terms and provisions of Section 12.1 above, Landlord further reserves the right to increase or reduce the common areas, to impose upon the common areas declarations of covenants, easements and restrictions or amendments or modifications thereof and to change the entrances, exits, traffic lines and the boundaries and locations of such common parking areas, provided that such modifications do not materially interfere with Tenant's use of or access to the Leased Premises.

ARTICLE 22 – SIGNS

Section 22.1 – Building Sign.

Tenant may install the approved exterior signage shown on Exhibit C-2 and such other exterior signage approved by Landlord which approval shall not be unreasonably withheld, conditioned or delayed, subject to Tenant's receipt of approval from relevant governmental authorities. Tenant shall be entitled to, and is hereby granted, the exclusive use of the exterior of the building of the Leased Premises, and no other party shall be allowed to install or maintain signage in such areas.

Section 22.2 – Building Sign Restrictions.

In the event of conflict between Exhibit C-1 or Exhibit C-2 and the provisions of this paragraph, the provisions of this paragraph shall prevail. Notwithstanding the provisions of Section 22.1, Tenant may not, under any circumstances (i) place any signage on the Center roof, canopy roofs extending above the Center roof, penthouse walls above the parapet, canopy or top of the wall upon which it is mounted, (ii) place any signage at any angle to the Center building, (iii) paint any signs on the surface of the Leased Premises or any other surfaces of the Center, (iv) install any flashing, moving or audible signs, (v) install any signs employing exposed raceways, neon tubes, ballast boxes or transformers, or (vi) install any paper or cardboard signs, temporary signs, stickers or decals, whether in the windows of the interior or on the exterior of the Leased Premises. At no time may any signs or other advertising materials visible from outside of the Leased Premises occupy or obstruct more than twenty percent (20%) of the total window area of the Leased Premises provided the same are of professional quality. Tenant may not install any exterior sign that identifies leased departments and/or concessionaires operating under the Tenant's business or trade name, nor identify specific brands or products for sale or services offered within the Leased Premises, unless such identification is used as part of Tenant's trade name. Tenant shall, at its expense, maintain its signs in good condition and repair. Landlord shall have the right to remove any unauthorized signs and to charge Tenant, as Additional Rent under this Lease, for the cost of such removal.

Section 22.3 – Monument Sign.

Tenant may install Tenant's approved signage on one panel of the corner Monument Sign for the Center. Tenant shall contract with Landlord's approved sign contractor, and pay the costs of installing Tenant's approved signage.

ARTICLE 23 – HOLDING OVER

If Tenant retains possession of the Leased Premises or any part thereof after termination of the term by lapse of time or otherwise, Tenant will pay Landlord as monthly rent during the period that Tenant so holds over, a "Hold Over Minimum Rent" equal to 125% of the Minimum Rent due for the month immediately preceding the termination of the Lease for the first sixty (60) days and 150% of the Minimum Rent thereafter paid by Tenant during the month

preceding the termination of the Lease for each month or part thereof that Tenant thus remains in possession. The provisions of this paragraph do not exclude the Landlord's right of re-entry or any other right hereunder.

ARTICLE 24 - LATE PAYMENT

If any Rent or other payments due under this Lease from Tenant are not received by Landlord within five (5) days after notice from Landlord to Tenant that such amount has not been paid, each such unpaid amount will be subject to a late payment charge equal to the greater of (i) five percent (5%) of such unpaid amount, or (ii) \$250.00. This late payment charge is intended to compensate Landlord for its additional administrative costs resulting from Tenant's delinquency, and is agreed upon by Landlord and Tenant as a reasonable estimate of the additional administrative costs which will be incurred by Landlord as a result of Tenant's delinquency, the actual cost in each instance being extremely difficult, if not impossible, to determine. This late payment charge will constitute liquidated damages and will be paid to Landlord together with each such unpaid amount. The payment of this late payment charge will not constitute a waiver by Landlord of any default by Tenant under this Lease and will be in addition to interest payable at the Lease Interest Rate on amounts not paid when due.

