

24-040

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DEC 31 2024

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**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 Deerfield			
Street Address: 405 Lake Cook Road			
City and Zip Code: Deerfield 60015			
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 d/b/a Fresenius Medical Care of Deerfield	
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: Craig Cordola	
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**

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

- 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 [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 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:	Craig Cordola
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**

<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership		
<input checked="" type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental		
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/>	Other
o Corporations and limited liability companies must provide an <b>Illinois certificate of good standing</b> .					
o 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@freseniusmedicalcare.com
Fax Number:	630-960-6812

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

Name:	Holley Kelly
Title:	Regional Vice President
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:	holley.kelly@freseniusmedicalcare.com
Fax Number:	630-960-6812

**Post Permit Contact**

[Person to receive all correspondence after permit 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:	800-662-1237
E-mail Address:	lori.wright@freseniusmedicalcare.com
Fax Number:	630-960-6812

### Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Lake Cook Plaza, LLC

Address of Site Owner: 555 Skokie Blvd, Suite 204, Northbrook, IL 60602

Street Address or Legal Description of the Site: 405 Lake Cook Road, Deerfield, IL 60015

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 of Deerfield

Address: 920 Winter Street, Waltham, MA 02451

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

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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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>). **NOTE: A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.**

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**

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 of Deerfield, located at 405 Lake Cook Road, Deerfield, IL 60015. Deerfield is in suburban Cook County and HSA 7.

It is expected that the facility will discontinue operations on December 31, 2024, pending Board approval, but no later than March 31, 2025.

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

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Related Project Costs**

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

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

**Project Status and Completion Schedules**

<b>For facilities in which prior permits have been issued please provide the permit numbers.</b>	
Indicate the stage of the project's architectural drawings:	
<input checked="" type="checkbox"/> None or not applicable	<input type="checkbox"/> Preliminary
<input type="checkbox"/> Schematics	<input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2024</u>	
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): <b><u>Not Applicable - Discontinuation</u></b>	
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.	
<input type="checkbox"/> 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	
<input type="checkbox"/> Financial Commitment will occur after permit issuance.	
<b>APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**State Agency Submittals [Section 1130.620(c)]**

Are the following submittals up to date as applicable?
<input type="checkbox"/> Cancer Registry
<input type="checkbox"/> APORS
<input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
<input type="checkbox"/> All reports regarding outstanding permits
<b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b>

**Cost Space Requirements      Not Applicable - Discontinuation**

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 departments or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

*Not Reviewable Space [i.e., non-clinical]: means an area for the benefit of the patients, visitors, staff, or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels, gift shops, newsstands, computer systems, tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers. [20 ILCS 3960/3]*

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

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



**CERTIFICATION**

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

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

This Application is filed on the behalf of 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.

*Bryan Mello*

SIGNATURE

Bryan Mello

PRINTED NAME

VP and Assistant Treasurer

PRINTED TITLE

*Domenic Gaeta*

SIGNATURE

Domenic Gaeta

PRINTED NAME

VP and Assistant Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me this 3<sup>rd</sup> day of December

Notarization:

Subscribed and sworn to before me this \_\_\_ day of \_\_\_\_\_

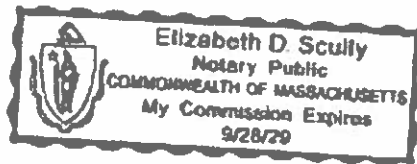
Signature of Notary

*Elizabeth D. Scully*

Signature of Notary

Seal

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:

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

This Application is filed on the behalf of Fresenius Medical Care Holdings, 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.

*Bryan Mello*

SIGNATURE

Bryan Mello

PRINTED NAME

VP and Assistant Treasurer

PRINTED TITLE

*Domenic Gaeta*

SIGNATURE

Domenic Gaeta

PRINTED NAME

VP and Assistant Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me this 3<sup>rd</sup> day of December

Notarization:

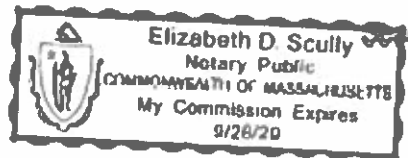
Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

Signature of Notary

*Elizabeth D. Scully*

Signature of Notary

Seal



\*Insert the EXACT legal name of the applicant

## SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility or the discontinuation of more than one category of service in a 6-month period. If the project is solely for a discontinuation of a health care facility the **Background of the Applicant(s) and Purpose of Project MUST** be addressed. **A copy of the Notices listed in Item 7 below MUST be submitted with this Application for Discontinuation <https://www.ilga.gov/legislation/ilcs/documents/002039600K8.7.htm>**

### 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 are to be discontinued.
2. Identify all 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. Provide copies of the notices that were provided to the local media that would routinely be notified about facility events.
7. **For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to filing of the application.**
8. 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 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 **geographic service 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 can 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)**

**PURPOSE OF PROJECT**

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

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

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

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

**SECTION X. 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, **including the impact on racial and health care disparities 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 each community, if reasonably known by the applicant.

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

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

**A table in the following format must be provided as part of Attachment 38.**

Safety Net information per PA 96-0031			
CHARITY CARE			
Charity (# of patients) (Self-Pay)	2021	2022	2023
Out-patient Only	162	130	132
<b>Total</b>	<b>162</b>	<b>130</b>	<b>132</b>
Charity (cost in dollars) (Self-Pay)	2021	2022	2023
	\$2,728,028	\$2,187,694	\$1,750,974
MEDICAID			
Medicaid (# of patients)	2021	2022	2023
Out-patient Only	174	232	336
<b>Total</b>	<b>174</b>	<b>232</b>	<b>336</b>
Medicaid (revenue)	2021	2022	2023
<b>Total</b>	<b>\$3,293,009</b>	<b>\$4,815,408</b>	<b>\$7,833,049</b>

\*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.**

**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.**

<b>CHARITY CARE</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Net Patient Revenue</b>	\$434,533,258	\$414,538,828	\$406,315,992
<b>Amount of Charity Care (charges)</b>	\$2,727,028	\$3,153,383	\$2,571,644
<b>Cost of Charity Care</b>	\$2,727,028	\$3,153,383	\$2,571,644
*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay balances. 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 39, 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. Below is a breakdown of the Medicaid Risk patients and revenues.

- 2021 - 1,106 patients with revenues of \$31,316,165
- 2022 – 3,310 patients with revenues of \$105,805,388
- 2023 – 3,589 patients with revenues of \$116,149,669

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

1	Applicant Identification including Certificate of Good Standing	17-18
2	Site Ownership	19-51
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	52
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	53
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	
7	Project and Sources of Funds Itemization	
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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	
	<b>Service Specific:</b>	
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	
	<b>Financial and Economic Feasibility:</b>	
33	Availability of Funds	
34	Financial Waiver	
35	Financial Viability	
36	Economic Feasibility	
37	Safety Net Impact Statement	79
38	Charity Care Information	80-81
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**Section I, Identification, General Information, and Certification**  
**Applicant/Co-Applicant Identification**

**Applicant**

Exact Legal Name:	Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care of Deerfield
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:	Craig Cordola
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**

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

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

\*Certificate of Good Standing for Fresenius Medical Care of Illinois, LLC on following page.

**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 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:	Craig Cordola
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**

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

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which 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 and does not do business in the State of Illinois. Therefore, a Certificate of Good Standing is not included.

Applicant/co-Applicant Information  
**ATTACHMENT – 1**



**To all to whom these Presents Shall Come, Greeting:**

**I, Alexi Giannoulis, 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 TRANACT 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 TRANACT 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 11TH day of NOVEMBER A.D. 2024 .**



Authentication #: 2431601328 verifiable until 11/11/2025  
Authenticate at: <https://www.ilsos.gov>

*Alexi Giannoulis*  
SECRETARY OF STATE

Certificate of Good Standing  
ATTACHMENT – 1

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

Exact Legal Name of Site Owner: Lake Cook Plaza, LLC
Address of Site Owner: 555 Skokie Blvd, Suite 204, Northbrook, IL 60602
Street Address or Legal Description of the Site: 405 Lake Cook Road, Deerfield, IL 60015 <b>Proof of ownership or control of the site is to be provided as Attachment 2.</b> <b>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.</b>

Copy of lease attached on following pages.

# LEASE AGREEMENT

BY AND BETWEEN

**LAKE COOK PLAZA, LLC,  
AN ILLINOIS LIMITED LIABILITY COMPANY**

**("LANDLORD")**

AND

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

**("TENANT")**

DATED: November 19, 2008

## LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made as of this 19<sup>th</sup> day of November, 2008 by and between Lake Cook Plaza, LLC, an Illinois limited liability company ("Landlord"), and Fresenius Medical Care of Illinois, LLC, a Delaware limited liability company, d/b/a Fresenius Medical Care Deerfield ("Tenant").

### ARTICLE 1 – PROPERTY, PREMISES

1.1. Lease of Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises containing approximately 7,500 rentable square feet (the "Premises") in a shopping center containing 124,600 rentable square feet located in the Lake Cook Plaza, 405 Lake Cook Road, Deerfield, IL 60015 (the "Property"). The Property and Premises are more particularly described and shown on Exhibit A attached hereto and made a part hereof.

1.2. Right to Use Common Areas. Tenant shall at all times have the right to the non-exclusive use of Common Areas of the Property. The Common Areas shall include, without limitation, the main lobby of the Property, common corridors and hallways, stairwells, elevators, and restrooms (collectively, "Common Areas"). The Common Areas shall be subject to the Property's rules and regulations attached hereto as Exhibit B (the "Rules and Regulations"). Landlord shall enforce the Rules and Regulations in a consistent and nondiscriminatory manner among and between all tenants of the Property, including their respective officers, agents, employees, independent contractors, and invitees.

1.3. Delivery and Condition of Premises; Landlord Work. On or before December 1, 2008 (the "Delivery Date"), Landlord shall have completed all work described and detailed on Exhibit C to this Lease ("Landlord Work") to Tenant's commercially reasonable satisfaction. Upon completion of all Landlord Work, if any, 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 Property, the Premises, the Common Areas, 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 Landlord fails to complete all Landlord Work prior to the Delivery Date, Base Rent and Additional Rent shall abate for each day Landlord fails to deliver the Premises beyond the Delivery Date.

1.4. Re-measurement & Adjustment of Rent. The parties hereby agree that within sixty (60) days following the full execution of this Lease, the Property and the Premises shall be re-measured and certified by an independent registered architect or engineer, at Landlord'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 Property and the Premises shall be documented in the Commencement Date Certificate attached hereto as Exhibit D. In the event that the rentable square footage of the Premises or the Property 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 approximately fifteen (15) years (“Initial Term”) commencing April 1, 2009(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 D attached to this Lease, in order to confirm and memorialize the Commencement Date.

