

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Northfield			
Street Address: 480 Central Avenue			
City and Zip Code: Northfield, 60093			
County:	Cook	Health Service Area	7 Health Planning Area:

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

Exact Legal Name: Fresenius Medical Care of Illinois, LLC
Street Address: 920 Winter Street
City and Zip Code: Waltham, MA 02451
Name of Registered Agent: CT Corporation Systems
Registered Agent Street Address: 208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Bill Valle
CEO Street Address: 920 Winter Street
CEO City and Zip Code: Waltham, MA 02451
CEO Telephone Number: 800-662-1237

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.

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

Exact Legal Name: Fresenius Medical Care Holdings, Inc.
Street Address: 920 Winter Street
City and Zip Code: Waltham, MA 02451
Name of Registered Agent: CT Systems
Registered Agent Street Address: 208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Bill Valle
CEO Street Address: 920 Winter Street
CEO City and Zip Code: Waltham, MA 02451
CEO Telephone Number: 800-662-1237

Type of Ownership of Co-Applicant

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Lori Wright
Title: Senior CON Specialist
Company Name: Fresenius Medical Care - North America
Address: 3500 Lacey Road, Suite 900, Downers Grove, IL 60515
Telephone Number: 630-960-6807
E-mail Address: lori.wright@fmc-na.com
Fax Number: 630-960-6812

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

Name: Richard Alderson
Title: Regional Vice President
Company Name: Fresenius Medical Care – North America
Address: 190 Midsummer Drive, Frederick, MD 21702
Telephone Number: 314-560-1934
E-mail Address: richard.alderon@fmc-na.com
Fax Number: None

Post Exemption Contact

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

Name: Lori Wright
Title: Senior CON Specialist
Company Name: Fresenius Medical Care - North America
Address: 3500 Lacey Road, Suite 900, Downers Grove, IL 60515
Telephone Number: 630-960-6807
E-mail Address: lori.wright@fmc-na.com
Fax Number: 630-960-6812

Site Ownership

[Provide this]

Exact Legal Name of Site Owner: Central Avenue Partners, LP

Address of Site Owner: 480 Central Avenue, Northfield, IL 60093

Street Address or Legal Description of the Site: 480 Central Avenue, Northfield, IL 60093

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: Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Northfield

Address: 480 Central Avenue, Northfield, IL 60093

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **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.] **NOT APPLICABLE – DISCONTINUATION ONLY**

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[Refer to application instructions.] **NOT APPLICABLE – DISCONTINUATION ONLY**

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 1110.20 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.

Fresenius Medical Care of Illinois, LLC plans to discontinue its 12-station ESRD facility, Fresenius Medical Care Northfield, located at 480 Central Avenue, Northfield. Northfield is in suburban Cook County and HSA 7.

As of the September 2019 Board station inventory, there is an excess of 127 stations in this HSA.

This project is considered substantive under 77 Ill. Adm. Code 1110.20(c)(1)(B)(ii) as it entails the discontinuation of a health care facility.

Project Costs and Sources of Funds NOT APPLICABLE – THERE ARE NO COSTS

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	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	N/A	N/A	N/A
Contingencies	N/A	N/A	N/A
Architectural/Engineering Fees	N/A	N/A	N/A
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	N/A	N/A	N/A
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	N/A	N/A	N/A
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	N/A	N/A	N/A
SOURCE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Cash and Securities	N/A	N/A	N/A
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	N/A	N/A	N/A
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	N/A	N/A	N/A
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 NOT APPLICABLE – DISCONTINUATION ONLY

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

Land acquisition is related to project ☐ Yes ☒ No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service ☐ Yes ☒ No If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up costs and operating deficit cost is \$ <u>N/A</u>

Project Status and Completion Schedules NOT APPLICABLE – DISCONTINUATION ONLY

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): 10/31/2019

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): **NOT APPLICABLE – THERE ARE NO COSTS**

- ☐ 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)]

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 NOT APPLICABLE – DISCONTINUATION ONLY

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							
In-Center Hemodialysis							
Total Clinical							
NON REVIEWABLE							
Total Non-clinical							
TOTAL							

Facility Bed Capacity and Utilization NOT APPLICABLE - ESRD FACILITY

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

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

CERTIFICATION

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

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

This Application is filed on the behalf of Fresenius Medical Care of Illinois, LLC *
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]
SIGNATURE

Bryan Mello
PRINTED NAME
Assistant Treasurer

PRINTED TITLE

[Signature]
SIGNATURE

Dorothy Rizzo
PRINTED NAME
Assistant Treasurer

PRINTED TITLE

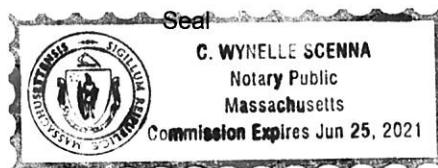
Notarization:
Subscribed and sworn to before me
this ____ day of ____

Notarization:
Subscribed and sworn to before me
this 18 day of Sept 2019

[Signature]
Signature of Notary

[Signature]
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

This Application is filed on the behalf of Fresenius Medical Holdings, Inc. *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application 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.

Bryan Mello
SIGNATURE
Bryan Mello
Assistant Treasurer
PRINTED NAME

PRINTED TITLE

Dorothy Rizzo
SIGNATURE
Dorothy Rizzo
Assistant Treasurer
PRINTED NAME

PRINTED TITLE

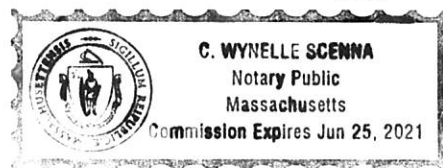
Notarization:
Subscribed and sworn to before me
this ____ day of ____

Notarization:
Subscribed and sworn to before me
this 18 day of Sept 2019

C Wynelle Scenna
Signature of Notary

Seal

Seal



*Insert the EXACT legal name of the applicant

SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility, relocation of a health care facility, or discontinuation of more than one category of service in a 6-month period. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.290 – Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.290(b) for examples.

IMPACT ON ACCESS

1. Document whether or not the discontinuation of each service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within the planning area.

APPEND DOCUMENTATION AS ATTACHMENT 10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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.

1110.110(a) – Background of the Applicant

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 listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
 - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
 - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.
 - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
 - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
 - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. 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.**
5. 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 1110.110(b) & (d)**PURPOSE OF PROJECT NOT APPLICABLE – DISCONTINUATION ONLY**

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 NOT APPLICABLE – DISCONTINUATION ONLY

- 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 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT: NOT APPLICABLE – DISCONTINUATION ONLY

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?

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

PROJECT SERVICES UTILIZATION: NOT APPLICABLE – DISCONTINUATION ONLY

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					
YEAR 2					

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

UNFINISHED OR SHELL SPACE: NOT APPLICABLE – DISCONTINUATION ONLY

Provide the following information:

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

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

ASSURANCES: NOT APPLICABLE – DISCONTINUATION ONLY

Submit the following:

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

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

SECTION V. SERVICE SPECIFIC REVIEW CRITERIA**F. Criterion 1110.230 - In-Center Hemodialysis NOT APPLICABLE – DISCONTINUATION ONLY**

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

☒ In-Center Hemodialysis	0	0

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.230(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.230(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.230(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.230(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.230(b)(5) - Planning Area Need - Service Accessibility	X		
1110.230(c)(1) - Unnecessary Duplication of Services	X		
1110.230(c)(2) - Maldistribution	X		
1110.230(c)(3) - Impact of Project on Other Area Providers	X		
1110.230(d)(1), (2), and (3) - Deteriorated Facilities and Documentation			X
1110.230(e) - Staffing	X	X	
1110.230(f) - Support Services	X	X	X
1110.230(g) - Minimum Number of Stations	X		
1110.230(h) - Continuity of Care	X		
1110.230(i) - Relocation (if applicable)	X		
1110.230(j) - Assurances	X	X	
APPEND DOCUMENTATION AS ATTACHMENT 23, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

- Projects for relocation** of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1130.525 – "Requirements for Exemptions Involving the Discontinuation of a Health Care Facility or Category of Service" and subsection 1110.230(i) - Relocation of an in-center hemodialysis facility.

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)

VI. 1120.120 - AVAILABILITY OF FUNDS NOT APPLICABLE – DISCONTINUATION ONLY

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]:

_____	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
____ _	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5) For any option to lease, a copy of the option, including all terms and conditions.

APPEND DOCUMENTATION AS ATTACHMENT 33, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII. 1120.130 - FINANCIAL VIABILITY NOT APPLICABLE – DISCONTINUATION ONLY

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 34, 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:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

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 35, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII.1120.140 - ECONOMIC FEASIBILITY NOT APPLICABLE – DISCONTINUATION ONLY

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)	
ESRD									
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE 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.
2. 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 37.

CHARITY CARE (Self-Pay)			
Charity (# of patients)(Self-Pay)	2016	2017	2018
(Out-patient only)	233	280	294
Total Charity (cost in dollars)	\$3,269,127	\$4,598,897	\$5,295,686
MEDICAID			
Medicaid (# of patients)	2016	2017	2018
(Out-patient Only)	396	320	328
Medicaid (revenue)	\$7,310,484	\$4,383,383	\$6,630,014

* As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Note: Medicaid reported numbers are impacted by the large number of patients who switch from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2018 of our commercial patients we had 977 Medicaid Risk patients with Revenues of \$30,748,374.

SECTION X. 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			
	2016	2017	2018
Net Patient Revenue	\$450,657,245	\$461,658,707	\$436,811,409
Amount of Charity Care (self-pay charges)	\$3,269,127	\$4,598,897	\$5,295,686
Cost of Charity Care (Self-Pay)	\$3,269,127	\$4,598,897	\$5,295,686

*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.

APPEND DOCUMENTATION AS ATTACHMENT 38, 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:

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant Identification including Certificate of Good Standing		26-28
2	Site Ownership		29-61
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		62
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		63
5	Flood Plain Requirements		
6	Historic Preservation Act Requirements		
7	Project and Sources of Funds Itemization		
8	Financial Commitment Document if required		64
9	Cost Space Requirements		
10	Discontinuation		65-69
11	Background of the Applicant		70-74
12	Purpose of the Project		
13	Alternatives to the Project		
14	Size of the Project		
15	Project Service Utilization		
16	Unfinished or Shell Space		
17	Assurances for Unfinished/Shell Space		
	Service Specific:		
18	Medical Surgical Pediatrics, Obstetrics, ICU		
19	Comprehensive Physical Rehabilitation		
20	Acute Mental Illness		
21	Open Heart Surgery		
22	Cardiac Catheterization		
23	In-Center Hemodialysis		
24	Non-Hospital Based Ambulatory Surgery		
25	Selected Organ Transplantation		
26	Kidney Transplantation		
27	Subacute Care Hospital Model		
28	Community-Based Residential Rehabilitation Center		
29	Long Term Acute Care Hospital		
30	Clinical Service Areas Other than Categories of Service		
31	Freestanding Emergency Center Medical Services		
32	Birth Center		
	Financial and Economic Feasibility:		
33	Availability of Funds		
34	Financial Waiver		
35	Financial Viability		
36	Economic Feasibility		
37	Safety Net Impact Statement		75
38	Charity Care Information		76-77

Applicant

Exact Legal Name: Fresenius Medical Care of Illinois, LLC
Street Address: 920 Winter Street
City and Zip Code: Waltham, MA 02451
Name of Registered Agent: CT Corporation Systems
Registered Agent Street Address: 208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Bill Valle
CEO Street Address: 920 Winter Street
CEO City and Zip Code: Waltham, MA 02451
CEO Telephone Number: 800-662-1237

Type of Ownership of Applicant

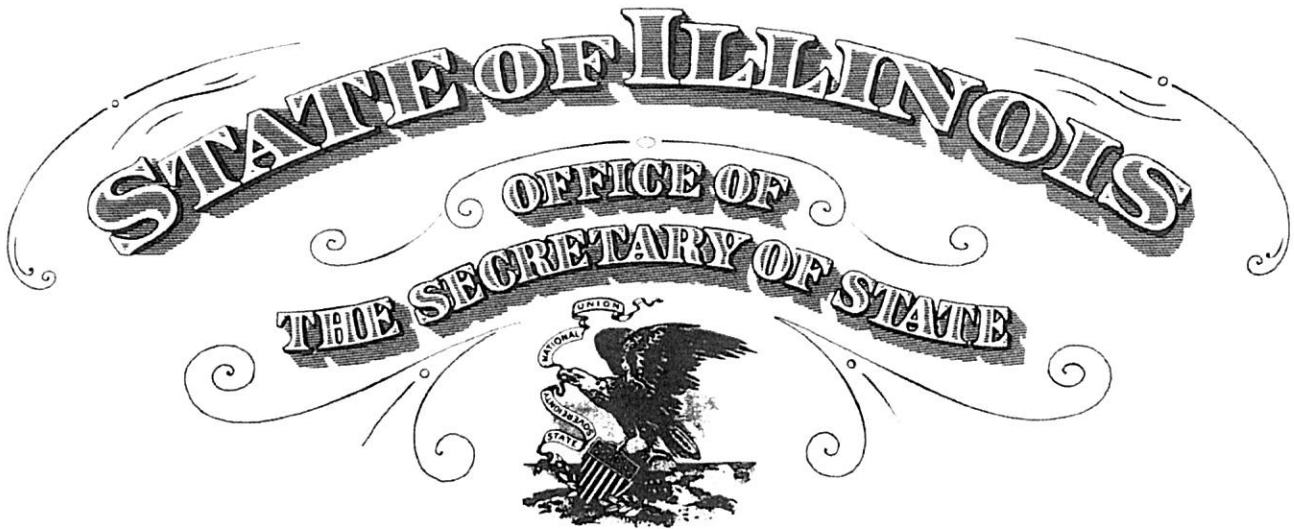
☐ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☒ Limited Liability Company	☐ Sole Proprietorship	☐ Other

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

*Certificate of Good Standing on following page.