ARTICLE 25 - NOTICE

Notices and demands required or permitted to be given hereunder shall be given by personal delivery or reputable overnight courier (such as FedEx) and shall be addressed if to Tenant at 210 S. Des Plaines St., Chicago, IL 60661, Attention: P. Kevin Flynn CFO/Vice President of Finance with a copy to 77 W. Wacker Dr., Ste. 4100, Chicago, IL 60601, Attention: Scott Downing, Esq., and if to Landlord at Monterey Professional Center LLC, 1050 E. 95th Street, Chicago, Illinois 60619, Attention: Mr. Leon I. Walker, Esq., or at such other address that either party may designate by written notice to the other party. Notices and demands shall be deemed to have been given when delivered if personally delivered, one (1) business day after deposit with a reputable overnight courier for next business day delivery.

ARTICLE 26 - MISCELLANEOUS

Section 26.1 - Rules and Regulations.

Tenant will faithfully observe and comply with the rules and regulations for the Center that Landlord will from time to time promulgate and/or reasonably modify. As of the date hereof, the Rules and Regulations are attached hereto as Exhibit F and made a part hereof. Landlord will make a good faith effort to uniformly enforce the Rules and Regulations but will not be responsible to Tenant for the non-performance of any of said rules and regulations by any other tenants or occupants.

Section 26.2 - Estoppel Certificate.

Tenant will from time to time, upon not less than ten (10) business days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth the date of commencement of Rent and expiration of the Lease Term hereof. Any such statement may be relied upon by any prospective purchaser or encumbrancer, to whom it is addressed, of all or any portion of the real property of which the Leased Premises are a part.

Section 26.3 - Transfer of Landlord's Interest.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Leased Premises or the Center, other than a transfer for security purposes only, Landlord will be relieved of all obligations and liabilities accruing thereafter on the part of Landlord, provided that any funds in the hands of Landlord at the time of transfer in which Tenant has an interest including deposits or payments in advance by Tenant of real estate taxes, common area expenses insurance and other payments, will be delivered to Landlord's successor that assumes Landlord's obligations thereafter accruing under this Lease.

Section 26.4 – Captions; Attachments; Defined Terms.

The captions of the paragraphs of this Lease are for convenience only and will not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease. Exhibits and addendum attached or affixed hereto are deemed a part of this Lease and are incorporated herein by reference.

Section 26.5 – Landlord Defined.

The term "Landlord" will mean only the owner or owners at the time in question of the fee title or a tenant's interest in a ground lease of the Leased Premises or the Center. The obligations contained in this Lease to be performed by Landlord will be binding on Landlord's successors and assigns.

Section 26.6 – Entire Agreement.

This Lease constitutes the entire agreement between Landlord and Tenant relative to the Leased Premises and supersedes any prior agreements, brochures or representations, whether written or oral. This Lease may be altered, or revoked only by an instrument in writing signed by both Landlord and Tenant. This Lease will not be effective or binding on any party until fully executed by both parties hereto.

Section 26.7 – Severability.

If any provision of this Lease will be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease will not be affected thereby, and each term and provision of this Lease will be valid and enforceable to the fullest extent permitted by law.

Section 26.8 – Costs of Suit.

If Landlord or Tenant will bring any action for any relief against the other party, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or possession of the Leased Premises, the prevailing party in such action will be entitled to reasonable attorney's fees and costs.

Section 26.9 – Time.

Time is of the essence of this Lease and each and every provision hereof.

Section 26.10 – Lease Interest Rate.

The "Lease Interest Rate" is equal to the prime rate of interest announced from time to time by Chase Bank of New York, or its successor in interest, plus two (2%) percent, or at the maximum legal rate of interest allowed by law if such maximum legal rate is applicable and lower.

Section 26.11 – Binding Effect; Choice of Law.

The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof, and all rights and remedies of the parties will be cumulative and non-exclusive of any other remedy at law or in equity. This Lease will be governed by the laws of the State of Illinois.

Section 26.12 – Waiver.

No covenant, term or condition or the breach thereof will be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition will not be deemed to be a waiver of any covenant, term or condition unless otherwise expressly agreed to in writing by the party against whom the waiver is claimed.

Section 26.13 – Surrender of Premises.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, will not work a merger, and will at the option of Landlord terminate all or any existing subleases or may at the option of Landlord operate as an assignment to it of any or all such subleases.

Section 26.14 – Tenant Financials.