2.2. Options to Extend Term. Landlord hereby grants to Tenant two (2) 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 one hundred and eighty (180) 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 AND AMORTIZATION OF LANDLORD’S PAYMENT**

3.1. Base Rent; Pro-ration for Partial Months. Commencing on the Commencement Date and during the Initial Term, Tenant shall pay to Landlord annual rent (“Base Rent”), at a minimum as follows, such amounts are subject to increase subject to Section 3.3 below, in which case the tables below will no longer be accurate and are provided herein for illustrative purposes only:

<b>Period</b>	<b>Annual Base Rent</b>	<b>Monthly Base Rent</b>
Year 1	\$142,500.00	\$11,875.00
Year 2	\$145,350.00	\$12,112.50
Year 3	\$148,257.00	\$12,354.75
Year 4	\$151,222.14	\$12,601.85
Year 5	\$154,246.58	\$12,853.88
Year 6	\$157,331.51	\$13,110.96
Year 7	\$160,478.14	\$13,373.18
Year 8	\$163,687.71	\$13,640.64
Year 9	\$166,961.46	\$13,913.46
Year 10	\$170,300.69	\$14,191.72
Year 11	\$173,706.70	\$14,475.56
Year 12	\$177,180.84	\$14,765.07

Year 13	\$180,724.46	\$15,060.37
Year 14	\$184,338.94	\$15,361.58
Year 15	\$188,025.72	\$15,668.81

in advance on or before the first day of every calendar month, without any setoff or deduction except as provided elsewhere in this Lease. Base Rent shall increase annually at the greater of 1.) two percent (2%) over the annual Base Rent which was paid during the previous twelve-month period and 2.) the percent change in the CPI Index (which change shall in no event exceed 5%), as further described in Section 3.2, over the annual Base Rent which was paid during the previous twelve-month period. Payment shall be made to Landlord at the address specified in Section 29.15 of this Lease, or at such other place that Landlord may from time to time designate in writing. The Base Rent for the first full calendar month of the Initial Term shall be paid no later than fifteen (15) days after the Commencement Date. 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.

3.1.1 Base Rent and Additional Rent Prior to the Commencement Date.

Notwithstanding anything to the contrary contained in the Lease, Tenant shall pay to Landlord, during the period of January 1, 2009 – March 31, 2009, the amount of \$9,375.00 per month, which amount shall include both Base Rent and Additional Rent for said period.

3.2. Base Rent for Option Terms. Base Rent for each Option Term shall be as follows:

**First Option Term**

<b>Period</b>	<b>Annual Base Rent</b>	<b>Monthly Base Rent</b>
Year 1	\$191,775.00	\$15,981.25
Year 2	\$195,600.00	\$16,300.00
Year 3	\$199,500.00	\$16,625.00
Year 4	\$203,550.00	\$16,962.50
Year 5	\$207,600.00	\$17,300.00

**Second Option Term**

<b>Period</b>	<b>Annual Base Rent</b>	<b>Monthly Base Rent</b>
Year 1	\$211,725.00	\$17,643.75
Year 2	\$216,000.00	\$18,000.00
Year 3	\$220,275.00	\$18,356.25
Year 4	\$224,700.00	\$18,725.00
Year 5	\$229,200.00	\$19,100.00

3.2. Annual Rent Escalation; Consumer Price Index. The Base Rent amounts shown in the tables above represent a minimum schedule of Base Rent and may not accurately reflect future Base Rent amounts. The Annual Base shall increase at the greater of 2.0% per annum, which

amounts are shown for illustrative purposes only in the tables above, and the 12-month unadjusted percent change (which change shall in no event exceed 5%), not seasonally adjusted, in the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100, as published by the Bureau of Labor Statistics. This data can currently be found on the first line of Table 7, Chained Consumer Price Index for All Urban Consumers (C-CPI-U): U.S. city average, by expenditure category and commodity and service group (the "CPI Index"). Annual rent increases shall go into effect as of January 1<sup>st</sup> of each year. Because the CPI Index is published approximately one month in arrears, and in order to provide sufficient time for Landlord and Tenant to provide notice and then make any requisite changes in their billing systems, the period of time that will be examined on an annual basis shall be from June to June, which data is typically released in the middle of July. Landlord shall on an annual basis provide Tenant with a Notice, and satisfactory evidence thereof, of the rate of increase of the CPI Index. Failure by Landlord to provide such Notice shall not relieve Tenant of its obligation to pay Base Rent or any other charges, however, if Landlord fails to provide such Notice by October 31<sup>st</sup> of any Lease year, then the annual escalation shall be deemed to be less than the rate of increase in the CPI Index and the Base Rent shall for the subsequent lease year shall be increased at the rate of 2.0% over the amount paid in the current lease year. In the event that the described statistic is no longer published, or is so modified that it is not useful for this purpose, the parties shall in good faith then agree upon an alternative measurement of the rate of inflation, such measure shall have the same characteristics as the CPI Index described above, which measurement shall then be applied and used thereafter as the Replacement CPI Index.

**3.3 Late Payment of Base Rent.** If Landlord does not receive any payment of Base Rent within five (5) days after the date that Rent is due, a late charge equal to \$150.00 will be due and payable immediately by Tenant to Landlord. In addition, all installments of rent not paid when due shall bear interest at the rate of twelve percent (12%) per annum (the "Default Rate") until fully paid by Tenant.

**3.4. Amortization of Landlord's Payment.** In consideration of Landlord's Payment, as defined in Section 7.3, during the entire Initial Term Tenant shall pay to Landlord, on a monthly basis together with its monthly Base Rent and Additional Rent as described in Article 5, the sum of \$7,500.00 (\$90,000.00 per year) (the "Amortized Landlord Payment"). If any payment of the Amortized Landlord Payment is for a period shorter than one full calendar month, then the Amortized Landlord Payment shall accrue on a daily basis, at a rate of \$246.58 (\$90,000.00 divided by 365).

#### **ARTICLE 4 - TENANT'S PROPORTIONATE SHARE**

**4.1. Tenant's Proportionate Share.** Subject to the re-measurement of the rentable square footage of the Property and the Premises pursuant to Section 1.4 of this Lease, Tenant's Proportionate Share is equal to (6.02%). If either the Premises or the Property is expanded or reduced, by more than 5%, Tenant's Proportionate Share shall be appropriately adjusted. Tenant's Proportionate Share for the calendar year in which such a change occurs shall be determined on the basis of the number of days in which each Tenant's Proportionate Share was in effect.



## ARTICLE 5 - ADDITIONAL RENT

5.1. *Additional Rent.* In addition to paying the Base Rent and the Amortized Landlord Payment specified in Article 3, Tenant shall pay Tenant's Proportionate Share of the annual Operating Expenses and Tax Expenses (as such terms are defined in Sections 5.2, 5.3, and 5.4 below) (Operating Expenses and Tax Expenses are hereby referred to collectively hereafter as "Additional Rent"). All amounts due under this Article 5 as Additional Rent are payable for the same periods and in the same manner, time, and place as the Base Rent.

5.2. *Operating Expenses.* The term Operating Expenses means all expenses, costs, and amounts that Landlord pays during any calendar year of the Lease Term because of or in connection with the ownership, operation, management, maintenance, or repair of the Property. Operating Expenses includes, but shall not be limited to, any amounts paid or incurred for:

- (a) Supplying utilities to the Common Areas including electricity, water, heat and air conditioning;
- (b) Maintenance and repair (but not replacement) of the structural components of the Property including, without limitation, foundations, structure, load bearing walls, exterior walls, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, and footings of the Property and maintenance and repair of the Common Areas including outdoor walkways and outdoor lighting systems;
- (c) Maintenance and repair (but not replacement) of the monument and/or pylon signs serving the Property;
- (d) Operating, managing, maintaining and repairing the Property's utility, mechanical, sanitary, storm drainage, escalator, and elevator systems, as well as any cost incurred in obtaining and maintaining supplies, tools and equipment used in the maintenance of such systems;
- (e) Obtaining or maintaining any licenses, certificates, permits necessary for the continuous operation of the Property;
- (f) Insurance premiums carried by Landlord for policies covering the Common Areas and the Property pursuant to Article 14, with limits of coverage in amounts reasonably determined by Landlord;
- (g) Fees, charges, and other costs including management fees (which in no event shall exceed four percent (4%) of the net Rent collected for the then current calendar year), legal fees, and accounting fees reasonably incurred by Landlord in connection with the operation, management, maintenance, and repair of the Property;
- (h) Parking area maintenance, repair, and restoration, including non-capital expenditures for resurfacing, repainting, and restriping;
- (i) Wages, salaries, and other compensation and benefits of all persons, up to and including the level of building manager, engaged in the operation, maintenance, or security of the Property including employer's Social Security taxes, unemployment taxes, insurance, and any other taxes imposed on Landlord that may be levied on those wages, salaries, and other compensation and benefits provided, however, that if any of Landlord's employees provide services for more than one building of Landlord, only the prorated portion of those employees' wages, salaries, other compensation and benefits, and taxes reflecting the percentage of their working time devoted to the Property shall be included in Operating Expenses;

- (j) Depreciation and amortization, determined in accordance with generally accepted accounting and management practices, on materials, tools, supplies, and vendor-type equipment purchased by Landlord to enable Landlord to supply services that Landlord might otherwise contract for with a third party;
- (k) Costs of maintaining and repairing all service pipes, electric, gas, and water lines, and sewer mains leading to and from the Property; painting and water sealing the Property; gardening and landscaping; traffic control; sanitary and drainage control; cleaning of the Common Areas including the removal of snow and ice (which shall be performed as needed), trash, and rubbish from the walkways and parking areas; trash storage and removal (excluding medical waste removal); and the cost of operating, maintaining, and repairing all directories located throughout the Property; and,
- l) Subject to the provisions of Section 5.3.1 of this Lease, the amortized cost of capital improvements, which cost shall not exceed the annual savings of the improvement, that are intended as a labor-saving device or to effect other economies in the maintenance or operation of, or stability of services to, all or part of the Property.