File Number

0114682-3



To all to whom these Presents Shall Come, Greeting:

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

FRESENIUS MEDICAL CARE OF ILLINOIS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON MARCH 26, 2004, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 25TH
day of APRIL A.D. 2019 .***

Jesse White

Authentication #: 1911502190 verifiable until 04/25/2020

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

SECRETARY OF STATE Certificate of Good Standing
ATTACHMENT 1

Co-Applicant

Exact Legal Name: Fresenius Medical Care Holdings, Inc.*
Street Address: 920 Winter Street
City and Zip Code: Waltham, MA 02451
Name of Registered Agent: CT Systems
Registered Agent Street Address: 208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Bill Valle
CEO Street Address: 920 Winter Street
CEO City and Zip Code: Waltham, MA 02451
CEO Telephone Number: 800-662-1237

Type of Ownership of Co-Applicant

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

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

*Fresenius Medical Care Holdings, Inc. is a Delaware corporation that does not do business in the State of Illinois therefore no Certificate of Good Standing is included.

Site Ownership

Exact Legal Name of Site Owner: Central Avenue Partners, LP
Address of Site Owner: 480 Central Avenue, Northfield, IL 60093
Street Address or Legal Description of the Site: 480 Central Avenue, Northfield, IL 60093
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.

LEASE AGREEMENT

BY AND BETWEEN

**CENTRAL AVENUE PARTNERS, LP,
AN ILLINOIS LIMITED PARTNERSHIP**

("LANDLORD")

AND

**FRESENIUS MEDICAL CARE OF ILLINOIS, LLC,
A DELAWARE LIMITED LIABILITY COMPANY
d/b/a FRESENIUS MEDICAL CARE NORTHFIELD**

("TENANT")

DATED: December 1, 2011

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made as of this 1st day of December, 2011 by and between Central Avenue Partners, LP, an Illinois limited partnership ("**Landlord**"), and Fresenius Medical Care of Illinois, LLC, a Delaware limited liability company, d/b/a Fresenius Medical Care Northfield ("**Tenant**").

ARTICLE 1 – PROPERTY AND PREMISES

1.1. Lease of Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises containing 8,000 rentable square feet (the "Premises") located at 480 Central Ave, Northfield, IL 60093 (the "Property"). The Property and Premises are more particularly described and shown on Exhibit A attached hereto and made a part hereof.

1.2. Delivery and Condition of Premises; Landlord Work. On or before January 1, 2012, (the "Delivery Date"), Landlord shall deliver possession of the Premises, which shall include a minimum of two (2) keys to all locked areas and all information necessary for Tenant to disarm any security systems so that Tenant may access the Premises and all mechanical, electrical, telephone and switching rooms that serve the Premises. Except as to latent defects, the Premises shall be accepted by Tenant in its "as is" condition and configuration without any representations or warranties by Landlord except as provided elsewhere in this Lease.

In the event that another tenant is occupying the Premises as of the date of this Lease, Landlord shall use all reasonably available means, including but not limited to the commencement of an eviction proceeding, to obtain possession thereof upon the expiration or earlier termination of such other tenant's lease. In the event that Landlord is unable to obtain possession of the Premises from an existing tenant prior to the Delivery Date, Tenant shall have the right to terminate this Lease upon ten (10) days notice to Landlord.

1.3. Re-measurement & Adjustment of Rent. The parties hereby agree that within sixty (60) days following the full execution of this Lease, the Premises may be re-measured and certified by an independent registered architect or engineer, at Tenant's sole cost and expense, pursuant to Building Owners and Managers Association ("BOMA") Standards. The results of such re-measurement shall be binding on the parties and the new rentable square footage of the Premises shall be documented in the Commencement Date Certificate attached hereto as Exhibit B. In the event that the rentable square footage of the Premises is different than the square footage stated in Paragraph 1.1 of this Lease, Base Rent (as defined in Section 3.1) and Tenant's Proportionate Share (as defined in Section 4.1) shall be recalculated in accordance with that final determination.

ARTICLE 2 - LEASE TERM

2.1. Lease Term. The term of this Lease shall be for ten (10) years ("Initial Term") commencing on the date that is the earlier of i) ninety (90) days from the Delivery Date, or ii) the date Tenant

commences to treat patients at the Premises (the "Commencement Date"), and terminating on the last full calendar month of the Initial Term. The parties shall execute and deliver the Commencement Date Certificate in the form set forth in Exhibit B attached to this Lease, in order to confirm and memorialize the Commencement Date.

2.2. Options to Extend Term. Landlord hereby grants to Tenant three (3) consecutive options to extend the term of this Lease (each a "Renewal Option") each for a period of five (5) years (each an "Option Term"). The lease of the Premises for each Option Term shall be on the same terms and conditions contained in this Lease except that the Base Rent for each Option Term shall be determined pursuant to the terms and conditions of Section 3.2 of this Lease. Each Renewal Option may be exercised only by written notice delivered by Tenant to Landlord no later than two hundred ten (210) days prior to the expiration of the then current term. In the event Tenant fails to exercise a Renewal Option as set forth herein, Landlord must notify Tenant that Tenant has failed to exercise said Renewal Option. Tenant shall then have an additional thirty (30) days from its receipt of Landlord's notice to exercise the Renewal Option. Tenant may only exercise its Renewal Options if, on the date of delivery of the notice to Landlord, Tenant is not in default of this Lease beyond the expiration of any applicable cure periods. The Initial Term and all Option Terms are hereby referred to collectively as the "Lease Term".

ARTICLE 3 - BASE RENT

3.1. Base Rent; Pro-ration for Partial Months.

During the Initial Term, Tenant shall pay to Landlord annual rent ("Base Rent") as follows:

Year	Annual Base Rent	Monthly Base Rent
1	\$ 118,172.25	\$9,847.69
2	\$ 121,126.56	\$ 10,093.88
3	\$ 124,154.72	\$ 10,346.23
4	\$ 254,517.18	\$ 21,209.76
5	\$ 260,880.11	\$ 21,740.01
6	\$ 267,402.11	\$ 22,283.51
7	\$ 274,087.16	\$ 22,840.60
8	\$ 280,939.34	\$ 23,411.61
9	\$ 287,962.82	\$ 23,996.90
10	\$ 295,161.89	\$ 24,596.82

in advance on or before the first day of every calendar month, without any setoff or deduction except as provided elsewhere in this Lease. Payment of Base Rent shall be made to Landlord at the address specified in Section 27.15 of this Lease, or at such other place that Landlord may from time to time designate in writing. The Base Rent for the first two (2) full calendar months of the Initial Term shall be paid no later than thirty (30) days after the full execution of this Lease. If any payment of Base Rent is for a period shorter than one full calendar month, Base Rent for that fractional calendar month shall accrue on a daily basis at a rate equal to 1/365 of the annual Base Rent.

3.2. Base Rent for Option Terms. Base Rent for each year of each Option Term shall increase annually by \$.50 per square foot over the Base Rent paid during the previous 12-month period

3.3. Late Payment of Base Rent. If Landlord does not receive any payment of Base Rent within five (5) days after that Rent is due, interest shall accrue on such unpaid Base Rent at the rate of ten percent (10%) per annum until fully paid by Tenant.

ARTICLE 4 - USE AND COMPLIANCE WITH LAWS

4.1. Permitted Use. Tenant shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related medical, office and administrative uses. Tenant shall not use or occupy the Premises for any other purpose without prior written notification to the Landlord. Tenant shall not conduct any activity in the Premises that are offensive, or in a manner that violates federal, state, county, city, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated, or issued (collectively, "Laws"). Tenant may operate on the Premises, at Tenant's option, on a three hundred sixty-five (365) days a year, seven (7) days a week, twenty-four (24) hours-a-day basis, subject, however, to zoning and other regulatory requirements.

4.2. Condition of Premises; Repairs and Replacements. Tenant shall keep the Premises in a neat and orderly fashion during the Lease Term. Tenant, at Tenant's sole expense, shall promptly make all repairs, replacements, alterations, or improvements to the Premises including any Alterations (as defined in Article 6), fixtures, and furnishings, in order to comply with all Laws to the extent that such Laws relate to or are triggered by Tenant's particular use of the Premises. Notwithstanding the foregoing, Tenant shall not be obligated to make any structural changes to the Premises.

ARTICLE 5 -TENANT IMPROVEMENTS

5.1. Tenant Improvements. Tenant shall submit plans and specifications for its initial improvements ("Tenant Improvements") to Landlord for approval, which shall not be unreasonably withheld, conditioned or delayed, and which shall be deemed granted if Landlord does not respond within ten (10) business days of Tenant's submission. Landlord hereby grants Tenant and its contractors, agents, equipment and materials suppliers, and subcontractors a license to access the Property and the Premises for purposes of delivering supplies and constructing the Tenant Improvements. During the construction of the Tenant Improvements, Tenant shall submit all changes to its plans and specifications to Landlord for approval, which shall not be unreasonably withheld, conditioned or delayed, and which shall be deemed granted if Landlord does not respond within five (5) business days of Tenant's request.

5.2. Construction Requirements. Tenant shall obtain all building and other permits or licenses required for the work. The Tenant Improvements shall be constructed in a good and workmanlike manner using quality materials, and using licensed and insured contractors. Promptly after completion of the Tenant Improvements, Tenant shall procure a certificate of occupancy for the Premises from the applicable authorities. Copies of each such permit, license and certificate obtained by Tenant pursuant to this Section 5.2 shall be delivered to Landlord. Subject to the terms of Article 8 of this Lease, Tenant covenants not to suffer any mechanic's liens to be filed against the Property or Premises by reason of any work, labor, services or materials performed at or furnished to the Premises by Tenant, or by anyone acting through or on behalf of Tenant related to the construction of the Tenant Improvements.

5.3. Tenant Allowance. Landlord shall provide a 50% reduction in Base Rent for the first three (3) years, as already noted in paragraph 3.1 above, as Tenant's allowance (the "Tenant Allowance") in order to allow Tenant to construct the Tenant Improvements. Tenant shall submit to Landlord lien waivers and lien releases from all contractors and subcontractors whose total value of services provided to Tenant as part of Tenant's construction of the Tenant

Improvements exceeds Ten Thousand Dollars (\$10,000). Any charges incurred by Tenant over and above the amount of the Tenant Allowance shall be borne by Tenant.

ARTICLE 6 – ALTERATIONS; TENANT’S RIGHT TO EXPAND

6.1. General. Tenant may remodel the Premises during the Lease Term in accordance with the terms and conditions of Section 6.2 of this Lease. In addition, without the necessity of obtaining Landlord’s consent, Tenant may install such counters, partitions, walls, shelving, fixtures, fittings, machinery and equipment in the Premises as Tenant deems necessary to conduct its business. Tenant may also install a television or satellite antenna on the roof of the Premises, flues and wall or roof penetrations and an emergency generator in a location close in proximity to the Premises. Tenant shall cooperate with Landlord with respect to the location and method of installation of such equipment.

6.2. Alterations; Notification to Landlord Required. Notwithstanding anything contained in Section 6.1, Tenant shall not be permitted to make any alteration or modification to the Premises after the Commencement Date which either (a) costs more than Two Hundred Thousand Dollars (\$200,000) in each instance or (b) affects the structural, electrical, mechanical or life safety systems of the Premises, without prior written notification to the Landlord. Tenant shall be responsible for all costs associated with an Alteration that:

- (a) adversely impacts the structural integrity of the Premises or any of its mechanical and electrical systems; or
- (b) results in Landlord being required to perform any work pursuant to any Law that Landlord could otherwise avoid or defer had the Alterations not been made.

6.3. Compliance with Laws and Insurance Requirements. Tenant shall ensure that its construction of all Alterations complies with all Laws and any applicable requirements. Tenant shall obtain all permits that may be required by any governmental entity having jurisdiction over the Premises.

6.4. Manner of Construction and Payment. Tenant shall have the right to use contractors and subcontractors of its choosing. All work relating to any Alterations shall be done in a good and workmanlike manner, using materials equivalent in quality to those used in the construction of the Premises. The construction of Alterations by Tenant shall be diligently prosecuted to completion, and Tenant shall ensure that all work is performed in a manner that does not obstruct access to the Property. In addition, Tenant shall take reasonable steps to ensure that its construction does not interfere either with other tenants’ use of their premises or with any other work being undertaken by Landlord at the Property.