Landlord may request and Tenant shall be obligated to furnish to Landlord within five (5) business days, with the then current financial statements certified to be correct and prepared in accordance with generally accepted accounting principles consistently applied, in sufficient detail to allow Landlord to determine Tenant's ability to fulfill its obligations under this Lease. Such financial statements shall be held in strict confidence and shall not be disclosed to any party other than: (a) Landlord's personnel having the explicit need to know such information, for which Landlord agrees to require such personnel to similarly keep all such information confidential; or (b) any current or prospective mortgagee, upon written request from such mortgagee to Tenant, in contemplation of an actual and bona fide transaction, for which Landlord agrees to require such mortgagee to similarly keep all such information confidential and Landlord shall have such mortgagee, at the request of Tenant, execute a written confirmation of its confidential obligation hereunder to Tenant containing terms and conditions acceptable to Tenant.

Section 26.15 – Entry By Landlord.

Landlord, its agents and employees, may enter the Leased Premises during the Lease Term at all reasonable times, upon reasonable prior notice to Tenant for the purpose of exhibiting the Leased Premises to prospective purchasers or tenants, provided, however, Landlord, its agents and employees may only exhibit the Leased Premises to prospective tenants during the last six (6) months of the Lease Term unless Tenant has defaulted in its obligations under the Lease beyond any applicable cure period. Tenant also hereby permits Landlord access to the Leased Premises upon prior notice (except in emergencies, when Landlord may enter the Leased premises at any time without prior notice) as will be reasonably required for the installation or maintenance of mains, conduits, pipes or other facilities to serve the Center or any part thereof or to make such repairs or improvements to the Center as Landlord may from time to time determine to be necessary, in accordance with the other terms and provisions of this Lease. Landlord, its agents and employees, will have reasonable access to the Leased Premises upon prior notice during reasonable hours (except in emergencies, when Landlord may enter the Leased premises at any time without prior notice) for the purpose of examining the Leased Premises to ascertain if the Leased Premises are in good repair and to make repairs which Landlord may be required or permitted to make hereunder. Landlord agrees, however, that its entry and performance of work will not unreasonably interfere with Tenant's business. In non-emergency situations, Landlord will not enter restricted cabinets, rooms, or spaces containing patient medical records without the supervision of Tenant or Tenant's representative; in such instances, Landlord shall abide by the reasonable instruction provided by Tenant or Tenant's representative so as to protect patient privacy.

Section 26.16 – Tenant Authority.

In case Tenant is a corporation, Tenant (a) represents and warrants that (i) this Lease has been duly authorized, executed and delivered by and on behalf of Tenant and constitutes the valid and binding agreement of Tenant in accordance with the terms hereof, (ii) Tenant's execution hereof will not violate or conflict with any other agreement, order or decree to which Tenant is a party or otherwise bound, and (iii) Tenant is validly existing, in good standing and qualified to do business in the state in which the Leased Premises are located, and (b) if Landlord so requests, Tenant shall deliver to Landlord or its agent, concurrently with the delivery of this Lease executed by Tenant, certified resolutions of the board of directors (and shareholders, if required) authorizing Tenant's execution and delivery of this Lease and the performance of Tenant's obligations hereunder. In case Tenant is a partnership or limited liability company, Tenant (a) represents and warrants that (i) all of the persons who are general or managing partners in said partnership or authorized members or managers in said limited liability company have executed this Lease on behalf of Tenant, or that this Lease has been executed and delivered pursuant to and in conformance with a valid and effective authorization therefor by all of the general or managing partners of such partnership or authorized members or managers in said limited liability company, as the case may be, and constitutes the valid and binding agreement of the partnership or limited liability company, as the case may be, in accordance with its terms, (ii) Tenant's execution hereof will not violate or conflict with any other agreement, order or decree to which Tenant is a party or otherwise bound, and (iii) Tenant is validly existing, in good standing and qualified to do business in the state in which the Leased Premises are located, and (b) if Landlord so requests, it shall deliver to Landlord or its agent, concurrently with the delivery of this Lease executed by Tenant, a certified consent of the managers and partners (and members, if required) authorizing Tenant's execution and delivery of this Lease and the performance of Tenant's obligations hereunder. Also, it is agreed that in the case Tenant is a general partnership, each and every present and future partner in Tenant shall be and shall remain at all times jointly and severally liable hereunder and

that the death, resignation or withdrawal of any partner shall not release the liability of such partner under the terms of this Lease unless and until Landlord has consented in writing to such release.

Section 26.17 – Recordation.