5.3. Exclusions from Operating Expenses. Notwithstanding the foregoing, Operating Expenses shall not include:

- (a) Expenses paid for or reimbursed directly by Tenant, other tenants, and/or third parties, including insurers;
- (b) Expenses incurred in connection with the financing, sale or acquisition of the Property including points, fees and other costs imposed on Landlord by Landlord's lender, closing costs, and depreciation, interest, or amortization of mortgages or ground lease payments;
- (c) Except as provided in Section 9.3 of this Lease, expenses incurred in procuring other tenants and retaining current tenants including, without limitation, the costs of obtaining any permits and licenses (including building permits), leasing and/or real estate brokers' commissions, advertising expenses, attorneys' fees, and the costs of renovating, improving, altering, decorating and painting other tenant's premises;
- (d) Legal expenses and other professional fees incurred in defending Landlord's title to the Property or in negotiating, enforcing, or resolving disputes with other tenants or, except as provided for in Section 29.11 of this Lease, Tenant;
- (e) Interest or penalties resulting from Landlord's late payment of any Operating Expenses or Tax Expenses;
- (f) Expenses incurred by Landlord that are associated with the operation of Landlord's business, including the costs of partnership or corporate accounting and legal matters; defending or prosecuting any lawsuit with any mortgagee, lender, ground landlord, broker, tenant, occupant, or prospective tenant or occupant; the sale or syndication of any portion of Landlord's interest in the Property; and expenses incurred as a result of any dispute between Landlord and Landlord's property manager;
- (g) Landlord's general corporate or partnership overhead and general administrative expenses, including wages, salaries and other compensation paid to management personnel or any employee of Landlord above the grade of Property manager who are not primarily engaged in the operation, maintenance, and repair of the Property;
- (h) Expenses, fines, penalties and interest, as well as the cost of repairs, replacements, alterations, or improvements incurred by Landlord due to a violation of any valid and

applicable building code, regulation or law ("Code") (including but not limited to sprinkler installation or requirements under the Americans with Disabilities Act of 1990 (42 USC §§12101-12213), however, only to the extent such Code was in effect at Lease Commencement;

- (i) Expenses, including legal fees, resulting from the treatment, removal or remediation of Hazardous Materials (as defined in Section 11.1 of this Lease), pursuant to the terms of Article 11 of this Lease, that was not placed on the Property by Tenant, inclusive of its employees, agents, contractors, and invitees ;
- (j) Expenses incurred for repairs or replacements covered, and paid for by, warranties;
- (k) Expenses incurred due to the negligence or willful misconduct of Landlord or Landlord's employees, agents, or contractors;
- (l) Net income, franchise, capital stock, estate or inheritance taxes or taxes which are the personal obligation of Landlord or another tenant;
- (m) Landlord's charitable or political contributions;
- (n) Payments to subsidiaries and affiliates of Landlord for services, supplies or other materials that exceed the cost that Landlord would have paid had the services, supplies or materials been provided by unaffiliated parties on a competitive basis;
- (o) Advertising and promotional expenditures for any purpose;
- (p) Expenses incurred for the initial construction or reconstruction of the Property, and any modification, alteration, or repair of any portion of the Property due to faulty construction or latent defects in that construction;
- (q) Assessments and special assessments that result from deed restrictions, declarations, owners' association agreements, declarations, by-laws, or other rules that accrue against the Property; such does not include assessments and special assessments which are permitted under Section 5.4; and,
- (r) Expenses incurred by Landlord for use of any portion of the Property to accommodate special events such as shows, promotions, filming, displays, photography, private events, or parties, ceremonies, and advertising.

5.3.1. Capital Expenditures. Expenses incurred by Landlord that are considered to be capital improvements or capital replacements but that are not intended as a labor saving device pursuant to this Section 5.3.1 or under generally accepted accounting and management practices shall not be included in Operating Expenses. Notwithstanding the foregoing, Landlord may charge as an Operating Expense any capital expenditures: a.) intended to reduce Operating Expenses or affect economies in the operation, maintenance, or repair of the Property, or b.) that are required under any Code enacted after Lease Commencement, provided that in either instance Landlord shall provide Tenant with (i) an estimate of the amount of reduction in Operating Expenses anticipated as a result of that capital improvement or replacement, (ii) an estimate of the cost of the capital improvement and Tenant's Proportionate Share of the annual amortization charge of that capital expenditure, and (iii) reasonably sufficient information to support those estimates. All capital improvements or capital replacement expenditures included in Operating Expenses shall be amortized over Landlord's commercially reasonable determination of the useful life of that capital improvement or replacement in accordance with Generally Accepted Accounting Principles.

5.4 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) that are paid or incurred by Landlord 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 new and increased 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.

5.4.1. Excluded Taxes. Notwithstanding the provisions of Section 5.4, 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.

5.4.2. Adjustment of Taxes. Tenant shall pay Tenant's Proportionate Share of any supplemental or additional assessment received by Landlord within thirty (30) days of the date that Landlord provides Tenant with written notice of the same and a copy of all documentation evidencing such supplemental or additional assessment. This provision shall survive the expiration or earlier termination of this Lease.

5.5. Payment of Estimated Operating Expenses and Tax Expenses. On or before December 31<sup>st</sup> of each year during the Lease Term, Landlord shall provide Tenant with a statement detailing Landlord's reasonable estimate of the Operating Expenses and Tax Expenses for the upcoming calendar year (the "Estimated Statement") and a calculation showing the Landlord's estimate of Tenant's Proportionate Share of such expenses. Tenant shall pay to Landlord, one-twelfth (1/12) of Tenant's Proportionate Share of Landlord's estimate of Operating Expenses and Tax Expenses each month together with Tenant's payment of Base Rent and Amortized Landlord Payment.

5.6. Annual Reconciliation of Operating Expenses and Tax Expenses. On or before April 15<sup>th</sup> of each year, Landlord shall provide Tenant with a statement showing the actual Operating Expenses and Tax Expenses for the previous calendar year (the "Actual Expenses Statement"). Landlord shall indicate on Actual Expenses Statement whether there is a shortfall or overpayment by Tenant in its payment of Operating Expenses and/or Tax Expenses for the prior calendar year. If a shortfall exists, Tenant shall pay, within thirty (30) days of receipt of the Actual Expenses Statement, the full amount of that shortfall. If an excess exists, Landlord shall refund the full amount of such excess to Tenant within thirty (30) days. No interest shall accrue on any shortfall or overpayment by Tenant of the estimated Operating Expenses and Tax Expenses. Should Landlord fail to reimburse Tenant hereunder, Tenant shall have the right to offset Base Rent and Additional Rent.

5.7. Landlord's Books and Records; Tenant's Audit Rights. Upon written notice to Landlord, Tenant and/or its authorized representatives may examine, inspect, audit, and copy the records of Landlord concerning Operating Expenses and Tax Expenses for the two (2) prior calendar years of the Lease Term at Landlord's office during normal business hours. If Tenant's audit reveals that Landlord overstated the actual Operating Expenses and/or Tax Expenses for any calendar year, Tenant shall submit a written claim to Landlord ("Tenant's Audit Claim") that shall describe in detail how the Operating Expenses and/or Tax Expenses have been overstated. If Tenant's audit reveals that Tenant's share of the Operating Expenses and Tax Expenses taken as a whole were overstated by at least three thousand dollars (\$3,000.00), Landlord shall pay for Tenant's reasonable costs of conducting the audit. Otherwise, Tenant shall pay its own costs.

5.7.1. Resolution of Tenant's Audit. If Landlord agrees with Tenant's Audit Claim, Landlord shall reimburse Tenant for Tenant's overpayment or Tenant shall pay Landlord for any shortfall, within thirty (30) days. If Landlord disputes the results of Tenant's audit, the parties shall agree on a certified public accounting firm to conduct its own independent audit of the Operating Expenses and Tax Expenses for the calendar year or years in question. The parties shall cooperate with such accounting firm so that it can make a determination as to the validity of Tenant's Audit Claim. The determination of the accounting firm shall be given to the parties with sixty (60) days and shall be final and binding upon the parties. Upon the conclusion of the accounting firm's audit, all amounts owed by Landlord to Tenant or by Tenant to Landlord, as the case may be, shall be made within ten (10) days. The parties shall share the costs of retaining the accounting firm equally. Should Landlord fail to reimburse Tenant hereunder, Tenant shall have the right to offset Base Rent and Additional Rent.

5.7.2. Confidentiality. Tenant shall keep any information gained from the inspection of Landlord's records, books, and general ledger confidential and shall not disclose any information contained therein to any other party, except as required by law. If requested by Landlord, Tenant shall require those employees or agents inspecting Landlord's records, books, and general ledger to sign a confidentiality agreement prior to their inspection and review of the same.

5.8. Time Limitation to Bill Tenant for Operating Expenses and Tax Expenses. In no event shall Tenant be required to pay Tenant's Proportionate Share of any Operating Expenses or Tax Expenses that Landlord failed to bill Tenant for and that accrued more than two (2) years prior to the date that Tenant is notified by Landlord of such expenses. In addition, Landlord may not seek reimbursement from Tenant due to an adjustment in Operating Expenses or Tax Expenses more than two (2) years after furnishing an Actual Expenses Statement to Tenant.

## **ARTICLE 6 - USE AND COMPLIANCE WITH LAWS**

6.1. 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 Landlord's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Tenant shall not conduct any activity in the Premises that are excessively noisy or 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.

6.2. 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 its Tenant Improvements (as defined in Article 7), Alterations (as defined in Article 8), 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 Property. Landlord, at Landlord's sole expense, shall promptly make all repairs, replacements, alterations, or improvements, retrofitting, or remediation needed to comply with all Laws if such Laws were in effect prior to the Commencement Date, and to the extent that such Laws apply to the Property as a whole, or any of its structural components or mechanical or electrical systems.

6.3. Compliance with Property Rules and Regulations. Tenant shall comply in all material respects with the Property's Rules and Regulations attached to this Lease as Exhibit B and any reasonable amendments or additions promulgated by Landlord during the Lease Term for the safety, care, and cleanliness of the Premises and Property or for the preservation of good order. No amendment or addition to the Property's Rules and Regulations shall be binding on Tenant until the tenth (10<sup>th</sup>) business day after Tenant receives written notice of the change, and in no event shall the Property's Rules and Regulations take precedence over the specific terms and conditions of this Lease. Landlord shall enforce the Property's Rules and Regulations in a nondiscriminatory manner and, whenever necessary, shall use its authority under leases with other tenants to ensure that such other tenants of the Property also comply with the Property's Rules and Regulations.

## ARTICLE 7 -TENANT IMPROVEMENTS

7.1. 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.