6.5. Payment for Alterations. Tenant shall promptly pay all charges and costs incurred in connection with its construction of all Alterations. Subject to the terms of Article 8 of this Lease, Tenant covenants not to suffer any mechanic’s liens to be filed against the Property or Premises by reason of any work, labor, services or materials performed at or furnished to the Premises by Tenant, or by anyone acting through or on behalf of Tenant related to the construction of any Alteration.

6.6. Expansion Right. During the Lease Term, Tenant shall have the right upon no less than thirty (30) days written notice to Landlord, to expand the square footage of the parking areas, and/or the Premises, as the case may be, up to the maximum extent allowed by local zoning, building, and other requirements. Subject to the terms and conditions contained herein, Landlord shall have the option to either perform construction of the work required by Tenant at Tenant's sole cost and expense or allow Tenant to perform such work at Tenant's sole cost and expense. Landlord shall give written notice of its election to Tenant within fifteen (15) days of receipt of Tenant's written notice. In the event that Landlord elects to perform the work, Landlord and Tenant shall negotiate an incremental increase in the Base Rent based on the cost of the expansion. In the event that Landlord and Tenant are unable to mutually agree upon the incremental increase in Base Rent on or before the date the relevant governmental authority issues a building permit, then Tenant shall have the right to commence work on the expansion at its sole cost and expense with no incremental increase to Base Rent for the remainder of the Lease Term.

ARTICLE 7 - REPAIRS AND MAINTENANCE

7.1. Tenant's Repair and Maintenance Obligations. During the Lease Term, Tenant shall at its sole cost and expense keep and maintain the non-structural portions of the interior of the Premises, including all Tenant Alterations, in good order and repair and free of refuse and rubbish.

Tenant shall also maintain and make all necessary repairs and/or replacements to the following: parking areas (including surfacing, striping, paving and sealing), curbing, sidewalks and directional markers, ice and snow removal, water mains, gas and sewer lines, private roadways, landscape, loading docks, if any, and provision and repair of adequate lighting during all hours of darkness that Tenant shall be open for business.

7.2. Landlord's Repair and Maintenance Obligations. During the Lease Term, Landlord shall, without expense to Tenant, maintain and make all necessary repairs and/or replacements to the exterior and structural portions of the Property and Premises, including, without limitation: foundations, structure, load bearing walls, exterior walls, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, and footings.

7.3. Limitations on Repair and Maintenance Obligations and Defaults. All of the foregoing in this Article 7 notwithstanding, neither Landlord nor Tenant shall be obligated to perform any maintenance, repair or replacement necessitated by the negligence or willful misconduct of the other party, or of the other's employees, contractors, or agents. The party whose negligence or willful misconduct caused the need for such maintenance, repair or replacement shall be responsible for same, at its sole cost. Neither party shall be in default of its repair and maintenance obligations under this Article 6 if Landlord or Tenant, as the case may be, begins performing repairs and maintenance and, due to the nature of the particular repair or maintenance obligation, more than thirty (30) days are reasonably required to complete such work and the responsible party is diligently prosecuting such work to completion.

ARTICLE 8 - COVENANT AGAINST LIENS

8.1. Covenant Against Liens. Tenant shall not permit mechanics' or other liens to be placed upon the Property or Premises or Tenant's leasehold interest therein. Landlord shall have the right to post and record notices of non-responsibility in the Premises during Tenant's construction of any Alteration. Within ninety (90) days of written notice from Landlord, Tenant shall fully discharge any lien by settlement, bonding, or insuring over the lien in the manner prescribed by the applicable lien Law. Nothing contained in this Section 8.1 shall restrict or prohibit Tenant from initiating a legal action or defending itself in an existing legal proceeding to determine the validity of any lien or attachment. In all such cases, Tenant shall indemnify, protect, defend, and hold Landlord harmless from and against all claims, demands, causes of action loss, damage, liability, costs, and expenses (including attorneys fees and court costs) relating to such liens and attachments. In no event shall Tenant be in default under the terms of this Lease so long as Tenant is diligently pursuing the full discharge of any lien placed upon the Property or Premises, as the case may be.

ARTICLE 9 - ENTRY BY LANDLORD

9.1. Landlord's Access to Premises. Tenant shall permit Landlord or its agent to enter the Premises upon reasonable prior notice to (a) inspect the Premises, (b) make such alterations, maintenance, or repairs therein as may be required under this Lease or pursuant to any Law, (c) show the Premises to prospective purchasers or mortgagees or to ground or underlying landlords, or (d) serve or post all notices required by law or permitted by this Lease. In addition to the foregoing, during the last one hundred and eighty (180) days of the Lease Term, Tenant shall permit Landlord to show the Premises to prospective tenants at reasonable times, and to place notices on the front of the Premises or on any part thereof offering the Premises for lease. Landlord shall exercise its rights under this Article 9 at such times and in such a manner as to minimize the impact of any interference with Tenant's business in and occupancy of the Premises.

9.1.1. Emergency Entries. Landlord and Landlord's agents may enter the Premises without any advance notice when necessary to address emergency situations. For purposes of this Section 9.1.1, an emergency situation is one that poses a threat of imminent bodily harm or property damage. If Landlord makes an emergency entry into the Premises when no authorized representative of Tenant is present, Landlord shall provide notice to Tenant as soon as reasonably possible after that entry and shall take reasonable steps to secure the Premises until a representative of Tenant arrives at the Premises.

9.2. HIPAA Compliance Provision. Landlord acknowledges that Tenant is subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 and related regulations ("HIPAA"), and that HIPAA requires Tenant to ensure the safety and confidentiality of patient medical records. Landlord further acknowledges that, in order for Tenant to comply with HIPAA, Tenant must restrict access to the portions of the Premises where patient medical records are kept or stored. Landlord hereby agrees that, notwithstanding the rights granted to Landlord pursuant to this Article 9, except for an emergency entry into the Premises taken pursuant to Section 9.1.1 of this Lease or when accompanied by an authorized representative of Tenant, neither Landlord nor its employees, agents, representatives or contractors shall be

permitted to enter those areas of the Premises designated by Tenant as locations where patient medical records are kept and/or stored.

9.3. Method of Entry. Landlord shall at all times have a key or, if applicable, a card key with which to unlock all the doors in the Premises except for the locations in the Premises designated by Tenant as areas where patient records are kept or stored. In an emergency situation, Landlord shall have the right to use any means that Landlord considers proper to open the doors in and to the Premises. Any such entry into the Premises by Landlord shall not be considered a forcible or unlawful entry into the Premises or an actual or constructive eviction of Tenant from any portion of the Premises.

ARTICLE 10 – HVAC, UTILITIES AND SERVICES

10.1. HVAC. Tenant shall install heating and air conditioning equipment (“HVAC”) to service the Premises. Tenant shall be responsible for the installation of ductwork for and regular maintenance of the HVAC. Tenant may, at its sole cost and expense, hire an independent licensed contractor to perform such installation and maintenance. Notwithstanding the foregoing, Landlord shall, at its sole cost and expense, be responsible for repairs to or replacement of the HVAC if such repair exceeds the cost of Two Thousand Five Hundred Dollars (\$2,500.00) or more per unit.

10.2. Utilities and Services. Landlord shall ensure that water, electricity, gas, sewer, and other standard utility services for a first class commercial building are provided to the Premises by maintaining, repairing and/or replacing all utility lines to the Premises. Tenant shall also be solely responsible for all connection or hook-up charges and fees, including any impact and tapping fees, with respect to utility services supplied to the Premises and pay for the separate metering of the Premises. Tenant, at its sole cost and expense, shall be responsible for the distribution of all utilities within the Premises and bringing telephone service and cable or satellite television service to the Premises.

10.3. Payment of Utility Charges. Tenant shall pay or cause the payment of all charges for gas, water, sewer, electrical, telephone and other utility services supplied to the Premises during the Lease Term. Tenant shall receive all savings, credits, allowances, rebates or other incentives granted or awarded by any third party as a result of any of Tenant’s utility specifications in the Premises.

10.4. Interruption of Utility Services. In no event shall Landlord be liable for any interruption or failure in the supply of any utility to the Premises unless such interruption was caused by the negligence or willful misconduct of Landlord or any person or entity acting on behalf of Landlord. In such event, Tenant shall be entitled to an abatement of Base Rent for the period of such interruption if Landlord does not make repairs and restore all interrupted services to the Premises within two (2) business days.

ARTICLE 11 - TAXES

11.1. Tax Expenses. “Tax Expenses” means all federal, state, county, or local government or municipal taxes, fees, charges, or other impositions of every kind (whether general, special, ordinary, or extraordinary) during any calendar year (without regard to any different fiscal year used by any government or municipal authority) because of or in connection with the ownership,

leasing, and/or operation of the Property. Tax Expenses shall include taxes, fees, and charges such as real property taxes, general and special assessments, transit taxes, leasehold taxes, and taxes based on the receipt of rent (including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant). Tenant and Landlord acknowledge that assessments, taxes, fees, levies, and charges may be imposed by government agencies for services such as fire protection, street, sidewalk, and road maintenance, conservation, refuse removal, and other governmental services formerly provided without charge to property owners or occupants. Tax Expenses shall also include any government or private assessments (or the Property's contribution toward a government or private cost-sharing agreement) for the purpose of augmenting or improving the quality of services and amenities normally provided by government agencies. Tenant and Landlord intend that all assessments, taxes, fees, levies, and charges and all similar assessments, taxes, fees, levies, and charges be included within the definition of "Tax Expenses" for purposes of this Lease.

11.1.1 Excluded Taxes. Notwithstanding the provisions of Section 11.1, all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes applied or measured by Landlord's gross or net income shall not be included in Tax Expenses.

11.2. Payment of Tax Expenses. Tenant shall pay before due all Tax Expenses assessed against the Property. Tenant shall have the right to make arrangements with all relevant taxing authorities so that tax bills are sent directly to Tenant. At Tenant's sole cost, Tenant may contest (including seeking an abatement or reduction of) any Taxes agreed to be paid hereunder; provided that Tenant first shall satisfy any requirements of Laws, including, if required, that the Taxes be paid in full before being contested. At Tenant's sole cost, Landlord shall assist Tenant as reasonably necessary with respect to any such contest, including joining in and signing applications or pleadings. Any rebate received shall belong to Tenant.

11.3. Payment of Personal Property Taxes. Tenant shall pay before due all taxes levied or assessed against its personal property, furniture, or fixtures placed within the Premises.

ARTICLE 12 – INSURANCE

12.1. Tenant's Insurance. Tenant covenants and agrees that throughout the Lease Term it will keep in full force and effect the following insurance policies:

- (a) "All risk" property insurance, including fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and water damage, demolition and debris removal and flood insurance (if the Premises is located in a flood hazard area) insuring, on a replacement cost basis, Tenant Improvements and Alterations that Tenant is responsible for..
- (b) Comprehensive general liability or public liability insurance with limits not less than \$2,000,000 combined single limit, including coverage for bodily injury and property damage to third parties.

Policies shall be placed with companies holding an A.M. Best's rating of B+ or better. Tenant shall, upon written request, provide the Landlord with a certificate of insurance evidencing the

existence and amounts of such insurance required herein. Notwithstanding the foregoing, the insurance agreed to in this Section 12.1 may be provided in a combination of self-insured retention, primary insurance and /or excess / umbrella insurance.

12.2. Landlord's Insurance. Landlord covenants and agrees that throughout the Lease Term, it will keep in full force and effect the following insurance policies:

- (a) "All risk" property insurance, including fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and water damage, demolition and debris removal and flood insurance (if the Premises is located in a flood hazard area) insuring, on a replacement cost basis, the Property and the Premises, including but not limited to the parking lot, common areas, foundation, and roof.
- (b) Comprehensive general liability or public liability insurance with limits not less than \$2,000,000 combined single limit, including coverage for bodily injury and property damage to third parties.

Insurance agreed to herein may be provided in a combination of self-insured retention, primary insurance and /or excess / umbrella insurance. Policies shall be placed with companies holding an A.M. Best's rating of B+ or better. The Landlord shall, upon written request, provide the Tenant with a certificate of insurance evidencing the existence and amounts of such insurance required herein.

Tenant shall reimburse Landlord for Landlord's costs associated with the insurance premiums (but not deductibles) for the insurance contained in Section 12.2(a).

12.3. Waivers. Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by the "all risk" property insurance policies existing for the benefit of the respective parties. Each party shall obtain any special endorsements, if required by their insurer to evidence compliance with the aforementioned waiver.