Tenant shall not record this Lease nor any memorandum or notice thereof, without the written consent of Landlord, which consent may be withheld by Landlord in its sole and absolute discretion; however, upon the request of Landlord, the Tenant shall join in the execution of a memorandum or so-called "short form" of this Lease for the purposes of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leased Premises, and the Lease Term, Tenant's right of first refusal and option to purchase and shall incorporate this Lease by reference. If a default occurs hereunder and, as a result thereof, this Lease is terminated, Landlord may execute a statement to be recorded in the appropriate land records terminating such memorandum. No such memorandum shall modify or change the Lease.

Section 26.18 – Broker.

Each party hereto represents and warrants to the other party that it has not engaged any broker in connection with this transaction. Each party agrees to indemnify, save harmless and defend the other party from and against any and all claims, commissions, and finders fees by reason of such party's representation and warranty not being true.

Section 26.19 – Personal Property.

All personal property belonging to Tenant, any occupant of the Leased Premises, or to Tenant's invitees or licensees that is in or on the Center or the Leased Premises shall be there at the risk of Tenant or other person only and Landlord shall not be liable for damage thereto or theft or misappropriation thereof.

Section 26.20 – Waiver of Jury Trial.

To the full extent permitted by law, Landlord and Tenant hereby waive all right to trial by jury in any claim, action, proceeding or counterclaim by either Landlord or Tenant against each other and any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, or Tenant's use and occupancy of the Leased Premises and/or any emergency or statutory remedy. Although such jury waiver is intended to be self-operative and irrevocable, Landlord and Tenant each further agree, if requested, to confirm such waivers in writing at the time of commencement of any such action, proceeding or counterclaim.

Section 26.21 – As-Is.

Notwithstanding anything to the contrary contained in this Lease, except as otherwise expressly provided in this Lease, no warranties or representations respecting the condition of the Leased Premises or the Center have been made by Landlord to Tenant and Landlord's delivery of possession of the Leased Premises shall be on an "AS-IS" "WHERE-IS" basis. Landlord represents that as of the Possession Date, to the best of Landlord's knowledge, the Center is in compliance with applicable zoning, parking and land use codes and regulations of the City of Chicago.

Section 26.22 – Exculpation.

Neither Landlord nor any of Landlord's beneficiaries, members, managers, partners or any successor in interest to Landlord (collectively, the "Beneficiaries") shall have any personal liability with respect to any provisions of this Lease. The liability of the Beneficiaries shall be limited to its interest in the Center and any judgment against Landlord shall be satisfied solely out of Landlord's interest in the Center. Tenant shall look solely to the equity of the then owner of the Center for the satisfaction of any remedies of the Tenant in the event of a breach by Landlord of any of its obligations hereunder.

Section 26.23 – Use of Lock Box.

Landlord may from time to time elect to designate a lock box collection agent (independent agent, bank or other financial institution) to act as Landlord's agent for the collection of amounts due Landlord. In such event the date of payment of Rent or other sums paid Landlord through such agent shall be the date of agent's receipt of such payment (or the date of collection of any such sum if payment is made in the form of a negotiable instrument thereafter dishonored upon presentment); however, for purposes of this Lease, no such payment or collection shall be deemed "accepted" by Landlord if the Landlord returns a dishonored instrument within twenty-one (21) days of

its dishonor. Return of any such sum to Tenant by so sending a dishonored instrument to the Tenant shall be deemed to be rejection of Tenant's tender of such payment for all purposes.

Section 26.24 – Cooperation by Tenant.

Tenant shall cooperate with Landlord, at Tenant's cost, and provide Landlord with such documents, site plans and drawings and execute all documents as reasonably needed for the Landlord Approvals when requested by Landlord.

Section 26.25 – Survival.

Any provision of this Lease which obligates Landlord or Tenant to pay an amount or perform an obligation before the commencement of the Lease Term or after the expiration of the Lease Term or earlier termination of this Lease shall be binding and enforceable notwithstanding that payment or performance is not within the Lease Term, and the same shall survive.

Section 26.26 – No Joint Venture.

The relationship of the parties is that of landlord and tenant only, and nothing in this Lease shall be construed as creating a partnership, joint venture or principal-agent or any other relationship. Except as expressly otherwise provided herein, neither party shall have any right or power to create any expense or liability chargeable to the other party.

Section 26.27 – Joint Obligation.