7.1.1. Flooring. Landlord hereby recognizes that Tenant plans to install flooring within the Premises as part of the Tenant Improvements, that such flooring is critical to the proper day to day operation of Tenant's business, and that proper functioning of such flooring requires that vapor emissions from the concrete floor slab cannot exceed three (3) pounds per one thousand (1,000) square feet every twenty-four (24) hours (the "Flooring Threshold"). Landlord hereby grants Tenant permission to test for such vapors, at Tenant's sole cost and expense. If Tenant's testing reveals that the vapor emissions of the slab exceeds the Flooring Threshold, Landlord shall, at its sole cost and expense, have thirty (30) days to seal or otherwise prepare the floor so

that the concrete floor slab meets the requirements of the Flooring Threshold. Tenant's payment of Base Rent, Additional Rent and all other sums that may become due pursuant to this Lease shall be abated during the period that Landlord is sealing or otherwise preparing the floor to meet the Flooring Threshold. In the event that the Flooring Threshold is not met after Landlord performs such work, Tenant shall have the right to either exercise its rights under Section 20.4.

**7.2. 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. During construction of the Tenant Improvements, Tenant shall use reasonable efforts not to disturb other tenants in the Property. 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 7.2 shall be delivered to Landlord. Subject to the terms of Article 10 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.

**7.3. Landlord's Payment.** Landlord shall pay to Tenant's general contractor an amount not to exceed \$900,000.00 ("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) 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. Landlord shall, within thirty (30) days of Tenant's submission of the foregoing documentation, pay the requested amount of Landlord's Payment to the general contractor 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. Progress payments, which amounts shall exclude 10% for retainage, will be made by Landlord to Tenant's general contractor within 30 days of submission of items (a), (b) and (c) described above. Final payment and release of the retention amount will be made after all items (a - e) listed above have been submitted to Landlord. Additionally, any and all payments made by Landlord to the general contractor, shall be made only after written authorization from Tenant.

**7.3.1. Failure to Provide Landlord's Payment.** The failure of Landlord to pay Landlord's Payment pursuant to the terms of this Article 7 shall be deemed a material breach of this Lease and Tenant may deduct the full amount of the unpaid portion of Landlord's Payment, and any interest accrued thereon, from Tenant's monthly payments of Base Rent and Additional Rent.

## ARTICLE 8 - ALTERATIONS

**8.1. General.** Tenant may remodel the Premises during the Lease Term in accordance with the terms and conditions of Section 8.2 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 subject to applicable municipal codes. 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.

8.2. Prohibited Alterations; Landlord's Consent Required. Notwithstanding anything contained in Section 8.1, Tenant shall not be permitted to make any alteration or modification to the Premises after the Commencement Date which either (a) costs more than Seventy Five Thousand Dollars (\$75,000) in each instance or (b) affects the structural, electrical, mechanical or life safety systems of the Property, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. The Alterations for which Landlord may reasonably withhold consent include those that would:

- (a) Adversely impact the structural integrity of the Property or any of its mechanical and electrical systems;
- (b) Result in Landlord being required to perform any work pursuant to any Law that Landlord could otherwise avoid or defer, unless Tenant agrees in writing to pay for the entire cost of the of such additional work;
- (c) Result in a material increase in the demand for utilities or services that Landlord is required to provide, unless Tenant agrees in writing to pay for the additional cost of such utilities; or
- (d) Cause an increase in the premiums for hazard or liability insurance carried by Landlord, unless Tenant agrees in writing to pay the amount of the increase in such premiums.

8.2.1. Consent Procedure. Tenant shall request Landlord's consent by submitting the plans and specifications for its proposed Alterations to Landlord, and Landlord shall have twenty (20) days thereafter to review such plans and specifications. If Landlord fails to give or withhold its consent in writing to Tenant within such twenty (20) day period, Landlord shall be deemed to have given its consent to Tenant's proposed Alterations.

8.3. 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.

8.4. 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 Tenant Improvements. 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 or through the Property, including the Common Areas. 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.

8.5. 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 10 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.

## ARTICLE 9 - REPAIRS AND MAINTENANCE

9.1. Tenant's Repair and Maintenance Obligations. During the Lease Term, Tenant shall at its sole cost and expense keep and maintain in good order and repair and free of refuse and rubbish the non-structural portions of the interior of the Premises, including without limitation, all Tenant Improvements and Alterations, the maintenance, replacement and repair of the storefront doors and windows, window casements, glazing, interior walls and ceiling.

9.2. Landlord's Repair and Maintenance Obligations. During the Lease Term, Landlord shall, without expense to Tenant, except as otherwise provided in Section 5.2, maintain and make all necessary capital repairs and/or replacements to the Common Areas of the Property, and to the exterior portions and structural portions of the Premises and Property, including, without limitation: foundations, structure, load bearing walls, exterior walls, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, and footings, but excluding those portions of the Premises described above in Section 9.1.

9.3. Limitations on Repair and Maintenance Obligations and Defaults. All of the foregoing in this Article 9 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 9 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 10 - COVENANT AGAINST LIENS

10.1. 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 the Tenant Improvements or 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 10.1 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 11 - ENTRY BY LANDLORD

11.1. 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 ninety (90) 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 11 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.

11.1.1. 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 11.1.1, 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.

11.2. 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 11, except for an emergency entry into the Premises taken pursuant to Section 11.1.1 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.

11.3. 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 12 - HVAC, UTILITIES AND SERVICES

12.1. HVAC. Tenant shall install the heating and air conditioning equipment to service the Premises ("HVAC") on a 24-hour-a-day, 7-day-a-week basis at an industry accepted temperature and at an air flow required by any applicable building codes or per Tenant's specifications. Tenant shall be fully responsible for repairing, replacing, and maintaining all portions of its HVAC system. 12.2. Utilities and Services. Landlord shall ensure that hot and cold water, electricity, gas, sewer, and other standard utility services for a first class commercial shopping

center are provided to the Premises on all days during the Lease Term on a 24-hour-a-day, 7-day-a-week basis. Landlord shall also be solely responsible for and pay for the separate metering of the Premises. Tenant, at its sole cost and expense, shall be responsible for bringing telephone service and cable or satellite television service to the Premises.

12.3. 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. Should Landlord elect to supply any or all of such utilities, Tenant agrees to purchase and pay for the same that (a) the rate charged by Landlord to Tenant shall not exceed the rate charged Landlord by any supplying utility plus any expenses incurred by Landlord in connection with billing and supplying such utility service to Tenant and (b) Tenant shall not be required to pay for any utility charges that Landlord fails to notify or bill Tenant of after two (2) years. In addition, Landlord may not seek reimbursement from Tenant due to an adjustment in utility costs or charges that are more than two (2) years old.

12.4. 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 and Additional 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 13 - TAXES

13.1. Payment of Tax Expenses. Landlord shall pay before due all Tax Expenses assessed against the Property. In the event that Landlord fails to pay Tax Expenses assessed against the Property prior to their due date, Tenant may make such payment on behalf of Landlord directly to the applicable authorities and thereafter deduct such amounts from future payments of Base Rent and Additional Rent. In addition, if Tenant becomes aware that the Property is being sold at a tax sale due to Landlord's delinquent payment of Tax Expenses, Tenant may pay the delinquent Tax Expenses in order to prevent such sale and thereafter deduct the following amounts from future payments of Base Rent and Additional Rent: an amount equal to the Tax Expenses and any interest or penalties thereon, all reasonable charges (including reasonable attorneys fees) incurred by Tenant in preventing such sale; and interest on all of the foregoing at the rate of 10% per annum.

13.2. 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. If any taxes for which Tenant is liable are levied or assessed against Landlord or Landlord's property and Landlord elects to pay the same, or if the assessed value of Landlord's property is increased by the inclusion of Tenant's personal property, furniture or fixtures, then Tenant shall pay to Landlord the portion of such taxes for which Tenant is primarily liable hereunder.

## ARTICLE 14 – INSURANCE

14.1. 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 Property is located in a flood hazard area) insuring, on a replacement cost basis, Tenant's furniture, equipment and personal property located therein, Tenant Improvements and Alterations that Tenant is responsible for.
- (b) Comprehensive general liability or public liability insurance with limits not less than \$3,000,000 combined single limit per occurrence and in the aggregate, including coverage for bodily injury and property damage to third parties, and naming Landlord and Landlord's Property manager as additional insureds with respect to claims arising out of Tenant's use and occupancy of the Premises.
- (c) Insurance agreed to in this Section 14.1 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. Tenant shall, upon written request, provide the Landlord with a certificate of insurance evidencing the existence and amounts of such insurance required herein.

14.2. 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 Property is located in a flood hazard area) insuring, on a replacement cost basis, the Property (including the common areas and the Premises).
- (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.
- (c) 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.

14.3. 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.

14.4. Damages from Certain Causes. To the extent not expressly prohibited by law, Landlord shall not be liable to Tenant or Tenant's employees, contractors, agents, invitees or customers, for any injury to person or damage to property sustained by Tenant or any such party or any other person claiming through Tenant resulting from any accident or occurrence in the Premises

or any other portion of the Property caused by the Premises or any other portion of the Property becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or by broken glass, or by the backing up of drains, or by gas, water, steam, electricity, or oil leaking, escaping or flowing into the Premises (except where due to Landlord's negligence or willful misconduct).

## ARTICLE 15 - HAZARDOUS MATERIALS; MEDICAL WASTE

15.1. 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 Property, 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;

15.2. 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.

15.3. 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 15.1 of this Lease.

15.4. 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.

15.5. 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. The costs of any Hazardous Material cleanup or remediation undertaken by Landlord during the Lease Term shall be borne solely by Landlord and shall not be included in Operating Expenses. If Landlord undertakes any cleanup, remediation, detoxification, or similar action pursuant to this Section 15.5 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 and Additional Rent payable under this Lease shall be abated for the period that Tenant is unable to conduct its business in the Premises.

15.6. 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.

15.7. 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 at the Property or Premises. Notwithstanding anything to the contrary contained in this Lease or any exhibit to this Lease, Tenant shall, at its sole cost and expense, at all times during the Lease Term and in a manner consistent with applicable law, (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. Tenant shall, at its sole expense and with attorneys reasonably acceptable to Landlord, indemnify, defend, and hold harmless Landlord and its shareholders, directors, officers, employees, partners, affiliates, agents, and successors with respect to all losses arising out of or resulting from the release of any Medical

Waste in, on, under or about the Property or the Premises by Tenant or any of its employees, agents, contractors or invitees, or the violation of any law relating to the handling or disposal of any medical waste by Tenant or any of its employees, agents, 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 reasonable 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.