ARTICLE 13 - HAZARDOUS MATERIALS; MEDICAL WASTE

13.1. Definition of Hazardous Materials. Hazardous Materials shall mean any hazardous or toxic substance, material, or waste in any concentration that is or becomes regulated by the United States of America, the state in which the Property is located, or any local governmental authority having jurisdiction over the Premises, and shall include:

- (a) Any "hazardous substance," as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 United States Code sections 9601-9675);
- (b) "Hazardous waste," as that term is defined in the Resource Conservation and Recovery Act of 1976 (42 United States Code sections 6901-6992k);
- (c) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement;

- (d) Petroleum products, asbestos containing materials ("ACM's") in any form or condition, and polychlorinated biphenyls ("PCB's") and substances or compounds containing ACM's or PCB's; and
- (e) Radioactive material, including any source, special nuclear, or byproduct material as defined in 42 United States Code sections 2011-2297g-4;

13.2. Representations and Warranties of Landlord. Landlord hereby represents and warrants that (a) as of the date of this Lease it has no knowledge of any Hazardous Materials located in, on, or under the Property or the Premises, (b) Landlord has provided Tenant with a copy of all tests and reports that Landlord has conducted prior to the date of this Lease which relate to the existence of Hazardous Materials including, without limitation, a Phase 1 Study, and (c)

Landlord has not received any notices or other notifications from any governmental entity that the Property or the Premises is in violation of any environmental law. In the event that a Hazardous Material of whatever kind or nature and wherever located, including, but not limited to, soil, water, building components, above ground or below ground storage containers is found to be present at the Premises or the Property, then so long as the presence of such Hazardous Material is not the fault of Tenant, or Tenant's employees, agents, contractors or invitees, Landlord will assume full responsibility and liability for treatment of same in accordance with all applicable Laws.

13.3. Tenant's Use of Hazardous Materials. Except as may be required in Tenant's ordinary course of business and as provided by law, Tenant shall not cause any Hazardous Materials to be generated, brought onto, used, stored, or disposed of in or about the Property or the Premises. Tenant shall comply at all times during the Lease Term with all Laws governing the use, storage, and disposal of Hazardous Materials, including those Laws cited in Section 13.1 of this Lease.

13.4. Notification to Other Party. During the Lease Term, if either Landlord or Tenant becomes aware of (a) any release of any Hazardous Material on, under, or about the Premises or the Property or (b) any investigation, proceeding, or claim by any governmental agency regarding the presence of Hazardous Material on, under, or about the Premises or the Property, that party shall give the other party written notice of the release or investigation within three (3) days after learning of it and shall simultaneously furnish to the other party copies of any claims, notices of violation, reports, or other writings received by the party providing notice that concern the release or investigation.

13.5. Remediation Obligations. If the presence of any Hazardous Material brought onto the Property or the Premises by either Landlord or Tenant or by Landlord's or Tenant's employees, agents, contractors, or invitees results in contamination of the Property or the Premises, that party shall promptly take all necessary actions, at its sole cost and expense, to return the Property or the Premises, as the case may be, to the condition that existed before the introduction of such Hazardous Material. If Landlord undertakes any cleanup, remediation, detoxification, or similar action pursuant to this Section 13.5 as a result of the presence, release, or disposal in or about the Property or the Premises of any Hazardous Material, and that action requires that Tenant be denied access or use of the Premises to conduct its business on the Premises for a period of greater than one (1) business day, Base Rent payable under this Lease shall be abated for the period that Tenant is unable to conduct its business in the Premises.

13.6. Indemnifications. Landlord and Tenant shall, at that party's sole expense and with counsel reasonably acceptable to the other party, indemnify, defend, and hold harmless the other party and the other party's shareholders, directors, officers, employees, partners, affiliates, agents, and

successors with respect to all losses arising out of or resulting from the release of any Hazardous Material in, on, under or about the Property or the Premises, or the violation of any environmental law, by that party or that party's agents, assignees, subtenants, contractors, or invitees. This indemnification includes all losses, costs of characterization, costs of removal, remedial actions, repairs, liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation. This indemnification shall survive the expiration or earlier termination of this Lease.

13.7. Medical Waste. For purposes of this Lease, "Medical Waste" shall include (i) medical devices, instruments, or paraphernalia such as syringes, sutures, swabs or wraps of any sort that are intended to come into contact with any part of the body, and (ii) biological wastes and other waste materials that results from the administration of medical care to a patient by Tenant. During the Lease Term, Tenant shall not dispose of medical waste in the trash receptacles provided by Landlord at the Property or Premises. Notwithstanding anything to the contrary contained in this Lease or any exhibit to this Lease, Tenant shall at all times during the Term have the right, in a manner consistent with applicable law, to (a) determine the kind of container in which to store medical waste in the Premises prior to its disposal, (b) dispose of medical waste generated in the Premises, and/or (c) retain the services of a licensed independent contractor to dispose of the medical waste generated in the Premises.

ARTICLE 14 - INDEMNIFICATIONS

14.1. Indemnification by Tenant. Tenant agrees to indemnify and hold Landlord harmless against all claims, demands, costs and expenses, including reasonable attorney's fees for the defense thereof, arising from Tenant's conduct, management of Tenant's business, use and occupancy of the Premises, construction of Alterations, breach of any of the terms and conditions of this Lease, or the negligence or willful misconduct of Tenant, its agents, servants, contractors or employees. Notwithstanding anything to the contrary contained herein, the foregoing provision shall not be construed to hold Tenant responsible for any loss, damage, liability or expense resulting from injuries caused by any negligence or intentional misconduct of Landlord, its agents, servants, contractors or employees. In case of any action or proceeding brought against Landlord by reason of such claim as is described in the initial sentence of this paragraph, Tenant, upon written notice from Landlord, covenants to defend such action or proceeding by counsel reasonably acceptable to Landlord.

14.2. Indemnification by Landlord. Landlord agrees to indemnify and hold Tenant harmless against all claims, demands, costs and expenses, including reasonable attorney's fees for the defense thereof, arising from Landlord's conduct, management of Landlord's business, construction of improvements by Landlord including Landlord's Work, breach of any of the terms and conditions of this Lease, or the negligence or willful misconduct of Landlord, its agents, servants, contractors or employees. Notwithstanding anything to the contrary contained herein, the foregoing provision shall not be construed to hold Landlord responsible for any loss, damage, liability or expense resulting from injuries caused by any negligence or intentional misconduct of Tenant, its agents, servants, contractors or employees. In case of any action or proceeding brought against Tenant by reason of such claim as is described in the initial sentence

of this paragraph, Landlord, upon written notice from Tenant, covenants to defend such action or proceeding by counsel reasonably acceptable to Tenant.

ARTICLE 15 - DAMAGE AND DESTRUCTION

15.1. Partial Damage or Destruction. If no more than twenty-five percent (25%) of the Property, Premises or parking areas are partially destroyed from any cause and such damage or destruction renders the Premises partially inaccessible or unusable, Landlord shall promptly restore the Property, Premises or parking areas to substantially the same condition as they were in immediately before the destruction within one hundred eighty (180) days after the date of such partial destruction. Base Rent shall be abated for the portion of the Premises not occupied by Tenant during the time of such restoration and for any portion of the Premises which may be occupied by Tenant but which are unfit for the purposes permitted under this Lease. In the event that Landlord fails to restore the Property, Premises or parking areas, as the case may be, within the one hundred eighty (180) day timeframe provided herein, Tenant shall have right to terminate this Lease upon ten (10) days notice to Landlord or exercise its rights under Section 18.4 of this Lease. Notwithstanding the foregoing, Landlord shall not be required to make any repairs or restorations that are prohibited by law, and Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof.

15.2. Complete Damage or Destruction. If twenty-five percent (25%) or more of the Property, Premises or parking areas are destroyed from any cause, such damage shall be deemed a complete destruction for purposes of this Lease. In such event, Landlord shall, within sixty (60) days after the date of the casualty, commence its reconstruction. The following provisions shall apply in the event of a complete destruction:

- (a) Landlord and Tenant shall each have the right to terminate this Lease upon thirty (30) days written notice to the other party if Landlord's commercially reasonable determination of period for reconstruction will exceed two-hundred and seventy (270) days from the date of the casualty;
- (b) Base Rent shall be fully abated during the period beginning on the date of the casualty and ending on the date of completion of Landlord's restoration obligations as provided in this Article 15. If Tenant occupies a portion of the Premises during Landlord's restoration of the Premises, Base Rent shall be abated only for the portion of the Premises not occupied by Tenant.

15.3. Damage Near End of Term. Notwithstanding any other provision of this Article 15 to the contrary, if any portion of the Property, Premises or parking areas are destroyed or damaged by a casualty during the last twelve (12) months of the Lease Term, Landlord and Tenant shall each have the option to terminate this Lease by giving ten (10) days written notice to the other party within thirty (30) days of the date of the casualty.

15.4. Effective Date of Termination; Rent Apportionment. If Landlord or Tenant elects to terminate this under this Article 15 in connection with a casualty, Tenant shall pay Base Rent properly apportioned up to the date of the casualty. After the effective date of the termination, Landlord and Tenant shall be discharged of all future obligations under this Lease, except for those provisions that, by their terms, survive the expiration or earlier termination of the Lease.

ARTICLE 16 - CONDEMNATION

16.1. Condemnation. If any portion of the Premises or the parking lot serving the Premises is taken or condemned by any competent authority for any public or quasi-public use or purpose or is sold to the condemning authority in lieu of condemnation, and such condemnation renders the Premises inaccessible or unusable, Landlord and Tenant shall each have the right to terminate this Lease upon thirty (30) days written notice to the other party. Tenant shall have the right to make such claims as may be available to Tenant under applicable law, provided such claims do not reduce the amount of condemnation proceeds available to Landlord.

16.2. Apportionment of Base Rent. If this Lease is terminated under this Article 16, Tenant shall only be obligated to pay Base Rent for the period up to, but not including, the termination date of this Lease. Landlord shall return to Tenant any prepaid Base Rent allocable to any period on or after the Termination Date.

ARTICLE 17 - ASSIGNMENT AND SUBLEASING

17.1. Restriction on Landlord's Right to Alienate Property. Prior to the Commencement Date, Landlord shall not be permitted to sell or otherwise transfer any portion of its interest in the Property or under this Lease without first obtaining the written consent of Tenant, which Tenant may grant or withhold in its sole discretion.

17.2. Restricted Transfers by Tenant. Except as provided in Section 17.3 of this Lease, Tenant shall not voluntarily assign, sublease or otherwise encumber any part of its interest in this Lease or in the Premises without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Concurrent with Tenant's written request for Landlord's consent to a transfer, Tenant shall provide Landlord with (a) information regarding the proposed transferee, including their name, address, and ownership profile, (b) the nature of the proposed transferee's business and anticipated use of the Premises; (c) current audited financial statements of the proposed transferee, and (d) all material terms of the proposed transfer, including the base rent to be paid by the proposed transferee for the term of the proposed assignment or sublease, the portion of the Premises to be transferred, a general description of any planned alterations or improvements to be made by the proposed transferee to the Premises, the effective date of the transfer, and copies of other relevant documentation concerning the proposed transfer to the extent then available.

17.2.1. Standard of Landlord's Reasonableness. It shall not be deemed unreasonable for Landlord to withhold consent to subletting or assignment by Tenant under this Lease if Landlord in its sole judgment determines that the proposed transferee (a) is of a character or is engaged in a business which is not in keeping with Landlord's standards for the Property, as determined solely by Landlord; (b) has a use which conflicts with the general character of the Property; (c) does not meet the then current commercially reasonable financial standards required by Landlord; or (d) is unacceptable because Tenant is in default beyond any applicable cure period under this Lease at the time of the request for Landlord's consent. Consent given by Landlord to any such assignment or subletting shall not operate as a waiver of the necessity for a consent to any subsequent assignment or subletting.

17.2.2. Release of Tenant. If Landlord consents to any Restricted Transfer, Tenant and any guarantor of this Lease shall thereafter be released from all liability under this Lease accruing after the date of the Restricted Transfer.

17.3. Permitted Transfers by Tenant. Notwithstanding Section 17.1, Tenant may assign this Lease or sublease the Premises in whole or in part, upon written notice to Landlord, but without the consent of Landlord to:

- (a) any entity into which or with which Tenant has merged or consolidated;
- (b) any parent, subsidiary, successor, or wholly-owned affiliated entity of Tenant;
- (c) any entity which acquires all or substantially all of the assets or issued and outstanding shares of capital stock of Tenant;
- (d) any partnership, limited liability company or other entity, the majority interest of which shall be owned by Tenant or a parent, subsidiary, successor or wholly-owned affiliate entity of Tenant;
- (e) any purchaser of substantially all of Tenant's assets located at the Premises, provided that any such assignee or successor shall agree in writing to assume and perform all of the terms and conditions of this Lease on Tenant's part to be performed from and after the effective date of such assignment or subletting; or
- (f) as a subtenant only, any doctor or medical director associated with Tenant, provided that no more than ten percent (10%) of the Premises are transferred pursuant to this Section 17.3(f).
- (g) any other party, provided that Tenant and any guarantor of this Lease agree in writing to remain liable under this Lease.

17.4. Right to Collect Base Rent. If this Lease is assigned, Landlord shall collect Base Rent directly from the assignee. If all or part of the Premises is subleased and Tenant defaults, Landlord shall have the right to collect the base rent payable by the sublessee to Tenant directly from the sublessee provided that Landlord shall apply all amounts collected to Tenant's monetary obligations under this Lease.