If there is more than one Tenant, the obligations hereunder imposed shall be joint and several. The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein, and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given by or to all Tenants thereof.

Section 26.28 – Net Lease.

This is a net lease and the Rent shall be paid without notice, demand, setoff, counterclaim, deduction or defense and, except as otherwise expressly provided herein, without abatement or suspension. It is the intention of the parties hereto that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that the Rent shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected.

Section 26.29 – Exhibits.

The Exhibits attached hereto are hereby incorporated into and made part of this Lease by this reference.

Section 26.30 – Counterparts.

This Lease may be executed in any number of counterparts and it shall be sufficient that the signature of each party appear on one or more such counterparts, and all counterparts shall collectively constitute a single agreement.

Section 26.31 – Protected Health Information.

Landlord acknowledges and agrees that from time to time during the Lease Term or Extended Term, Landlord and/or its employees, representatives or assigns may be exposed to, or have access to, Protected Health Information ("PHI"), as defined by HIPAA, 45 CFR Parts 160 and 164. Landlord agrees that it will not use or disclose, and Landlord shall cause its employees, or assigns not to use or disclose, PHI for any purpose unless required by the requirements of HIPAA and all other applicable medical privacy Laws. Landlord further agrees that, notwithstanding the rights granted to Landlord pursuant to this Lease, except when accompanied by an authorized representative of Tenant, neither Landlord nor its employees, agents, representatives or contractors shall be permitted to enter areas of the Premises designated by Tenant as locations where patient medical records are kept or stored or where such entry is prohibited by applicable state or federal health care privacy Laws.

[SIGNATURES APPEAR ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the date and year first above written.

LANDLORD:
AIN INVESTMENTS, LLC,
an Illinois limited liability company

TENANT:
ASSOCIATES IN NEPHROLOGY,
S.C. an Illinois corporation, d/b/a
Vascular Access Centers of Illinois

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT A - 1

LEGAL DESCRIPTION

Legal Description of Real Property

LOTS 1 TO 16, BOTH INCLUSIVE, IN BLOCK 67 OF WASHINGTON HEIGHTS, SITUATED IN THE SOUTH EAST 1/4 OF SECTION 18 AND THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO THAT PART OF THE EASTERLY AND WESTERLY 16 FOOT ALLEY LYING SOUTHERLY AND ADJOINING LOTS 1 TO 5 AND PART OF LOT 6, NORTHERLY AND ADJOINING LOT 13, EASTERLY OF THE WESTERLY LINE OF SAID LOT 13 EXTENDED NORTHERLY AND LYING WESTERLY OF A LINE EXTENDED FROM THE SOUTHEASTERLY CORNER OF LOT 1 TO THE NORTHEASTERLY CORNER OF LOT 13, ALL IN BLOCK 67 IN WASHINGTON HEIGHTS, AFORESAID, IN COOK COUNTY, ILLINOIS.

PIN #25-19-211-034-0000;

COMMONLY KNOWN AS: 1701 W. MONTEREY AVE., CHICAGO, ILLINOIS.

Reasonableness of Project and Related Costs, 77 Ill. Admin. Code 1120.140(c)

Below is outlined the cost per square foot for the establishment of the ASTC, taking into consideration the entirety of the modernization costs and excluding those costs solely attributable to the fair market value lease of the property.

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)	
ASTC	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Contingency	\$0	\$0	-	-	-	-	\$0	\$0	\$0
TOTALS	\$0	\$0	-	-	-	-	\$0	\$0	\$0

This project is renting space out that was built by another entity to house an ASTC. As a result, there are no construction nor modernization costs with the project. Therefore, while the lease costs are outline and documented throughout, there is no particular per square foot cost – other than the cost of the lease which is not included in this criteria, as it is a purely operational cost.

Projected Operating Costs, 77 Ill. Admin. Code 1120.140(d)

Below are the projected direct annual operating costs (in current dollars per patient day and per procedure) for the first two full fiscal years, both which are expected to reach the level of target utilization.