#### ARTICLE 16 - INDEMNIFICATIONS

16.1. 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 Tenant Improvements and 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.

16.2. 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 17 - DAMAGE AND DESTRUCTION

17.1. Partial Damage or Destruction. If no more than twenty-five percent (25%) of the Property, Premises, parking areas or Common 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, parking areas and Common Areas to substantially the same condition as they were in immediately before the destruction within two hundred and forty (240) days after the date of such partial destruction. Base Rent and Additional 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, parking areas or Common Areas, as the case may be, within the two hundred and forty (240) 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 20.4 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.

**17.2. Complete Damage or Destruction.** If twenty-five percent (25%) or more of the Property, Premises, parking areas or Common 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; provided however, or in the event Landlord's mortgagee should require that the insurance proceeds payable as a result of a casualty be applied to the payment of the mortgage debt or in the event of any material uninsured loss to the Property, Landlord may, at its option, terminate this Lease by notifying Tenant in writing of such termination within ninety (90) days after the date of such casualty. In addition, 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 seventy (270) days from the date of the casualty;
- (b) Base Rent and Additional 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 17. 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.

**17.3. Damage Near End of Term.** Notwithstanding any other provision of this Article 17 to the contrary, if any portion of the Property, Premises, Common Areas 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.

**17.4. Effective Date of Termination; Rent Apportionment.** If Landlord or Tenant elects to terminate this under this Article 17 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 18 - CONDEMNATION**

**18.1. Condemnation.** If any portion of the Premises (provided that the portion so taken renders the Premises wholly unusable, and in the event of a partial taking, the Rent shall be reduced proportionately) or more than 50% of 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, 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.

18.2. Apportionment of Base Rent. If this Lease is terminated under this Article 18, 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 19 - ASSIGNMENT AND SUBLEASING

19.1. Restricted Transfers. Except as provided in Section 19.2 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.

19.1.1. 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 or any provision in another tenant's lease with Landlord; (c) does not meet the then current commercially reasonable financial standards required by Landlord; or (d) is unacceptable because Tenant is in default 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.

19.1.2. 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.

19.2. Permitted Transfers. Notwithstanding Section 19.1, 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 (hereinafter, collectively, referred to "Permitted Transfer"):

- (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) [sublease 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 19.2(f).

19.2.1. No Release of Tenant. Neither Tenant nor any guarantor of this Lease shall be released from liability accruing under this Lease after the date of any Permitted Transfer.

19.3. Right to Collect Base Rent, the Amortized Landlord Payment and Additional Rent. If this Lease is assigned, Landlord shall collect Base Rent, the Amortized Landlord Payment and Additional Rent directly from the assignee. If all or part of the Premises is subleased and Tenant defaults, Landlord shall have the right to collect all 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 20 - DEFAULTS AND REMEDIES**

20.1. 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, Amortized Landlord Payment, Additional 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 provided that Landlord shall not be required to provide such written notice for the third (or any additional) time in any twelve month period that any payment is not paid when due;
- (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) Abandonment of the Premises by Tenant without Landlord's prior written consent for a period exceeding ninety (90) consecutive days;
- (d) 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
- (e) The execution by Tenant or any guarantor of this Lease of an assignment for the benefit of creditors.

20.2. *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 therefor;
- (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 of eighteen percent (18%) per annum; plus
  - (ii) the net present value, using a discount rate of seven percent (7%), 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;
- (d) Terminate the right of Tenant to possession of the Premises without terminating this Lease by giving notice to Tenant that Tenant's right to possession shall end on the date stated in such notice, whereupon the right of Tenant to possession of the Premises or any part thereof shall cease on the date stated in such notice. In such event, Tenant shall surrender possession and vacate the Premises and immediately deliver possession thereof to Landlord, and Landlord may re-enter and take complete and peaceful possession of the Premises, with process of law, and Landlord may remove all occupants and property therefrom, using such force as may be necessary to the extent allowed by law, without being deemed guilty in any manner of trespass, eviction or forcible entry and detainer and without relinquishing Landlord's right to Rent or any other right given to Landlord hereunder or by operation of law. Such termination of possession shall not release Tenant, in whole or in part, from Tenant's obligation to pay any Rent hereunder for the full Lease Term, and Landlord shall have the right, from time to time, to recover from Tenant, and Tenant shall remain liable for, all Rent accruing as it becomes due under this Lease during the period from the date of such notice of termination of possession to the stated end of the Lease Term; and
- (e) 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. No act or omission by Landlord or its employees or agents during the Lease Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such a surrender shall

be valid unless in writing and signed by Landlord.

20.3. Default by Landlord. Landlord's failure to perform any 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 20.3, Tenant shall have the right to exercise its rights pursuant to Section 20.4 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 five (5) business days.

20.4. Tenant's Right of Self Help. In the event of a default of this Lease by Landlord pursuant to Section 20.3, 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 20.4, Tenant shall have the right to use reputable 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 20.4 shall be deemed paid or incurred for the account of Landlord and Landlord shall reimburse Tenant therefore within fifteen (15) 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 20.4(i) of this Lease from future payments of Base Rent and Additional Rent.

20.5. Waiver of Trial By Jury. TENANT WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LAWSUIT BROUGHT BY LANDLORD TO RECOVER POSSESSION OF THE PREMISES FOLLOWING LANDLORD'S TERMINATION OF THIS LEASE OR THE RIGHT OF TENANT TO POSSESSION OF THE PREMISES PURSUANT TO THE TERMS OF THIS LEASE AND ON ANY CLAIM FOR DELINQUENT RENT WHICH LANDLORD MAY JOIN IN ITS LAWSUIT TO RECOVER POSSESSION.

## ARTICLE 21 - HOLDING OVER

21.1. Holdover Rent. If Tenant remains in possession of the Premises after the expiration or earlier termination of this Lease, Tenant's occupancy shall be that of a month-to-month tenancy.

Tenant shall, throughout the entire holdover period, be subject to all the terms and provisions of this Lease, except that (a) Base Rent shall be equal to one hundred fifty percent (200%) of the Base Rent due to Landlord for the month in which this Lease expired or was otherwise terminated (on a per month basis without reduction for any partial months during any such holdover), and (b) Tenant shall not have any right to extend the Lease Term. No holding over by Tenant or payments of money by Tenant to Landlord after the expiration of the Lease Term shall be construed to extend the Lease Term or prevent Landlord from recovery of immediate possession of the Premises by summary proceedings or otherwise. Tenant shall also be liable to Landlord for all direct and consequential damages which Landlord may suffer by reason of any holding over by Tenant.

21.2. 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 22 - SURRENDER OF PREMISES

22.1. 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.

22.2. 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.

22.3. Removal of Tenant Improvements and Alterations. Tenant shall have the right, but not the obligation, to remove Tenant Improvements and Alterations installed on or in the Premises by Tenant during the Lease Term pursuant to Articles 7 and 8 of this Lease. In the event that Tenant removes any Tenant Improvements and/or Alterations pursuant to this Section 22.3, Tenant shall, at Tenant's expense, repair all damage to the Premises and the Property resulting from such removal. In the event Tenant does not remove any Tenant Improvements and/or Alterations prior to the expiration or earlier termination of this Lease, such Tenant Improvements and 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 23 - ESTOPPEL CERTIFICATES

23.1. Obligation to Provide Estoppel Certificates. Within fifteen (15) business 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 24 - SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT

24.1. 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) business 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.

24.2. 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, Additional Rent, and any other sums due pursuant the terms of this Lease directly to the transferee.

24.3. Modifications of Lease Required by Landlord's Lender. If any institutional lender of Landlord requests a modification of this Lease, Tenant shall endeavor in good faith to agree to that modification and to prepare and execute an amendment to this Lease so long as (a) Base Rent, Additional Rent, and any other amounts required to be paid under this Lease are not changed, (b) the time for and manner of payments under this Lease are not changed, (c) the Lease Term (including any Option Terms and the times governing Tenant's exercise of any options) is not changed, (d) Tenant's possession of the Premises and rights to possession and use of other parts of the Property are not changed, (e) Landlord's obligations to Tenant under this Lease are not reduced, (f) Tenant's obligations to Landlord under this Lease are not increased, and (g) the proposed modification does not materially or adversely change the other rights and obligations of Tenant under this Lease or applicable law. As a condition of Tenant's obligation to execute an amendment, Landlord shall reimburse Tenant for its costs, including reasonable

attorney fees that are incurred in connection with the review, negotiation, and preparation of the amendment.

## ARTICLE 25 - FORCE MAJEURE

25.1. Force Majeure. Except for the payment of any monies due by one party to the other under the terms and conditions of this Lease, and except for vacation of the Premises by Tenant when required hereunder, 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 26 - SIGNS

26.1. Property Name: Landlord's Signage Rights and Obligations. Subject to Tenant's signage rights under this Article 26, Landlord may at any time change the name of the Property and install, affix, and maintain all signs on the exterior and interior of the Property as Landlord may, in Landlord's sole discretion, desire. Tenant may use the name of the Property or pictures or illustrations of the Property in its advertising or other publicity during the Lease Term. Landlord shall, at its sole cost and expense, install Tenant's name and suite number on all directories located on the Property.

26.2. 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 Common Areas of the Property that indicate the location of the Premises. The location of all signs installed by Tenant pursuant to this Section 26.2 shall be subject to Landlord's consent, and municipal codes and regulations, which shall not be unreasonably withheld, conditioned or delayed.

26.3. Compliance with Laws. Notwithstanding anything contained in this Article 26 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.

26.4. Removal of Tenant's Signs Upon Lease Termination. Tenant shall promptly and permanently remove all of its signs installed pursuant to Section 26.2 of this Lease upon the termination or earlier expiration of this Lease.

## ARTICLE 27 - PARKING

27.1. Grant of Parking Rights. Landlord, at no cost to Tenant, shall provide Tenant with sufficient 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.

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## ARTICLE 28 - BROKERS

28.1. 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 Loren Guzik, Cushman & Wakefield ("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 28 shall survive the expiration or earlier termination of this Lease.

## ARTICLE 29 - MISCELLANEOUS PROVISIONS

29.1. 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.

29.2. 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.

29.3. 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 29.3 limit, hinder or otherwise prevent Tenant from exercising any of its offset rights pursuant to the terms of this Lease.

29.4. 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.

29.5. 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.

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

29.7. 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.





Mason, Wenk & Berman, L.L.C.  
1033 Skokie Boulevard, Suite 250  
Northbrook, IL 60062

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

with a copy 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 29.15.