ARTICLE 18 - DEFAULTS AND REMEDIES

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

- (a) Tenant's failure to pay when due any Base Rent or any other monetary obligation required to be paid under this Lease if the failure continues for ten (10) days after Tenant's receipt of written notice of its failure from Landlord to Tenant;
- (b) Tenant's failure to perform any other obligation under this Lease if the failure continues for thirty (30) days after Tenant's receipt of written notice of its failure from Landlord to Tenant. If the required cure of the noticed default cannot be completed within thirty (30) days, Tenant's failure to perform shall not constitute a default under this Lease if Tenant has taken steps to cure the failure and is diligently and continuously attempting to complete the cure as soon as reasonably possible;
- (c) The entry of an order for relief with respect to Tenant or any guarantor of this Lease under any chapter of the Federal Bankruptcy Code, the dissolution or liquidation of Tenant or any guarantor of this Lease, the appointment of a trustee or receiver to take possession of all or

substantially all of Tenant's or any guarantor's assets or Tenant's interest under this Lease that is not discharged within thirty (30) days; or

- (d) The execution by Tenant or any guarantor of this Lease of an assignment for the benefit of creditors.

18.2. Landlord's Remedies on Tenant's Default. Upon the occurrence of any event of default by Tenant, Landlord shall have the following rights and remedies, each of which shall be cumulative and nonexclusive:

- (a) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord and, if Tenant fails to do so, Landlord may without prejudice to any other remedy which it may have for possession or arrearages under this Lease enter upon and take possession of the Premises and expel or remove Tenant from the Premises or any part thereof, without being liable for prosecution or any claim or damages therefore;
- (b) Recover from the following sums from Tenant:
 - (i) any unpaid rent which has been earned at the time of such termination plus accrued interest thereon at the rate ten percent (10%) per annum; plus
 - (ii) the net present value, using a discount rate of ten percent (10%), of the unpaid rent for the balance of the Lease Term less any rental loss that Tenant proves could have been reasonably avoided; plus
 - (iii) any amounts reasonably expended by Landlord to restore the Premises to the condition the Premises were in as of the Commencement Date of this Lease;
- (c) Cure any default by Tenant by making any payment required to be made by Tenant (other than payments of Rent) or performing any of Tenant's other obligations under this Lease. Tenant shall repay any sums expended by Landlord pursuant to this Section within ten (10) days of Landlord's submission to Tenant of invoices and proof of payment. In the event that Tenant fails to reimburse Landlord hereunder, interest shall accrue on such sums at the rate of eighteen percent (18%) per annum unless such interest rate violates applicable usury laws, in which case interest shall accrue at the maximum allowable legal rate. No such payment or expenditure by Landlord shall be deemed a waiver of Tenant's default nor shall it affect any other remedy of Landlord by reason of such default; and
- (d) Accept any payments made by Tenant without waiving any rights under this Lease, including any rights that Landlord has to fully address and seek remedy for Tenant's default.

18.3. Default by Landlord. Landlord's failure to perform any of its obligations under this Lease shall constitute a default by Landlord under the Lease if the failure continues for thirty (30) days after written notice of the failure from Tenant to Landlord. If the required cure of the noticed default cannot be completed within thirty (30) days, Landlord's failure to perform shall not constitute a default under this Lease if Landlord has taken steps to cure the failure within thirty (30) days and is diligently and continuously attempting to complete the cure as soon as reasonably possible.

Landlord hereby acknowledges that the infiltration of water into the Premises represents a health and safety hazard to Tenant, its employees, and its patients. Therefore, notwithstanding anything to the contrary contained in this Section 18.3, Tenant shall have the right to exercise its rights

pursuant to Section 18.4 of this Lease in the event that Tenant provides Landlord with written notice of a roof leak or other water infiltration into the Premises and Landlord fails to fully repair the same within fifteen (15) days.

18.4. Tenant's Right of Self Help. In the event of a default of this Lease by Landlord pursuant to Section 18.3, Tenant shall have the right, without waiving any claim of damages for breach of this Lease, at any time thereafter to cure such default for the account of Landlord. In exercising its self help rights pursuant to this Section 18.4, Tenant shall have the right to use contractors of its choosing. Landlord hereby grants to Tenant and Tenant's contractors a license, effective during the Lease Term, to enter those portions of the Property and Premises that are reasonably necessary for Tenant to take such action. Any reasonable amount paid or any liability reasonably incurred by Tenant in exercising its self help rights pursuant to this Section 18.4 shall be deemed paid or incurred for the account of Landlord and Landlord shall reimburse Tenant therefore within ten (10) days of Tenant's submission of invoices and proof of Tenant's payment of such invoices. In the event that Landlord fails to reimburse Tenant as provided herein, such failure shall be considered a material breach of this Lease and the following provisions shall apply:

- (i) Interest shall accrue on such unpaid amounts at the rate of eighteen percent (18%) per annum unless such interest rate violates applicable usury laws, in which case interest shall accrue at the maximum allowable legal rate; and
- (ii) Tenant may deduct the full cost incurred in curing Landlord's default and any accrued interest thereon pursuant to Section 18.4(i) of this Lease from future payments of Base Rent.

ARTICLE 19 - HOLDING OVER

19.1. Holdover Rent. If Tenant remains in possession of the Premises after the expiration or earlier termination of this Lease, Tenant's occupancy shall be deemed a month-to-month tenancy upon the same terms and conditions of this Lease except that (a) Base Rent shall be equal to One hundred ten (110%) of the Base Rent paid by Tenant to Landlord for the month in which this Lease expired or was otherwise terminated and (b) Tenant shall not have any right to extend the Lease Term.

19.2. Limitation on Tenant's Liability for Holdover. Tenant shall not be liable for any damages sustained by Landlord on account of Tenant's holdover unless Landlord provides Tenant with thirty (30) days written notice to vacate the Premises and Tenant thereafter fails to do so.

ARTICLE 20 - SURRENDER OF PREMISES

20.1. Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenant, at its sole cost and expense, shall remove all debris and rubbish from the Premises. Tenant shall quit the Premises and surrender possession thereof to Landlord in broom clean condition except for reasonable wear and tear and damage caused by acts of God, Landlord, casualties, and/or condemnation.

20.2. Removal of Tenant's Trade Fixture and Personal Property. Tenant shall remove from the Premises all movable trade fixtures and personal property of Tenant including furniture, equipment, freestanding cabinetwork, and other articles of personal property owned by Tenant. Tenant's water treatment equipment and process piping shall be considered one of Tenant's trade

fixtures for purposes of this Lease. Tenant shall repair all damage to the Premises and the Property resulting from such removal. If Tenant fails to remove any of its trade fixtures or personal property on or before the expiration or earlier termination of this Lease, Landlord, at Tenant's sole cost and expense, shall have the right to remove and store Tenant's trade fixtures and personal property in an off-site storage facility. Landlord shall not be liable for any damage caused as a result of such removal, and Tenant shall pay Landlord for its removal and storage expenses within ten (10) days of Landlord's written demand for reimbursement of such expenses.

20.3. Removal of Tenant Improvements and Alterations. Tenant shall have the right, but not the obligation, to remove Alterations installed on or in the Premises by Tenant during the Lease Term pursuant to Article 6 of this Lease. In the event that Tenant removes any Alterations pursuant to this Section 20.3, Tenant shall, at Tenant's expense, repair all damage to the Property and the Premises resulting from such removal. In the event Tenant does not remove any Alterations prior to the expiration or earlier termination of this Lease, such Tenant Alterations not so removed shall be conclusively deemed abandoned by Tenant and title thereto shall pass to Landlord without any payment or credit to Tenant.

ARTICLE 21 - ESTOPPEL CERTIFICATES

21.1. Obligation to Provide Estoppel Certificates. Within twenty-one (21) days after receipt of a written request by Landlord, Tenant shall execute and deliver a commercially reasonable estoppel certificate or other form required by any existing or prospective lender, mortgagee, or purchaser of all or part of the Property. Tenant shall be permitted to indicate in the estoppel certificate any exceptions to the statements contained therein that may exist at the time Tenant executes the certificate. Tenant shall also execute and deliver such other documents or instruments may be reasonably required for the purpose of supporting Landlord's underlying transaction.

ARTICLE 22 - SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT

22.1. Automatic Subordination of this Lease. This Lease shall at all times be subject and subordinate to the lien of any mortgages, deeds of trust, ground leases, or other encumbrances recorded now or subsequently against the Premises or the Property and all renewals, modifications, re-financings and extensions thereof (collectively, "Encumbrances"). This clause shall be self-operative, but within twenty-one (21) days after the receipt of a written request from Landlord or any Encumbrance holder, Tenant shall execute a commercially reasonable subordination agreement together with any customary additional documents evidencing the priority of the Encumbrance and the subordination of this Lease with respect to such Encumbrance. Notwithstanding the foregoing, Tenant shall not be required to execute any agreement or other documentation that materially increases Tenant's obligations during the remainder of the Lease Term or adversely alters or negates any of Tenant's rights and remedies granted under this Lease or applicable law.

22.2. Non-Disturbance and Attornment. Provided that Tenant's occupancy of the Premises is not disturbed and that the terms and conditions of this Lease are honored by the transferee of Landlord's interest in the Property, Tenant covenants and agrees to attorn to the transferee of Landlord's interest in the Property by foreclosure, deed in lieu of foreclosure, exercise of any

remedy provided in any Encumbrance or underlying lease, or operation of law, and to recognize such transferee as the new landlord under this Lease. In the event any Encumbrance holder notifies Tenant of such a transfer of Landlord's interest in the Property, Landlord agrees that Tenant shall not be liable for making payments of Base Rent or any other sums due pursuant the terms of this Lease directly to the transferee.

ARTICLE 23 - FORCE MAJEURE

23.1. Force Majeure. Except for the payment of any monies due by one party to the other under the terms and conditions of this Lease, whenever a period of time is prescribed herein for the taking of an action by Landlord or Tenant, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond the reasonable control of the performing party.

ARTICLE 24 - SIGNS

24.1. Premises Name; Landlord's Signage Rights and Obligations. Subject to Tenant's signage rights under this Article 24, Landlord may at any time change the name of the Premises and install, affix, and maintain all signs on the exterior of the Premises as Landlord may, in Landlord's sole discretion, desire. Tenant may use the name of the Premises or pictures or illustrations of the Premises in its advertising or other publicity during the Lease Term.

24.2. Tenant's Signage Rights. Tenant shall have the right, at its sole cost and expense, to erect, affix or display such signs or sign advertising its business as Tenant may consider necessary or desirable on the exterior or interior walls, doors, or windows of the Premises, and in locations on the Property and/or exterior monuments where other tenant's signs are located. In addition, Tenant shall have the right to install directional signs in the parking areas of the Property that indicate the location of the Premises. The location of all signs installed by Tenant pursuant to this Section 24.2 shall be subject to Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed.

24.3 Compliance with Laws. Notwithstanding anything contained in this Article 24 to the contrary, Tenant's signage shall be subject to all governmental and quasi-governmental consents, approvals and permits as may be necessary in order for Tenant to erect its signage. Landlord agrees to cooperate with Tenant, at no cost to Landlord, in the filing any required applications for governmental approvals for signage.

24.4. Removal of Tenant's Signs Upon Lease Termination. Tenant shall promptly and permanently remove all of its signs installed pursuant to Section 24.2 of this Lease upon the termination or earlier expiration of this Lease.

ARTICLE 25 - PARKING

25.1. Grant of Parking Rights. Landlord, at no cost to Tenant, shall provide Tenant with parking for Tenant's employees and patients in a location adjacent to the Premises. Such parking shall be provided in accordance with all applicable federal, state and local laws, ordinances and regulations. Landlord shall not be permitted to make changes to any parking spaces during the

Lease Term without Tenant's written consent, which may be granted or denied in Tenant's sole discretion.

ARTICLE 26 - BROKERS

26.1. Brokers. Landlord and Tenant each represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except for Cushman & Wakefield of Illinois, Inc. and Hiffman Shaffer Associates, Inc. d/b/a NAI Hiffman ("Broker"), whose fees shall be paid by Landlord. Landlord and Tenant hereby represent to each other that they know of no other real estate broker or agent who is entitled to a commission or finder's fee in connection with this Lease. Each party shall indemnify, protect, defend, and hold harmless the other party against all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including reasonable attorney fees) for any leasing commission, finder's fee, or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than Broker. The terms of this Article 26 shall survive the expiration or earlier termination of this Lease.

ARTICLE 27 - MISCELLANEOUS PROVISIONS

27.1. Quiet Enjoyment. Provided that Tenant performs all of its obligations under this Lease, Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or any party claiming by, through, or under Landlord.

27.2. Minimization of Interference. Landlord shall exercise its rights and perform its obligations under this Lease in such a way as to minimize any resulting interference with Tenant's use of the Premises. Tenant shall exercise its rights and perform its obligations under this Lease in such a way as to reasonably minimize any resulting interference with the operation of the Property.