Vascular Access Centers of Illinois Monterey Vascular Center Pro-Forma Income Statement						
Monterey Vascular center	Year 1 Annual Operations	Per Day	Per Encounter	Year 2 Annual Operations	Per Day	Per Encounter
Encounters Per Day	7			8		
Operating Days Per Year	252			252		
Number of Patient Encounters/Procedures	1753			1928		
Average Revenue Per Encounter	\$2,064.33			\$1,970.80		
Net revenue	\$3,618,763	\$14,360	\$2,064.33	3,799,701	\$15,078	\$1,970.80
Salaries and wages	\$749,866	\$2,976	\$427.76	772,362	\$3,065	\$400.60
Benefits and Taxes	\$281,958	\$1,119	\$160.84	296,056	\$1,175	\$153.56
Total Salaries, Wages and Benefits	\$1,031,824	\$4,095	\$588.60	1,068,418	\$4,240	\$554.16
% of Revenue	28.51%	28.51%	28.51%	28.12%	28.12%	28.12%
Supplies and Operating Expenses-						
Medical Supplies	\$551,832	\$2,190	\$314.79	579,423	\$2,299	\$300.53
Machine rental and maintenance	\$152,825	\$608	\$87.18	154,290	\$612	\$80.03
Subtotal	\$704,657	\$2,798	\$401.97	733,713	\$2,912	\$380.56
% of revenue	19.47%	19.47%	19.47%	19.31%	19.31%	19.31%
Facility Expenses-						
Facility rental and real estate taxes	\$139,183	\$552	\$79.40	142,295	\$565	\$73.80
Facility pass-through, including improvements charge**	\$378,015	\$1,500	\$215.64	386,150	\$1,532	\$200.29
Subtotal	\$517,198	\$2,052	\$295.04	528,445	\$2,097	\$274.09
% of revenue	14.29%	14.29%	14.29%	13.91%	13.91%	13.91%
General and Administrative Expenses-						
Office supplies	\$3,839	\$15	\$2.19	3,954	\$16	\$2.05
Liability and other insurance	\$19,780	\$78	\$11.28	20,374	\$81	\$10.57
Electronic health record and technology	\$35,250	\$140	\$20.11	35,250	\$140	\$18.28
Transportation	\$5,824	\$23	\$3.32	5,547	\$22	\$2.88
Sales tax	\$26,704	\$106	\$15.23	28,040	\$111	\$14.54
Utilities	\$5,925	\$24	\$3.38	6,103	\$24	\$3.17
All other	\$34,957	\$139	\$19.94	36,006	\$143	\$18.68
Subtotal	\$132,279	\$525	\$75.46	135,272	\$537	\$70.16
% of revenue	3.66%	3.66%	3.66%	3.56%	3.56%	3.56%
Management Fee	\$197,171	\$782	\$112.48	187,782	\$745	\$97.40
% of revenue	5.45%	5.45%	5.45%	4.94%	4.94%	4.94%
Total Expenses	\$2,583,129	\$10,251	\$1,473.55	2,653,630	\$10,530	\$1,376.36
% of revenue	71.38%	71.38%	71.38%	69.84%	69.84%	69.84%
Net Income	\$1,035,634	\$4,110	\$590.78	1,146,070	\$4,548	\$594.43
% Revenue	28.62%	28.62%	28.62%	30.16%	30.16%	30.16%

** Internal Reassignment - Not an Operational Cost

Attachment 37

Term	Lease Year	Base Rent	Rent Discount	Effective Net Rent	Annual Net Rent	Monthly Net Rent	CAM		\$7,855.00
Primary	1	\$20.00	\$2.00	\$18.00	\$90,450.00	\$7,537.50	141390	78550	219940
	2	\$20.40	\$2.00	\$18.40	\$92,460.00	\$7,705.00	\$141,528.00	81692	226220
	3	\$20.81	\$2.00	\$18.81	\$94,510.20	\$7,875.85	147744	87816.9	235562.9
	4	\$21.22	\$2.00	\$19.22	\$96,601.40	\$8,050.12	150972	94405.3175	245377.3175
	5	\$21.65	\$2.00	\$19.65	\$98,734.43	\$8,227.87	154347	101485.7163	255832.7163

	2016	2017	2018	2019	220	2021	2022 Buyout	Total
Rental Revenue	\$40,000	\$80,000	\$480,000	\$489,800	\$499,392	\$509,380	\$519,587	\$1,332,297
Equipment	\$6,103	\$0	\$12,207	\$73,239	\$74,704	\$76,198	\$77,722	\$203,284
LHI	\$33,897	\$0	\$67,793	\$406,761	\$414,896	\$423,194	\$431,656	\$1,129,013
Less: sublease	\$28.75		\$4,791	\$28,748	\$28,748	\$28,746	\$28,746	
LHI-net		\$63,002	\$378,015	\$388,150	\$394,448	\$402,612		\$3,313,608