29.16. 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.

29.17. Zoning. Landlord warrants and represents that: a.) Premises is zoned for Tenant's Permitted Use and b.) the Premises is not located within a Flood Plain.

29.18. Conditions, Covenants and Restrictions Affecting Title. Landlord hereby represents and warrants to Tenant that, except as provided in Exhibit E, 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 6.1 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, the parking areas or the Common Areas are attached hereto as Exhibit E.

29.19. 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 to any other tenant/ buyer for the purpose of the Permitted Use.

29.20. 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 F.

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

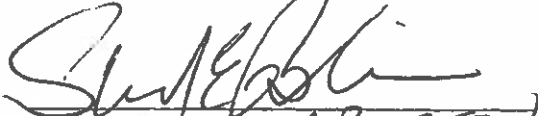
**SIGNATURE PAGE TO FOLLOW**

Site Owner - Lease  
ATTACHMENT - 2

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


**LANDLORD:**

Lake Cook Plaza, LLC

  
Name: SHERWOOD BLITSTEIN  
Title: Manager

**TENANT:**

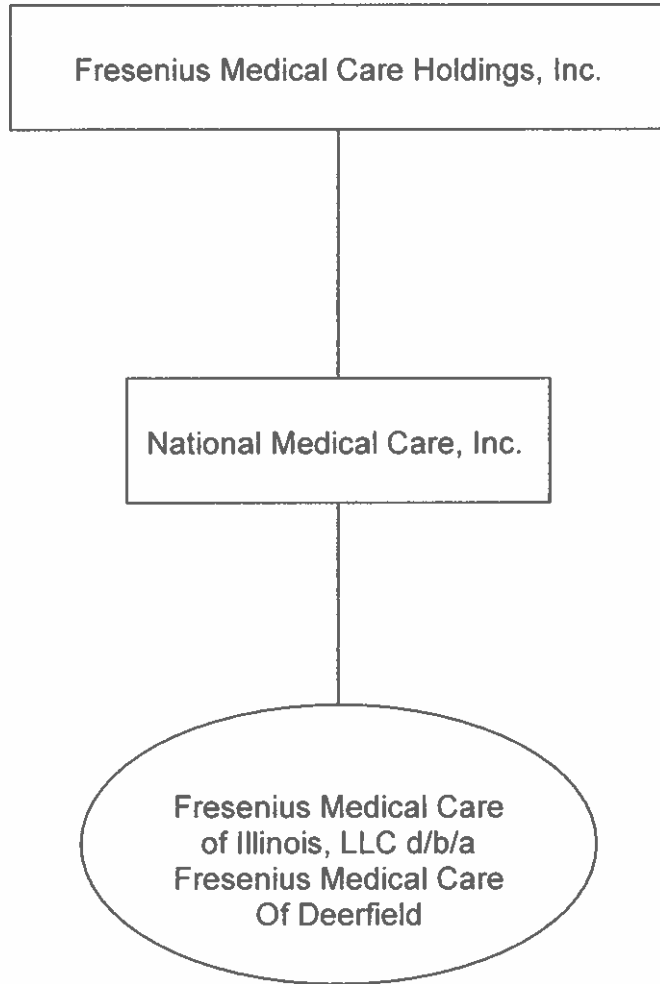
Fresenius Medical Care of Illinois, LLC

  
Name:  
Title: Marc Lieberman  
Asst. Treasurer

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

Exact Legal Name: Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care of Deerfield			
Address: 920 Winter Street, Waltham, MA 02451			
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"><li>○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>○ 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.</li><li>○ <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>			

**\*Certificate of Good Standing at Attachment – 1.**



**Section I, Identification, General Information, and Certification**  
**Current Projects**

The applicant currently has no active applications submitted to or permitted by the HFSRB.

**Section II, Discontinuation**  
**Criterion 1110.290(a), 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 of Deerfield ESRD facility located at 405 Lake Cook Road, Deerfield, consisting of 12 ESRD stations.
- 2. Identify all of the other clinical services that are to be discontinued.**  
There are no other services to be discontinued.
- 3. Provide the anticipated date of discontinuation for the entire facility.**  
The facility expects to discontinue its ESRD services on December 31, 2024, pending Board approval.
- 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 upon facility closure. Facility equipment will be removed by the applicant and used at other Fresenius Medical Care facilities.
- 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 medical records of the facility's recently active patients will be sent to the facility at which such individuals elect to receive dialysis treatments following the discontinuation of services. Any other medical records will be sent to a contracted medical records storage facility. All records will be maintained according to Fresenius Medical Care record retention policies.
- 6. Provide copies of the notices that were provided to the local media that would routinely be notified about facility events.**  
Proof of notification published in the local media located at Attachment 10.
- 7. For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to filing of the application.**  
Discontinuation notification letters were sent to all required local and State officials. Letters and delivery receipts are located at Attachment 10.
- 8. 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 is located at Attachment 10.

# CHICAGO SUN★TIMES

## Certificate of Publication

**On Behalf of:**

FRESENIUS KIDNEY CARE  
Discontinue its Hemodialysis Treatment Center

Customer No: 106517  
Ad No: 3025  
Amount: \$100.00  
PO Number: Discontinue its Hemodialysis Treatment Center

Chicago, IL – In accordance with the requirements of the Illinois Health Facilities and Services Review Board (“HFSRB”) notice is given that the Fresenius Medical Care of Deerfield dialysis facility, located at 405 Lake Cook Road, Deerfield, Illinois, proposes to discontinue its hemodialysis treatment center on December 31, 2024, subject to and after approval by HFSRB. Submission of the application to HFSRB to discontinue the facility is expected by November 6, 2024, and information about the proposed discontinuation may be found on the HFSRB website at [/www2.illinois.gov/sites/hfsrb/Pages/default.aspx](http://www2.illinois.gov/sites/hfsrb/Pages/default.aspx)  
11/9/2024 #3025

FRESENIUS KIDNEY CARE  
3500 LACEY ROAD SUITE 900  
DOWNERS GROVE, IL 60515

### ATTESTATION OF PUBLIC LEGAL NOTICE

STATE OF ILLINOIS, COUNTY OF COOK

Chicago Sun-Times does hereby certify it has published the attached advertisements in the following secular newspapers. All newspapers meet Illinois Compiled Statute requirements for publication of Notices per Chapter 715 ILCS 5/0.01 et seq. R.S. 1874, P728 Sec 1, EFF. July 1, 1874. Amended by Laws 1950, P1404, EFF. July 17, 1950. Formerly Ill. Rev. Stat. 1991, CH100, P1.

As published in Chicago Sun Times in the issue(s) of:

11/9/2024

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed by



Robin Munoz  
Manager | Recruitment  
& Legals

Date: 11/9/2024



### **Criterion 1110.290(a), 7 Official Notifications**

The notification letters displayed on the following pages were sent via certified mail to the following recipients:

- John Kniery, Administrator of the Illinois Health Facilities and Services Review Board
- Elizabeth M. Whitehorn, Director, Illinois Department of Public Healthcare and Family Services
- Sameer Vohra, M.D., J.D., M.A., Director, Illinois Department of Public Health
- Deerfield Mayor Daniel Shapiro
- Illinois State Senator Julie Morrison
- Illinois State Representative Bob Morgan



November 6, 2024

Via Certified Mail

John Kniery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

**Re: Fresenius Medical Care of Deerfield**

Dear Mr. Kniery:

On behalf of Fresenius Medical Care, I am writing to inform you that we intend to file a Certificate of Need application with the Illinois Health Facilities and Services Review Board (HFSRB) seeking approval to permanently discontinue the Fresenius Medical Care Deerfield dialysis facility, located at 405 Lake Cook Road, Deerfield.

The Deerfield 12-station dialysis facility has been at its current location for 15 years. In this time, it has been operating at an average of 35% capacity. Currently there are only 20 patients who dialyze at the facility resulting in a 28% utilization rate. Given the facility's continued low utilization, excess capacity at area Fresenius Medical Care facilities, and an excess of 79 stations in HSA 7, the decision was made to concurrently transfer the facility's patients and staff to nearby facilities of their choice.

Current Deerfield facility patients will easily be accommodated at any of the nearby Fresenius Medical Care facilities, or any facility of their choice, assuring access to care will be maintained. Patients will continue to have access to dialysis home therapies training as well.

We anticipate the facility will close, pending HFSRB approval, no later than December 31, 2024. Fresenius Medical Care remains committed to kidney disease initiatives in Illinois.

If you have any questions or concerns, please contact me at 912-429-6697.

Sincerely,

Holley Kelly, MSN  
Regional Vice President, Chicago Region



Holley Kelly, MSN  
Fresenius Kidney Care  
3500 Lacey Road, Suite 900  
Downers Grove, IL 60515  
912-429-6697  
Holley.kelly@freseniusmedicalcare.com

November 6, 2024

Via Certified Mail

Elizabeth M. Whitehorn, Director  
Illinois Dept. of Healthcare and Family Services  
Prescott Bloom Building  
201 South Grand Avenue, East  
Springfield, IL 62763

**Re: Fresenius Medical Care of Deerfield**

Dear Director Whitehorn,

I am writing to inform you that Fresenius Medical Care intends to file a Certificate of Need application with the Illinois Health Facilities and Services Review Board (HFSRB) seeking approval to permanently discontinue the Fresenius Medical Care of Deerfield dialysis facility located 405 Lake Cook Road, Deerfield, Illinois.

The Deerfield 12-station dialysis facility has been at its current location for 15 years. In this time, it has been operating at an average of 35% capacity, far below the HFSRB's target rate of 80%. As of November 6, 2024, there are only 20 patients who dialyze at the facility resulting in a 28% utilization rate. Current Deerfield facility patients will easily be accommodated at the 20-station Fresenius Medical Care Highland Park facility, which is just 5 minutes away and operating at only 36% utilization.

Given the facility's continued low utilization, excess capacity at area Fresenius Medical Care facilities, and a HFSRB determined excess of 79 ESRD stations in Health Service Area 7, the decision was made to concurrently transfer the facility's patients and staff to nearby Fresenius Medical Care facilities, or to any facility of their choice, assuring access to care will be maintained. Patients will continue to have access to dialysis home therapies training as well. We anticipate the facility will close, pending HFSRB approval, no later than December 31, 2024. Fresenius Medical Care remains committed to kidney disease initiatives in Illinois.

If you have any questions or concerns, please contact me at 912-429-6697.