27.3. Application of Payments; No Accord and Satisfaction. All payments received by either party under the terms of this Lease shall be applied to the oldest payment obligation then owed by the payor. No designation contained in a separate writing or on a check or money order shall (a) modify this clause or have any force or effect without the written consent of the other party or (b) constitute an accord and satisfaction. Each party may accept checks or payments without prejudice to its right to recover all other amounts due under this Lease and to pursue all other remedies provided for in this Lease and applicable law. In no event shall the provisions of this Section 27.3 limit, hinder or otherwise prevent Tenant from exercising any of its offset rights pursuant to the terms of this Lease.

27.4. No Waivers. No waiver of any provision of this Lease shall be implied by any failure of either party to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by a party of any provision of this Lease must be in writing, and such written waiver shall affect only the provision(s) specified and only for the time and in the manner stated in the writing.

27.5. Captions. The captions of articles and sections of this Lease are for convenience only and shall have no effect on the interpretation of the provisions of this Lease.

27.6. Time of the Essence. Time is of the essence of this Lease and each of its provisions.

27.7. Recording—Memorandum of Lease. This Lease shall not be recorded but, at the request of the other party, Landlord and Tenant shall execute, acknowledge before a notary public, and deliver a memorandum of lease. The costs of recording any memorandum of lease shall be borne by the party requesting its execution.

27.8. Authority. Landlord and Tenant each warrant and represent to each other that the individuals executing this Lease are duly authorized to execute and deliver this Lease and, once fully executed and delivered, this Lease constitutes a valid, legal and binding obligation enforceable in accordance with the terms and conditions contained herein.

27.9. Binding Effect. This Lease shall bind and benefit the parties to this Lease and their legal representatives and successors in interest.

27.10. Governing Law; Venue. This Lease shall be construed and enforced in accordance with the laws of the state in which the Property is located without regard to the conflict of law principles thereof. Any action or proceeding in respect of any claim arising out of or related to this Lease, whether in tort or contract or at law or in equity, shall be filed in the state or federal court of competent jurisdiction located geographically closest to the Premises.

27.11. Attorney Fees and Costs. If either party undertakes litigation against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorney fees and all incurred court costs.

27.12. Interpretation of Lease Provisions. Landlord and Tenant hereby acknowledge that the terms and conditions of this Lease were reached after an arms length negotiation, that both parties participated in the drafting and preparation of this Lease, and that both parties had the opportunity to seek the advice of counsel prior to the execution and delivery of this Lease. As such, Landlord and Tenant hereby agree that the rule of construction that a document be construed most strictly against the party that prepared the document shall not be applied.

27.13. Severability. If a court of competent jurisdiction holds any provision of this Lease invalid or unenforceable in whole or in part for any reason, the validity and enforceability of the remaining clauses shall not be affected.

27.14. Exhibits; Entire Agreement; Amendments. The Exhibits attached to this Lease are a part of this Lease and incorporated into this Lease by reference. This Lease and all exhibits thereto constitute the final, complete, and exclusive statement of the terms of the agreement between Landlord and Tenant pertaining to Tenant's lease of the Premises and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Lease by, and neither party is relying on, any representation or warranty outside those expressly set forth in this Lease. This Lease may be amended only by an agreement in writing signed by Landlord and Tenant.

27.15. Notices. All notices (including requests, demands, approvals, or other communications) under this Lease shall be made in writing and sent by prepaid certified mail with return receipt requested or by a nationally recognized overnight delivery service (e.g. Federal Express, DHL, United Parcel Service) with charges prepaid or charged to the sender's account and sent to the following addresses:

If to Landlord:	Central Avenue Partners, LP 6145 Wedgwood Drive Fort Worth, Texas 76133
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Attn: Richard Abrams
Dick@sryp.net
 817-850-9800
 817-732-4445 fax

If to Tenant: Fresenius Medical Care of Illinois, LLC
 At the Premises

with a copies to: Fresenius Medical Care of Illinois, LLC
 c/o Fresenius Medical Care North America
 Attention: Law Department
 920 Winter Street
 Waltham, MA 02451

All notices shall be effective on delivery if delivery is confirmed by the delivery service. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities or overnight delivery service. Either party may change its address by giving the other party notice of the change in any manner permitted by this Section 27.15.

27.16. Consents. Unless a different standard is specifically stated in the applicable section of this Lease, whenever the consent of either party is required, such consent shall not be unreasonably withheld, conditioned, or delayed.

27.17. Zoning. Landlord warrants and represents that the Premises is zoned O/R office/research and is not located within a flood plain. The parties agree that the Premises requires a zoning variance ("Variance") in order for Tenant to operate an outpatient dialysis facility at the Premises. In the event Tenant is unable to obtain a Variance for the Premises within 180 days from the full execution of this Lease, Tenant shall have the right to terminate the Lease.

27.18. Conditions, Covenants and Restrictions Affecting Title. Landlord hereby represents and warrants to Tenant that, except as provided in Exhibit C, there are no conditions, covenants and/or restrictions affecting Landlord's title to the Property that (i) conflict with any of the terms or conditions contained in this Lease or (ii) prohibit Tenant's permitted use of the Premises pursuant to Section 4.1 of this Lease. Copies of all documents that may conflict with the terms of this Lease or affect Tenant's use of the Premises, the Property or the parking areas are attached hereto as Exhibit C.

27.19. Exclusivity. Provided that Tenant is then open and operating within the Premises, and is not then in default under any of the provisions of this Lease, Landlord, its affiliates and subsidiaries shall not lease space or sell real property within a five (5) mile radius of the Property to any other tenant/ buyer for the purpose of the Permitted Use.

27.20. W-9. In connection with Tenant's payment of Base Rent, Landlord shall provide the applicable information and sign the W-9 Form attached hereto as Exhibit D.

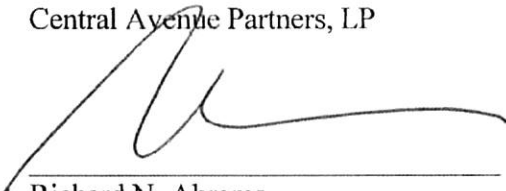
27.21. Guaranty of Lease. Fresenius Medical Care Holdings, Inc., a New York corporation, shall execute the Guaranty of Lease attached hereto as Exhibit E.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the date and year first hereinabove written.

LANDLORD:

Central Avenue Partners, LP

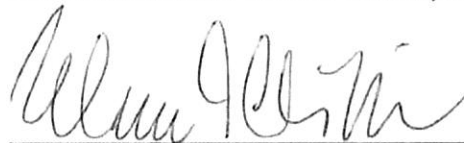


Richard N. Abrams

Title: Managing Partner

TENANT:

Fresenius Medical Care of Illinois, LLC



Name:

Title:

Maria T. C. Gillis
Assistant Treasurer

EXHIBIT A
PROPERTY AND PREMISES

EXHIBIT B**COMMENCEMENT DATE CERTIFICATE**

This Commencement Date Certificate is made as of this 15th day of December, 2011 between Central Partners, LP ("Landlord") and Fresenius Medical Care of Illinois, LLC ("Tenant").

WHEREAS, the parties entered into a lease dated December 1, 2011, (the "Lease"), attached hereto and incorporated by reference, in which Landlord leased to Tenant that certain property situated at 480 Central Avenue, Northfield, Illinois 60093, containing approximately 8,000 square feet (the "Premises").

WHEREAS, Landlord and Tenant desire to confirm the Commencement Date and certain other facts concerning the Lease.

NOW, THEREFORE in consideration of the mutual covenants herein contained and further good and valuable consideration, the parties hereto incorporate the following into the terms of their existing Lease:

1. The actual rentable square footage of the Premises is 8,000 square feet.
2. Landlord's Work was Substantially Complete according to the terms of the Lease on November 1, 2011 and the Tenant assumed possession of the Premises on such date. Other key dates are as follows:
 - (a) The Commencement Date of the Lease is January 1, 2012.
 - (b) The Rent Commencement Date is April 1, 2012 or the date Tenant commences to treat patients at the Premises, whichever occurs earlier.
 - (c) The Lease Expiration Date is December 31, 2021.
3. Except for the specific modifications to the Lease contained in this Commencement Date Certificate, all terms of the Lease shall remain unchanged, and are hereby ratified, republished and reaffirmed and are incorporated into this Agreement.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the date and year first hereinabove written.

LANDLORD:

Central Avenue Partners, LP

TENANT:

Fresenius Medical Care of Illinois, LLC

Richard N. Abrams
Title: Managing Partner

Name:
Title:

EXHIBIT C

CONDITIONS, COVENANTS & RESTRICTIONS AFFECTING TITLE

NONE

EXHIBIT D

W-9 FORM

Form W-9 (Rev. December 2011) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give Form to the requester. Do not send to the IRS.
Name (as shown on your income tax return) CENTRAL AVENUE PARTNERS, L.P.		
Business name/disregarded entity name, if different from above		
Check appropriate box for federal tax classification: ☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate ☒ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) P ☐ Exempt payee ☐ Other (see instructions) ▶		
Address (number, street, and apt. or suite no.) 6145 WEDGWOOD DRIVE City, state, and ZIP code FORT WORTH, TEXAS 76133		Requester's name and address (optional)
List account number(s) here (optional)		
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. Note. If the entity is in more than one name, see the chart on page 4 for guidelines on whose number to enter.		
Social security number 		Employer identification number 3 6 - 4 3 1 9 7 3 0
Part II Certification Under penalties of perjury, I certify that:		
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. citizen or other U.S. person (defined below).		
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.		
Sign Here	Signature of U.S. person	Date 11/30/11

EXHIBIT E

GUARANTY OF LEASE

FRESENIUS MEDICAL CARE HOLDINGS, INC. ("FMCH"), a New York corporation with principal offices located at 920 Winter Street, Waltham, MA 02451, Attn: Legal Dept., does hereby guarantee the performance of its affiliate, Fresenius Medical Care of Illinois, LLC ("FMC-IL"), a Delaware limited liability company, under a lease (the "Lease") between FMC-IL as tenant and Central Avenue Partners, LP ("Landlord") as landlord, dated ~~November~~ 15th, 2011 and attached hereto. ~~December~~

In the event of any failure on the part of FMC-IL to pay (after demand therefor) any amount due to Landlord pursuant to the Lease as amended including, but not limited to, payments of base rent, additional rent or other charges, or in the event that FMC-IL shall fail to perform (after demand therefor) a material obligation of the tenant under the Lease, then Landlord may look to FMCH for payment of any amount due or for the performance of any obligation of FMC-IL under the Lease as amended.

IN WITNESS WHEREOF FMCH has caused its duly authorized officer to execute this Guaranty of Lease as of this 15th day of ~~November~~ December, 2011.

FRESENIUS MEDICAL CARE HOLDINGS, INC.

By: 

Print Name: Maria T. C. Gillis

Title: Assistant Treasurer

FIRST AMENDMENT TO LEASE

This First Amendment to Lease (this "First Amendment") is entered into as of this 15th day of ~~NOVEMBER~~ 2012 by and between Central Avenue Partners, LP, an Illinois limited partnership ("Landlord"), and Fresenius Medical Care of Illinois, LLC, a Delaware limited liability company, d/b/a Fresenius Medical Care Northfield ("Tenant").

WHEREAS, Landlord and Tenant are parties to a certain Lease dated December 1, 2011 (the "Lease") for the premises containing approximately 8,000 rentable square feet (the "Premises") located at 480 Central Ave, Northfield, IL 60093 (the "Property"); and

WHEREAS, Landlord and Tenant desire to amend the Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and further good and valuable consideration, the parties agree as follows:

1. Notwithstanding anything to the contrary to the Lease, the Initial Term is hereby extended for an additional two (2) years so that the Lease shall terminate on March 31, 2024.
2. Effective November 1, 2012, the Base Rent table set forth in Section 3.1 of the Lease is hereby deleted and replaced with the following:

Year	Annual Base Rent	Monthly Base Rent	Cost PSF
11/1/12 – 3/31/13	\$ 194,851.40	\$ 16,237.62	\$ 24.36
4/1/13 – 3/31/14	\$ 198,951.40	\$ 16,579.28	\$ 24.87
4/1/14 – 3/31/15	\$ 203,153.90	\$ 16,929.49	\$ 25.39
4/1/15 – 3/31/16	\$ 207,461.46	\$ 17,288.46	\$ 25.93
4/1/16 – 3/31/17	\$ 211,876.71	\$ 17,656.39	\$ 26.48
4/1/17 – 3/31/18	\$ 216,402.35	\$ 18,033.53	\$ 27.05
4/1/18 – 3/31/19	\$ 221,041.12	\$ 18,420.09	\$ 27.63
4/1/19 – 3/31/20	\$ 225,795.86	\$ 18,816.32	\$ 28.22
4/1/20 – 3/31/21	\$ 230,669.48	\$ 19,222.46	\$ 28.83
4/1/21 – 3/31/22	\$ 235,664.93	\$ 19,638.74	\$ 29.46
4/1/22 – 3/31/23	\$ 240,785.27	\$ 20,065.44	\$ 30.10
4/1/23 – 3/31/24	\$ 246,033.61	\$ 20,502.80	\$ 30.75

3. Section 5.3 of the Lease is hereby deleted and replaced with the following:

"5.3. Landlord's Payment. Landlord shall pay to Tenant's contractors, subcontractors, etc. an amount not to exceed \$250,000.00 ("Landlord's Payment") in connection with the construction of the Tenant Improvements. Tenant shall submit to Landlord (a) copies of all invoices received by Tenant as part of the construction of the Tenant Improvements, (b) within 30 days after a contractor's or subcontractor's receipt of any portion of Landlord's Payment from Landlord, lien waivers and lien releases from all contractors and subcontractors

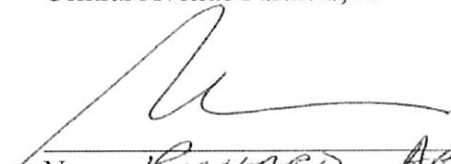
whose total value of services in connection with the construction of the Tenant Improvements exceeds Ten Thousand Dollars (\$10,000), (c) a sworn contractor's affidavit from the general contractor, (d) as-built plans of the Tenant Improvements, and (e) a Certificate of Occupancy for the Premises, which Tenant shall obtain no later March 31, 2013. Landlord shall, within twenty (20) days of Tenant's submission of the foregoing documentation, pay the requested amount of Landlord's Payment to the applicable contractor, subcontractor, etc. directly. Any charges incurred in connection with the construction of the Tenant Improvements over and above the amount of Landlord's Payment shall be borne by Tenant. Items (d) and (e) will only be submitted prior to the final pay application."