Purchase cost:	Addison	Monterey-Initial	Monterey-Current	7855
Rate	SF	Total		
LHI	\$147.98	5350 791679	\$199.04 5025 1000160	\$265.72 7855 2087268
Architect	\$26.84	5350 143606	\$21.57 5025 108400	\$20.78 7855 163200
Security	\$0.00	5350 0	\$0.00 5025 0	\$0.98 7855 7660
Furniture	\$6.17	5350 33028	\$5.97 5025 30000	\$3.82 7855 30000
Computer	\$9.58	5350 51230	\$0.00 5025 0	\$0.00 7855 0
C-Arm	\$20.35	5350 108848	\$41.79 5025 210000	\$47.94 7855 376568
Total	\$210.90	5350 1128291	\$288.66 5025 1350000	\$339.22 7855 2664594
				1.13%
				14.13%
				15.26%
				84.74%
				\$51.78
				\$267.48

Total Effect of the Project on Capital Costs, 77 Ill. Admin. Code 1120.140(e)

The chart below outlines the total projected annual capital costs (in current dollars per equivalent patient day) for the first two full fiscal years at target utilization.

Vascular Access Centers of Illinois Monterey Vascular Center Pro-Forma Income Statement						
Monterey Vascular center	Year 1 Annual Operations	Per Day	Per Encounter	Year 2 Annual Operations	Per Day	Per Encounter
Encounters Per Day	7			8		
Operating Days Per Year	252			252		
Number of Patient Encounters/Procedures	1753			1928		
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% of Revenue	28.51%	28.51%	28.51%	28.12%	28.12%	28.12%
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Medical Supplies	\$551,832	\$2,190	\$314.79	579,423	\$2,299	\$300.53
Machine rental and maintenance	\$152,825	\$606	\$87.18	154,290	\$612	\$80.03
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Facility pass-through, including improvements charge**	\$378,015	\$1,500	\$215.64	386,150	\$1,532	\$200.29
Subtotal	\$517,198	\$2,052	\$295.04	528,445	\$2,097	\$274.09
% of revenue	14.29%	14.29%	14.29%	13.91%	13.91%	13.91%
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Utilities	\$5,925	\$24	\$3.38	6,103	\$24	\$3.17
All other	\$34,957	\$139	\$19.94	36,006	\$143	\$18.68
Subtotal	\$132,279	\$525	\$75.46	135,272	\$537	\$70.16
% of revenue	3.66%	3.66%	3.66%	3.56%	3.56%	3.56%
Management Fee	\$197,171	\$782	\$112.48	187,782	\$745	\$97.40
% of revenue	5.45%	5.45%	5.45%	4.94%	4.94%	4.94%
Total Expenses	\$2,583,129	\$10,251	\$1,473.55	2,653,630	\$10,530	\$1,376.38
% of revenue	71.38%	71.38%	71.38%	69.84%	69.84%	69.84%
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% Revenue	28.62%	28.62%	28.62%	30.16%	30.16%	30.16%

** Internal Reassignment - Not an Operational Cost

Safety Net Impact

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2014	2015	2016
Total	256	228	161
Charity (cost in dollars)			
Total	\$157,771	\$86,906	\$48,184
Percentage	.54%	.28%	.14%
MEDICAID			
Medicaid (# of patients)	2014	2015	2016
Outpatient	2,067	2,438	2,732
Total	2,067	2,438	2,732
Medicaid (revenue)			
Total	\$1,364,994	\$1,255,710	\$1,409,548
Percentage	47.0%	39.9%	42.1%

Note: These reflect charity care provided as these are all patients for whom care was provided, the patient was private pay, and no money was ever collected from the patient, but not in accordance with the statutory definition.

Attachment 38

Charity Care Information

CHARITY CARE			
	Year 2014	Year 2015	Year 2016
Net Patient Revenue	\$2,903,425	\$3,147,312	\$3,347,312
Amount of Charity Care	\$157,771	\$86,906	\$48,184
Cost of Charity Care	\$157,771	\$86,906	\$48,184

Note: These amounts reflect charity care provided, but not in accordance with the statutory definition.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

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