Sincerely,

Holley Kelly, MSN



November 6, 2024

Via Certified Mail

Sameer Vohra, M.D., J.D., M.A.  
Director - Illinois Department of Public Health  
525 W. Jefferson Street  
Springfield, IL 62761

**Re: Fresenius Medical Care of Deerfield**

Dear Dr. Vohra,

I am writing to inform you that Fresenius Medical Care intends to file a Certificate of Need application with the Illinois Health Facilities and Services Review Board (HFSRB) seeking approval to permanently discontinue the Fresenius Medical Care of Deerfield dialysis facility located 405 Lake Cook Road, Deerfield, Illinois.

The Deerfield 12-station dialysis facility has been at its current location for 15 years. In this time, it has been operating at an average of 35% capacity, far below the HFSRB's target rate of 80%. As of November 6, 2024, there are only 20 patients who dialyze at the facility resulting in a 28% utilization rate. Current Deerfield facility patients will easily be accommodated at the 20-station Fresenius Medical Care Highland Park facility, which is just 5 minutes away and operating at only 36% utilization.

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If you have any questions or concerns, please contact me at 912-429-6697.

Sincerely,

Holley Kelly, MSN  
Regional Vice President, Chicago Region



November 6, 2024

Via Certified Mail

Mayor Daniel Shapiro  
Village of Deerfield  
850 Waukegan Road, 2<sup>nd</sup> Floor  
Deerfield, IL 60015

**Re: Fresenius Medical Care of Deerfield**

Dear Mayor Shapiro,

I am writing to inform you that Fresenius Medical Care intends to file a Certificate of Need application with the Illinois Health Facilities and Services Review Board (HFSRB) seeking approval to permanently discontinue the Fresenius Medical Care of Deerfield dialysis facility located 405 Lake Cook Road, Deerfield, Illinois.

The Deerfield 12-station dialysis facility has been at its current location for 15 years. In this time, it has been operating at an average of 35% capacity, far below the HFSRB's target rate of 80%. As of November 6, 2024, there are only 20 patients who dialyze at the facility resulting in a 28% utilization rate. Current Deerfield facility patients will easily be accommodated at the 20-station Fresenius Medical Care Highland Park facility, which is just 5 minutes away and operating at only 36% utilization.

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If you have any questions or concerns, please contact me at 912-429-6697.

Sincerely,

Holley Kelly, MSN  
Regional Vice President, Chicago Region



November 6, 2024

Via Certified Mail

Senator Julie Morrison  
Illinois State Senate, District 29  
400 Lake Cook Road, Suite 100B  
Deerfield, IL 60015

**Re: Fresenius Medical Care of Deerfield**

Dear Senator Morrison,

I am writing to inform you that Fresenius Medical Care intends to file a Certificate of Need application with the Illinois Health Facilities and Services Review Board (HFSRB) seeking approval to permanently discontinue the Fresenius Medical Care of Deerfield dialysis facility located 405 Lake Cook Road, Deerfield, Illinois.

The Deerfield 12-station dialysis facility has been at its current location for 15 years. In this time, it has been operating at an average of 35% capacity, far below the HFSRB's target rate of 80%. As of November 6, 2024, there are only 20 patients who dialyze at the facility resulting in a 28% utilization rate. Current Deerfield facility patients will easily be accommodated at the 20-station Fresenius Medical Care Highland Park facility, which is just 5 minutes away and operating at only 36% utilization.

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If you have any questions or concerns, please contact me at 912-429-6697.

Sincerely,

Holley Kelly, MSN  
Regional Vice President, Chicago Region

November 6, 2024

Via Certified Mail

Representative Bob Morgan  
Illinois State Representative, District 58  
425 Sheridan Road  
Highwood, IL 60040

**Re: Fresenius Medical Care of Deerfield**

Dear Representative Morgan,

I am writing to inform you that Fresenius Medical Care intends to file a Certificate of Need application with the Illinois Health Facilities and Services Review Board (HFSRB) seeking approval to permanently discontinue the Fresenius Medical Care of Deerfield dialysis facility located 405 Lake Cook Road, Deerfield, Illinois.

The Deerfield 12-station dialysis facility has been at its current location for 15 years. In this time, it has been operating at an average of 35% capacity, far below the HFSRB's target rate of 80%. As of November 6, 2024, there are only 20 patients who dialyze at the facility resulting in a 28% utilization rate. Current Deerfield facility patients will easily be accommodated at the 20-station Fresenius Medical Care Highland Park facility, which is just 5 minutes away and operating at only 36% utilization.

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If you have any questions or concerns, please contact me at 912-429-6697.

Sincerely,



Holley Kelly, MSN  
Regional Vice President, Chicago Region

7020 2450 0001 0274 5364

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Extra Services & Fees (check box, add fee appropriate)

<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.73

Total Postage and Fees \$5.58

11/06/2024

John Knieri  
Health Facilities & Services Review Board  
525 W. Jefferson St., 2<sup>nd</sup> Floor  
Springfield, IL 62761

7020 2450 0001 0274 5371

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Postage \$0.73

Total Postage and Fees \$5.58

11/06/2024

Mayor Daniel Shapiro  
Village of Deerfield  
850 Waukegan Rd., 2<sup>nd</sup> Floor  
Deerfield, IL 60015

7020 2450 0001 0274 5366

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Postage \$0.73

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11/06/2024

Senator Julie Morrison  
IL State Senate, District 29  
400 Lake Cook Road, Suite 100B  
Deerfield, IL 60015

7020 2450 0001 0274 0451

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Total Postage and Fees \$5.58

11/06/2024

Representative Bob Morgan  
Illinois State Representative, District 58  
425 Sheridan Road  
Highwood, IL 60040

7020 2450 0001 0274 0475

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Postage \$0.73

Total Postage and Fees \$5.58

11/06/2024

Director Sameer Vohra, MD  
IL Dept. of Public Health  
122 S. Michigan Ave., 7<sup>th</sup> and 20<sup>th</sup> Fl  
Chicago, IL 60603

7020 2450 0001 0274 0468

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Extra Services & Fees (check box, add fee appropriate)

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Postage \$0.73


Total Postage and Fees \$5.58


11/06/2024


Director Elizabeth M. Whitehorn  
IL Dept. of Healthcare & Family Services  
Prescott Bloom Building  
201 S. Grand Avenue, East  
Springfield, IL 62763

Discontinuation –USPS Certified Mail Receipt  
ATTACHMENT 10



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Signature <input type="checkbox"/> Agent  <input type="checkbox"/> Addressed</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery  <u>Jodi Clark</u> <u>11-13-24</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to</p> <p>Director Elizabeth M. Whitehorn          II Dept. of Healthcare &amp; Family Services          Prescott Bloom Building          201 S. Grand Avenue, East          Springfield, IL 62763</p>  <p>9590 9402 6302 0274 0485 29</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)  <b>7020 2450 0001 0274 0465</b></p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-8053 Domestic Return Receipt</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Signature <input type="checkbox"/> Agent  <input type="checkbox"/> Addressed</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery  <u>John Knierly</u> <u>11-13-24</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to</p> <p>John Knierly          IL Health Facilities &amp; Services Review Board          525 W. Jefferson St., 2<sup>nd</sup> Floor          Springfield, IL 62761</p>  <p>9590 9402 6302 0274 0485 67</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)  <b>7020 2450 0001 0274 5364</b></p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-8053 Domestic Return Receipt</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Signature <input type="checkbox"/> Agent  <input type="checkbox"/> Addressed</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery  <u>Karen Lopez</u> <u>11/8/24</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to</p> <p>Mayor Daniel Shapiro          Village of Deerfield          850 Waukegan Rd., 2<sup>nd</sup> Floor          Deerfield, IL 60015</p>  <p>9590 9402 6302 0274 0485 50</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)  <b>7020 2450 0001 0274 5371</b></p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-8063 Domestic Return Receipt</p>	

Discontinuation – Certified Mail Proof of Delivery  
**ATTACHMENT 10**

**SENDER COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Representative Bob Morgan  
 Illinois State Representative, District 58  
 425 Sheridan Road  
 Highwood, IL 60040



9590 9402 6302 0274 0485 36

2. Article Number (Transfer from service label)

7020 2450 0001 0274 0451

PS Form 3811, July 2020 PSN 7530-02-000-8053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Michael Carter*  Agent  Addressee

B. Received by (Printed Name)

Michael Carter

C. Date of Delivery

11/8/24

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

**SENDER COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Senator Julie Morrison  
 IL State Senate, District 29  
 400 Lake Cook Road, Suite 100B  
 Deerfield, IL 60015



9590 9402 6302 0274 0485 43

2. Article Number (Transfer from service label)

7020 2450 0001 0274 5388

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Senator Julie Morrison*  Agent  Addressee

B. Received by (Printed Name)

Julie Morrison

C. Date of Delivery

11-8-24

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Discontinuation – Certified Mail Proof of Delivery  
ATTACHMENT 10



November 21, 2024

Debra Savage  
Chair  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Re: Fresenius Medical Care of Deerfield Discontinuation

Dear Chair Savage:

In accordance with 77 Ill. Admin Code 1110.290(a)(6) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby certify that all questionnaires and data required by the Health Facilities & Services Review Board or the Illinois Department of Public Health (IDPH) (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 60 days following the date of discontinuation.

Sincerely,

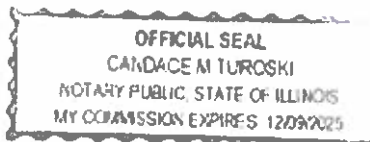
Holley Kelly  
Regional Vice President

Notarization:

Subscribed and sworn to before me  
this 21st day of Nov, 2024

Signature of Notary

Seal



## Section II, Discontinuation

### Criterion 1110.290(b) Reasons for Discontinuation

Fresenius Medical Care of Deerfield, a 12-station dialysis facility, has been at its current location, in HSA 7, for 15 years. During this time, it has been operating at an average of 35% capacity, far below the Health Facilities and Services Review Board (HFSRB) target rate of 80%. As of December 4, 2024, there were no patients receiving dialysis services at the facility. All but one patient chose to transfer to Fresenius Medical Care Highland Park in Lake County and HSA 8, closer to their place of residence. The Highland Park 20-station facility was operating at 36% utilization and was able to accommodate these patients. The remaining patient chose to transfer to a nearby non-Fresenius Medical Care provider.