4. Except as modified herein, all terms of the Lease shall remain unchanged, and are hereby ratified, republished and reaffirmed and are incorporated into this First Amendment.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this First Amendment as of the date and year first hereinabove written.

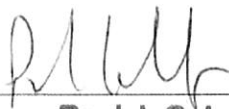
LANDLORD:

Central Avenue Partners, LP


 Name: RICHARD ABRAMS
 Title: MANAGER

TENANT:

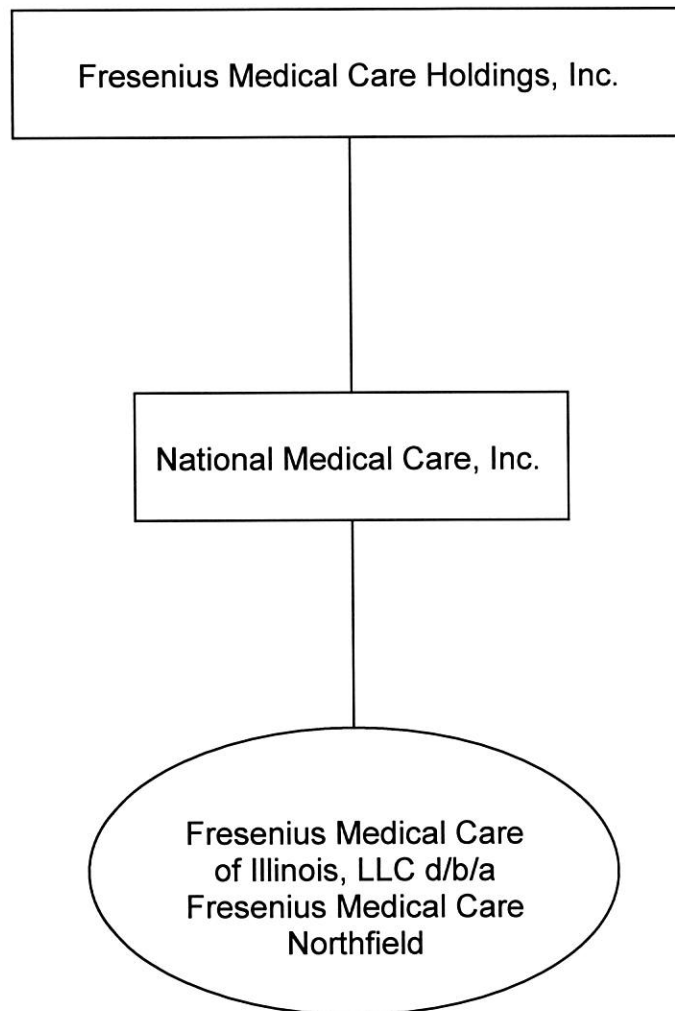
Fresenius Medical Care of Illinois, LLC


 Name: Paul J. Colantonio
 Title: Assistant Treasurer

Operating Identity/Licensee

Exact Legal Name: Fresenius Medical Care of Illinois, LLC* d/b/a Fresenius Medical Care Northfield			
Address: 480 Central Avenue, Northfield, IL 60093			
☐	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☒	Limited Liability Company	☐	Sole Proprietorship
		☐	Other
○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. ○ Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. ○ Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			

***Certificate of Good Standing at attachment 1.**



Current Fresenius CON Permits and Status

The Northfield facility does not have any outstanding CON permits. Below are those CON permits of Fresenius Medical Care that are not yet complete.

Project Number	Project Name	Project Type	Completion Date	Comment
#16-029	Fresenius Medical Care Ross Dialysis - Englewood	Relocation/Expansion	09/30/2018	Open, waiting for certification
#16-042	Fresenius Kidney Care Paris Community	Establishment	03/31/2020	Permit Renewal/Financial Commitment Extension Request Approved 10/30/18
#17-065	Fresenius Kidney Care New Lenox	Establishment	12/31/2019	Undergoing Shell construction
#18-006	Fresenius Kidney Care Madison County	Establishment	06/30/2020	Project obligated June 17, 2019 Shell bidding
#18-039	Fresenius Kidney Care Grayslake	Establishment	03/31/2021	Permitting phase
#18-045	Fresenius Kidney Care West Belmont	Expansion	2/14/2020	Permitted January 15, 2019
#19-028	Fresenius Kidney Care Metropolis	Expansion	5/31/2020	Permitted September 17, 2019
E-037-19	Fresenius Kidney Care West Metro	Change of Ownership	1/31/2020	Approved September 17, 2019

Discontinuation – General Information Requirements

- 1. Identify the category of service and the number of beds, if any, that are to be discontinued.**

Fresenius Medical Care of Illinois, LLC proposes to discontinue the Fresenius Medical Care Northfield ESRD facility consisting of 12 ESRD stations.

- 2. Identify all of the other clinical services that are to be discontinued.**

There are no other services to discontinue.

- 3. Provide the anticipated date of discontinuation for each identified service.**

The facility plans to discontinue its ESRD services by October 31, 2019.

- 4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.**

The leased space will be released back to the landlord.

- 5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.**

The facility's 4 patients have chosen to transfer to another area Fresenius facility. Their medical records will be sent to the same facility also and will be maintained according to Fresenius' record retention policies.

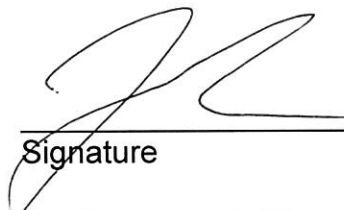
- 6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.**

Certification on following page.

Criterion 1110.290 – Discontinuation

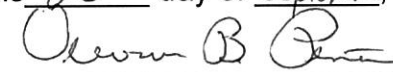
I am the General Manager at Fresenius Medical Care who oversees the Maple City facility. In accordance with 77 Il. Admin Code 1110.290, and with regards to Fresenius Medical Care Northfield, I certify the following:

All questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and the required information will be submitted no later than 90 days following the date of discontinuation.



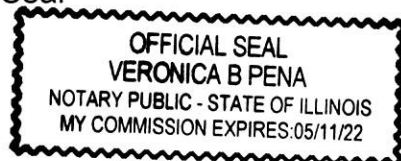
Signature
Tim Berberovich/General Manager
Name/Title

Subscribed and sworn to before me
this 20 day of September 2019



Signature of Notary

Seal



REASONS FOR DISCONTINUATION – REVIEW CRITERION

The Northfield facility has been operating at an average utilization of 9%* over the past six years. Due to this continual adversely low utilization, Fresenius Medical Care has determined that continuing to operate the facility is not economically feasible, and that continuing to operate the facility will impair its financial viability. The 4 current patients have chosen to transfer to one of the nearby Fresenius clinics within this market providing continuity of care.

There is currently an excess of 127 stations in HSA 7, which is evident in the Northfield area by the widespread under-utilization. The discontinuation of the Northfield facility will improve the distribution of services in the area.

*Per the 4th quarter HFSRB in-center hemodialysis facility patient census for 2014-2018 and June 30, 2019.

IMPACT ON ACCESS

- 1. Document whether or not the discontinuation will have an adverse effect upon access to care for residents of the facility's market area.**

The discontinuation of the Fresenius Northfield facility will not have an adverse effect upon access to care for the residents in the Northfield healthcare market/5-mile radius. Northfield is in HSA 7 and as of the September 2019 State ESRD station inventory there is an excess of 127 stations in this HSA. As well, there are 5 other ESRD facilities within the radius with an average utilization of 58%. These five clinics can accommodate another 116 patients before reaching the State target utilization of 80%.

- 2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within the planning area.**

One request for an impact statement was sent to DaVita Glenview (on following page). Any response will be forwarded to the Board. The remaining 4 clinics in the five-mile radius are Fresenius Medical Care clinics, where the 4 patients are expected to transfer to.



**FRESENIUS
KIDNEY CARE**

Fresenius Kidney Care

3500 Lacey Road, Downers Grove, IL 60515
T 630-960-6807 F 630-960-6812
Email: lori.wright@fmc-na.com

September 20, 2019

Facility Administrator
DaVita Glenview Dialysis Center
2601 Compass Road
Glenview, IL 60026

Dear Facility Administrator:

The purpose of this letter is to inform you that Fresenius Medical Care of Illinois, LLC, an affiliate of Fresenius Medical Care North America, is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue the 12-station Fresenius Medical Care Northfield dialysis facility located at 480 Central Avenue, Northfield, IL.

The estimated date that this discontinuation will occur is October 31, 2019. Over the past two years the Northfield dialysis facility has provided 2,084 in-center hemodialysis treatments to end stage renal disease (ESRD) patients. The facility's current patients have chosen to transfer to one of the area Fresenius facilities upon the discontinuation.

In keeping with the rules of the Illinois Health Facilities & Services Review Board, I am asking for a response from your facility in the form of an impact statement in regard to our proposed facility discontinuation within 15 days of receipt of this letter. Per the rules you are not required to respond, however note that no response will constitute a non-rebuttable assumption that the discontinuation will not have an adverse impact for your facility.

Thank you for your time and attention to this matter. If you have any questions or concerns, please feel free to contact me at 630-960-6807.

Sincerely,

Lori Wright
Senior CON Specialist

BACKGROUND OF APPLICANT

1. **A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.**

See clinic list on following page.

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.**

Certification on following pages.

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.**

Authorization on following pages.

Fresenius Kidney Care In-center Clinics in Illinois

Clinic	Provider #	Address	City	Zip
Aledo	14-2658	409 NW 9th Avenue	Aledo	61231
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002
Aurora	14-2515	455 Mercy Lane	Aurora	60506
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651
Belleville	14-2839	6525 W. Main Street	Belleville	62223
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406
Bolingbrook	14-2605	329 Remington	Bolingbrook	60440
Breese	14-2637	160 N. Main Street	Breese	62230
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609
Burbank	14-2641	4811 W. 77th Street	Burbank	60459
Carbondale	14-2514	1425 Main Street	Carbondale	62901
Centre West Springfield	14-2546	1112 Centre West Drive	Springfield	62704
Champaign	14-2588	1405 W. Park Street	Champaign	61801
Chatham	14-2744	333 W. 87th Street	Chicago	60620
Chicago Dialysis	14-2506	1806 W. Hubbard Street	Chicago	60622
Chicago Heights	14-2832	15 E. Independence Drive	Chicago Heights	60411
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608
Cicero	14-2754	3000 S. Cicero	Chicago	60804
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445
Decatur East	14-2603	1830 S. 44th St.	Decatur	62521
Deerfield	14-2710	405 Lake Cook Road	Deerfield	60015
Des Plaines	14-2774	1625 Oakton Place	Des Plaines	60018
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185
DuQuoin	14-2595	825 Sunset Avenue	DuQuoin	62832
East Aurora	14-2837	840 N. Farnsworth Avenue	Aurora	60505
East Peoria	14-2562	3300 North Main Street	East Peoria	61611
Elgin	14-2726	2130 Point Boulevard	Elgin	60123
Elk Grove	14-2507	901 Biesterfeld Road, Ste. 400	Elk Grove	60007
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805
Galesburg	14-8628	765 N Kellogg St, Ste 101	Galesburg	61401
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609
Geneseo	14-2592	600 North College Ave, Suite 150	Geneseo	61254
Glendale Heights	14-2617	130 E. Army Trail Road	Glendale Heights	60139
Glenview	14-2551	4248 Commercial Way	Glenview	60025
Grayslake	-	Belvidere Road	Grayslake	60030
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619
Gurnee	14-2549	101 Greenleaf	Gurnee	60031
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429
Highland Park	14-2782	1657 Old Skokie Road	Highland Park	60035
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195
Humboldt Park	14-2821	3500 W. Grand Avenue	Chicago	60651
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649
Joliet	14-2739	721 E. Jackson Street	Joliet	60432
Kewanee	14-2578	230 W. South Street	Kewanee	61443
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613
Lemont	14-2798	16177 W. 127th Street	Lemont	60439
Logan Square	14-2766	2721 N. Spalding	Chicago	60647
Lombard	14-2722	1940 Springer Drive	Lombard	60148
Macomb	14-2591	523 E. Grant Street	Macomb	61455
Madison County	-	1938 -1946 Grand Ave.	Granite City	62040
Maple City	14-2790	1225 N. Main Street	Monmouth	61462
Marquette Park	14-2566	6515 S. Western	Chicago	60636
McHenry	14-2672	4312 W. Elm St.	McHenry	60050
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960
Midway	14-2713	6201 W. 63rd Street	Chicago	60638
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448
Moline	14-2526	400 John Deere Road	Moline	61265
Mount Prospect	14-2843	1710-1790 W. Golf Road	Mount Prospect	60056
Mundelein	14-2731	1400 Townline Road	Mundelein	60060

Clinic	Provider #	Address	City	Zip
Naperbrook	14-2765	2451 S Washington	Naperville	60565
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563
New City	14-2815	4622 S. Bishop Street	Chicago	60609
New Lenox	-	Cedar Crossing Development	New Lenox	60451
Niles	14-2559	7332 N. Milwaukee Ave	Niles	60714
Normal	14-2778	1531 E. College Avenue	Normal	61761
Norridge	14-2521	4701 N. Cumberland	Norridge	60656
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630
Northcenter	14-2531	2620 W. Addison	Chicago	60618
Northfield	14-2771	480 Central Avenue	Northfield	60093
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611
Oak Forest	14-2764	5340A West 159th Street	Oak Forest	60452
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462
Oswego	14-2677	1051 Station Drive	Oswego	60543
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350
Palatine	14-2723	691 E. Dundee Road	Palatine	60074
Pekin	14-2571	3521 Veteran's Drive	Pekin	61554
Paris	-	721 E Court Street	Paris	61944
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544
Plainfield North	14-2596	24024 W. Riverwalk Court	Plainfield	60544
Polk	14-2502	557 W. Polk St.	Chicago	60607
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764
Prairie	14-2569	1717 S. Wabash	Chicago	60616
Randolph County	14-2589	102 Memorial Drive	Chester	62233
Regency Park	14-2558	124 Regency Park Dr., Suite 1	O'Fallon	62269
River Forest	14-2735	103 Forest Avenue	River Forest	60305
Rock Island	14-2703	2623 17th Street	Rock Island	61201
Rock River - Dixon	14-2645	101 W. Second Street	Dixon	61021
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008
Roseland	14-2690	135 W. 111th Street	Chicago	60628
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621
Round Lake	14-2616	401 Nippersink	Round Lake	60073
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946
Sandwich	14-2700	1310 Main Street	Sandwich	60548
Schaumburg	14-2802	815 Wise Road	Schaumburg	60193
Silvis	14-2658	880 Crosstown Avenue	Silvis	61282
Skokie	14-2618	9801 Wood Dr.	Skokie	60077
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617
South Elgin	14-2856	770 N. McLean Blvd.	South Elgin	60177
South Deering	14-2756	10559 S. Torrence Ave.	Chicago	60617
South Holland	14-2542	17225 S. Paxton	South Holland	60473
South Shore	14-2572	2420 E. 79th Street	Chicago	60649
Southside	14-2508	3134 W. 76th St.	Chicago	60652
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461
Southwestern Illinois	14-2535	7 Professional Drive	Alton	62002
Spoon River	14-2565	340 S. Avenue B	Canton	61520
Springfield East	14-2853	1800 E. Washington Street	Springfield	62703
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362
Steger	14-2725	219 E. 34th Street	Steger	60475
Streator	14-2695	2356 N. Bloomington Street	Streator	61364
Summit	14-2802	7319-7322 Archer Avenue	Summit	60501
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640
Waterloo	14-2789	624 Voris-Jost Drive	Waterloo	62298
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510
West Belmont	14-2523	4943 W. Belmont	Chicago	60641
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185
West Metro	14-2536	1044 North Mozart Street	Chicago	60622
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302
West Willow	14-2730	1444 W. Willow	Chicago	60620
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527
Woodridge	14-2845	7550 Janes Avenue	Woodridge	60517
Zion	14-2841	1920-1920 N. Sheridan Road	Zion	60099

Certification & Authorization

Fresenius Medical Care of Illinois, LLC

In accordance with Section III, A (2) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care of Illinois, LLC by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities & Services Review Board; and

In regard to section III, A (3) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: Bryan Mello
ITS: Assistant Treasurer

By: Dorothy S. Rizzo
ITS: Assistant Treasurer

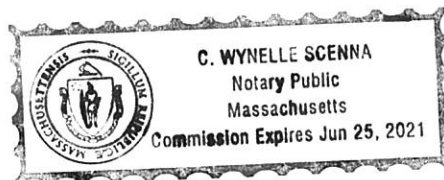
Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2019

Notarization:
Subscribed and sworn to before me
this 18 day of Sept, 2019

Signature of Notary C. Wynelle Scenna Signature of Notary

Seal

Seal



The discontinuation of Fresenius Medical Care Northfield will not have any impact on safety net services in the Northfield area of Cook County in HSA 7. Outpatient dialysis services are not typically considered "safety net" services, however, we do provide care for patients in the community who are economically challenged and/or who are undocumented who do not qualify for Medicare/Medicaid and qualify under FMCNA's Indigent Waiver policy. We assist patients who do not have insurance in enrolling when possible in Medicare, Medicaid or insurance on the Healthcare Marketplace. Also, our social services department assists patients who have issues regarding transportation and/or mobility needs with making arrangement for transport to and from the unit. Since it is anticipated that all patients are choosing to transfer to area Fresenius clinics, patients will maintain access to these services.

This application will not have an impact on any other safety net provider in the area, as no hospital within the area provides dialysis services on an outpatient basis.

Fresenius Medical Care North America is a for-profit publicly traded company and is not required to provide charity care, nor does it do so according to the CON Board's definition. However, Fresenius Kidney Care provides care to patients who do not qualify for any type of coverage for dialysis services. These patients are considered "self-pay" patients. They are billed for services rendered, and after three statement reminders the charges are evaluated to determine if criteria has been met for bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered and has not submitted the payment for same to the applicants. Fresenius notes that as a for profit entity, it does pay sales, real estate and income taxes. It also does provide community benefit by supporting various medical education activities and associations, such as the Renal Network and National Kidney Foundation.

The table below shows the amount of "self-pay" care and Medicaid services provided for the 3 fiscal years prior to submission of the application for all Fresenius Kidney Care facilities in Illinois.

CHARITY CARE (Self-Pay)			
Charity (# of patients)(Self-Pay)	2016	2017	2018
(Out-patient only)	233	280	294
Total Charity (cost in dollars)	\$3,269,127	\$4,598,897	\$5,295,686
MEDICAID			
Medicaid (# of patients)	2016	2017	2018
(Out-patient Only)	396	320	328
Medicaid (revenue)	\$7,310,484	\$4,383,383	\$6,630,014

* As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.

Note: Medicaid reported numbers are impacted by the large number of patients who switch from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2018 of our commercial patients we had 977 Medicaid Risk patients with Revenues of \$30,748,374.

Fresenius Medical Care North America - Community Care/Charity Care

Fresenius Medical Care North America is a for-profit publicly traded company and is not required to provide charity care, nor does it do so according to the CON Board's definition. However, Fresenius Kidney Care provides care to patients who do not qualify for any type of coverage for dialysis services. The following will document all the programs available to FMCNA patients to assist with any financial need for the provision of dialysis care.

Fresenius Medical Care North America (FMCNA) assists all our patients in securing and maintaining insurance coverage when possible.

Indigent Waiver Program

FMCNA has established an indigent waiver program to assist patients who are unable to obtain insurance coverage or who lack the financial resources to pay for medical services. This program is not advertised to patients, but is discussed with patients who have indicated a financial hardship and a need for Indigent Waiver consideration and have not qualified for any other available programs. In order to qualify for an indigent waiver, a patient must satisfy eligibility criteria for both annual income and net worth.

Annual Income: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have an annual income in excess of four (4) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than two (4) times the Federal Poverty Standard may qualify for a partial indigent waiver based upon a sliding scale schedule approved by the Office of Business Practices and Corporate Compliance.

Net Worth: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have a net worth in excess of an amount of thirteen (13) times the Federal Poverty Standard (or such other amount as may be established by the Office of Business Practices and Corporate Compliance based on changes in the Consumer Price Index

The Company recognizes the financial burdens associated with ESRD and wishes to ensure that patients are not denied access to medically necessary care for financial reasons. At the same time, the Company also recognizes the limitations imposed by federal law on offering "free" or "discounted" medical items or services to Medicare and other government supported patients for the purpose of inducing such patients to receive ESRD-related items and services from FMCNA. An indigent waiver excuses a patient's obligation to pay for items and services furnished by FMCNA (or excuses a portion of the charges if patient qualifies for sliding scale discount when annual income is between 5 and 13 times the Federal Poverty Guideline). Patients may have dual coverage of AKF assistance (or other insurance coverage) and an Indigent Waiver if their financial status qualifies them for multiple programs.

IL Medicaid and Undocumented patients

FMCNA has a bi-lingual Regional Insurance Coordinator who works directly with Illinois Medicaid to assist patients with Medicaid applications. An immigrant who is unable to produce proper documentation will not be eligible for Medicaid unless there is a medical emergency. ESRD is considered a medical emergency.

The Regional Insurance Coordinator will petition Medicaid if patients are denied and assist undocumented patients through the application process to get them Illinois Medicaid coverage. This role is actively involved with the Medicaid offices and attends appeals to help patients secure and maintain their Medicaid coverage for all their healthcare needs, including transportation to their appointments. Patients who are not found to qualify may apply for the Indigent Waiver Program.

FMCNA Collection policy

FMCNA's collection policy is designed to comply with federal law while not penalizing patients who are unable to pay for services.

FMCNA does not use a collection agency for patient collections unless the patient receives direct insurance payment and does not forward the payment to FMCNA.

Patient Accounts are reviewed periodically for consideration of patient liability and to determine if the account meets criteria to be written off as bad debt (uncollected revenue).

Medicare and Medicaid Eligibility

Medicare: Patients are eligible for Medicare when they meet the following criteria: age 65 or older, under age 65 with certain disabilities, and people of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant) provided they have met the government work credit requirements.

There are three insurance programs offered by Medicare, Part A for hospital coverage, Part B for medical coverage and Part D for pharmacy coverage. Most people don't have to pay a monthly premium, for Part A. This is because they or a spouse paid Medicare taxes while working. If a beneficiary doesn't get premium-free Part A, they may be able to buy it if they (or their spouse) aren't entitled to Social Security, because they didn't work or didn't pay enough Medicare taxes while working, are age 65 or older, or are disabled but no longer get free Part A because they returned to work. Part B and Part D both have monthly premiums.

Medicare does allow members to enroll in Health Plans for supplemental coverage. Supplemental coverage (secondary) is any policy that pays balances after the primary pays reducing any out of pocket expenses incurred by the member.

Medicare will pay 80% of what is allowed by a set fee schedule. The patient would be responsible for the remaining 20% not paid by Medicare. The supplemental (secondary) policy covers the cost of co-pays, deductibles and the remaining 20% of charges.

Medicaid: Low-income Illinois residents who can't afford health insurance may be eligible for Medicaid. In addition to meeting federal guidelines, individuals must also meet the state criteria to qualify for Medicaid coverage in Illinois.

Self-Pay

A self-pay patient would not have any type of insurance coverage (un-insured). They may be un-insured because they do not meet the eligibility requirements for Medicare or Medicaid and can not afford a commercial insurance policy.

In addition, a patient balance becomes self-pay after their primary insurance pays, but the patient does not have a supplemental insurance policy to cover the remaining balance. The AKF assistance referenced earlier may or may not be available to these patients, dependent on whether they meet AKF eligibility requirements.

Patients who are self-pay are eligible to apply for the Indigent Wavier Program or any other insurance assistance. Self-pay patient accounts are reviewed on a periodic basis for consideration of patient liability and to determine if the account meets the criteria to be written off to bad debt (uncollected revenue).

CHARITY CARE			
	2015	2016	2017
Net Patient Revenue	\$438,247,352	\$449,611,441	\$460,678,799
Amount of Charity Care (charges)	\$3,204,986	\$3,269,127	\$4,552,654
Cost of Charity Care	\$3,204,986	\$3,269,127	\$4,552,654

*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay. Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.



September 20, 2019

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Fresenius Medical Care Northfield

Dear Ms. Avery,

I am submitting the attached discontinuation application for consideration by the Illinois Health Facilities and Services Review Board. A filing fee of \$2,500 payable to the Illinois Department of Public Health was submitted via overnight delivery arriving September 23, 2019.

I believe this application conforms with the applicable standards and criteria of Part 1110 and 1120 of the Board's regulations. Please advise me if you require anything further to deem the enclosed application complete.

Sincerely,

Lori Wright
Senior CON Specialist