Given the facility's historic low utilization, excess capacity at area Fresenius Medical Care facilities in the area, and a HFSRB determined excess of 79 ESRD stations in Health Service Area 7, the decision was made to concurrently transfer the facility's patients and staff to nearby Fresenius Medical Care facilities, or to any facility of their choice, assuring access to care will be maintained. Patients will continue to have access to dialysis home therapies training as well. We anticipate the facility will close, pending HFSRB approval, no later than December 31, 2024. Fresenius Medical Care remains committed to kidney disease initiatives in Illinois.

**Section II, Discontinuation**  
**Criterion 1110.290(c), 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 Deerfield dialysis facility in Cook County will not have an adverse effect upon access to dialysis services in the Deerfield area of HSA 7, which is located on the border of Lake County and HSA 8. There are only two other facilities in the 5-mile geographic service area operating at a combined average utilization rate of 60%. As of the October 2024 State ESRD station inventory, there is an excess of 10 stations in neighboring HSA 8 and 79 excess stations in HSA 7, which consists of suburban Cook County. Fresenius Medical Care North America and/or its affiliates, operate 31 dialysis clinics in Health Service Area 7. As of September 30, 2024, they were operating at a combined average utilization rate of 56%, far below the HFSRB's target rate of 80%. All but one patient receiving treatment at the Deerfield facility chose to transfer to Fresenius Medical Care Highland Park, closer to their place of residence. This will assist in ensuring continued access to dialysis treatments, including home dialysis therapies. The remaining patient chose to transfer to a nearby non-Fresenius Medical Care provider.

- 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.**

A request for an impact statement was sent to DaVita Glen Dialysis in Glenview, the only non-Fresenius Medical Care dialysis provider in the 5-mile geographic service area. Any response received will be forwarded to the Board Staff. The impact request letter along with confirmation of shipment are included in the following pages.



December 5, 2024

Facility Administrator  
DaVita Glen Dialysis  
2601 Compass Road, Ste 145  
Glenview, IL 60026

Dear Facility Administrator:

The purpose of this letter is to inform you that Fresenius Medical Care is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board ("HFSRB") to permanently close its Deerfield 20-station dialysis center located at 405 Lake Cook Road, Deerfield. This notification is required by the Illinois Health Facilities and Services Review Board because your facility is within the 5-mile geographic service area of our Deerfield facility.

The estimated date that this closure will occur is December 31, 2024, pending HFSRB approval. Over the past two calendar years (2023 & 2024) the Deerfield facility provided 6,833 dialysis treatments to 61 end stage renal disease (ESRD) patients. Arrangements have been made for all 20 current patients to transfer to an area Fresenius Medical Care in-center facility, home therapies training facility, or to any other provider facility of their choosing. We do not expect that there will be any adverse impact to care for patients in this market area, nor to any other area dialysis providers because area Fresenius Medical Care clinics have sufficient capacity to accommodate all 20 patients.

In keeping with the rules of the Illinois Health Facilities & Services Review Board, I am asking for a response from you in the form of an impact statement regarding our proposed project as it relates to your facility. Any response should be received 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 facilities.

Thank you for your time and attention to this matter. If you have any questions or concerns, please feel free to contact me at [lori.wright@freseniusmedicalcare.com](mailto:lori.wright@freseniusmedicalcare.com).

Sincerely,

Lori Wright  
Senior CON Specialist

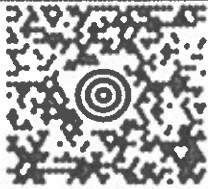
/// Thrive On

LORILYN WRIGHT  
630-960-6807  
FRESNIUSKIDNEYCARE.DOWNERSGRO  
3500 LACEY RD  
DOWNERS GROVE IL 60515

LTR

1 OF 1

**SHIP TO:**  
FACILITY ADMINISTRATOR  
(833) 460-3105  
DAVITA GLEN DIALYSIS  
SUITE 145  
2601 COMPASS ROAD  
**GLENVIEW IL 60026-8089**



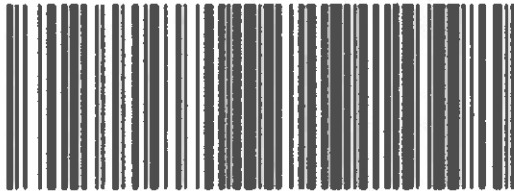
**IL 600 9-04**



**UPS NEXT DAY AIR SAVER**

**1P**

TRACKING #: 1Z E3E 145 13 9015 8994



BILLING: P/P

Cost Center (8 digit): 92240120



Discontinuation - Impact Statement Proof of Shipment  
ATTACHMENT 10

# Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

**Tracking Number**  
1ZE3E1451390158994

**Service**  
UPS Next Day Air Saver®

**Delivered On**  
12/06/2024 9:35 A.M.

**Delivered To**  
2601 COMPASS RD  
145  
GLENVIEW, IL, 60026, US

**Shipped / Billed On**  
12/05/2024

**Received By**  
eddy  


**Left At**  
Front Desk

**Reference Number(s)**  
92240120

Please print for your records as photo and details are only available for a limited time.

Sincerely,

UPS

Tracking results provided by UPS: 12/17/2024 3:49 PM. EST



**Section III, Background and Purpose of the Project**  
**Criterion 1110.110(a), Background of the Applicant**

1. A listing of all health care facilities owned or operated by Fresenius Medical Care North America, and/or one of its affiliates, in Illinois is at Attachment 11.
2. Certification that no adverse action has been taken against either of the Applicants or against any health care clinics owned or operated by the Applicants in Illinois within the three years preceding the filing of this application is at Attachment 11.
3. Authorization permitting the Illinois Health Facilities and Services Review Board and IDPH access to any documents necessary to verify information submitted, including but not limited to official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations is at Attachment 11.

**Section III. Background, Purpose of the project, and Information Requirements  
Criterion 1110.110(a) – Background of the Applicant - #1 Clinic List**

Fresenius Kidney Care In-center Clinics in Illinois				
Clinic	Provider #	Address	City	Zip
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
Beverly Ridge	14-2827	9924 S. Vincennes	Chicago	60643
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406
Bolingbrook	14-2605	329 Remington	Boilingbrook	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	8710 S. Holland Road	Chicago	60620
Chicago Dialysis	14-2506	1806 W. Hubbard Street	Chicago	60622
Chicago Heights	14-2832	15 E. Independence Drive	Chicago Heights	60411
Chicago Skyway	14-2516	1453 E. 75th St.	Chicago	60619
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608
Cicero	14-2754	3000 S. Cicero	Chicago	60804
Crestwood	14-2538	4815 Midlothian Turnpike	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	14-2823	8901 S. Kedzie Avenue	Evergreen Park	60805
Galesburg	14-2579	725 N. Seminary	Galesburg	61401
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609
Glendale Heights	14-2617	130 E. Army Trail Road	Glendale Heights	60139
Glenview	14-2551	4248 Commercial Way	Glenview	60025
Grayslake	14-2880	1837 Victor Drive	Grayslake	60030
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619
Gurnee	14-2549	50 Tower Court, Suite B	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	3520 Grand Avenue	Chicago	60651
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	210 E. Calhoun	Macomb	61455
Madison County	14-2870	1946 Grand Ave.	Granite City	62040
Marquette Park	14-2566	6535 S. Western Avenue	Chicago	60636
McHenry	14-2672	4312 W. Elm St.	McHenry	60050
McLean Co	14-2563	2205 E. Empire St.	Bloomington	61704
Melrose Park	14-2554	6 N. 9th Avenue	Melrose Park	60160
Memionette Park	14-2667	11630 S. Kedzie Ave.	Memionette 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 W. Golf Road	Mount Prospect	60056
Mundelein	14-2731	1400 Townline Road	Mundelein	60060

Background of Applicant – Clinic List  
**ATTACHMENT 11**

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	4616 S. Bishop Street	Chicago	60609
New Lenox	14-2868	662 Cedar Crossing Drive	New Lenox	60451
Niles	14-2559	7332 N. Milwaukee Ave	Niles	60714
Normal	14-2778	1531 E. College Avenue	Normal	61761
Northridge	14-2521	4701 N. Cumberland	Northridge	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
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611
NxStage Oak Brook	14-2779	1600 16th Street	Oak Brook	60513
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
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	946 W 63rd 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	9332 Skokie Blvd.	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	140 S. Martin Luther King Drive	Springfield	62703
Spring Valley	14-2564	12 Woller 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	7320 Archer Avenue	Summit	60501
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640
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. Neltor	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 N. Sheridan Road	Zion	60099

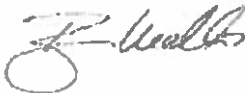
**Criterion 1110.110(a) – Background of the Applicant**  
**#3/4 Certification & Authorization**


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:   
ITS: VP and Asst. Treasurer

By:   
ITS: VP and Assistant Secretary

Notarization:  
Subscribed and sworn to before me  
this 3<sup>rd</sup> day of December, 2024

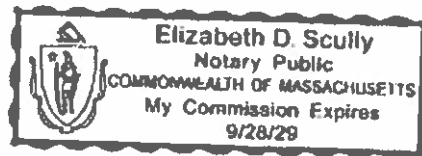
Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2024

Signature of Notary

Signature of Notary

Seal

Seal



Certification & Authorization

Fresenius Medical Care Holdings, Inc

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 Holdings, Inc. 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: [Signature]

ITS: VP and Assistant Treasurer

By: [Signature]

ITS: VP and Assistant Secretary

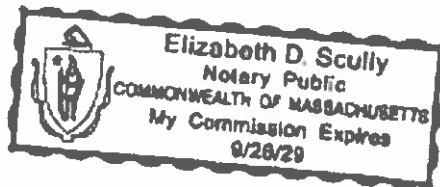
Notarization:  
Subscribed and sworn to before me  
this 31<sup>st</sup> day of December 2024

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2024

Signature of Notary [Signature] Signature of Notary

Seal

Seal



## Criterion 1110.110(b) – Purpose of the Project

1. The purpose of this project is to address the continuous low census at the Fresenius Medical Care of Deerfield 12-station ESRD facility located at 405 Lake Cook Road, Deerfield.

In the last decade there have been many changes in the Chicago suburban dialysis market, along with more patients choosing home dialysis modalities. New providers along with new clinics in HSA 7 have created an excess of 79 stations as of the October 2024 State Board station inventory. There were 20 patients remaining at the facility in recent months and all but one have chosen to transfer to the Fresenius Medical Care Highland Park facility. The remaining patient chose to transfer to a non-Fresenius Medical Care provider. As of December 4, 2024, there were no patients receiving dialysis services at the Deerfield facility.

Due to declining utilization and available capacity at nearby Fresenius Medical Care clinics, the decision was made to discontinue the Deerfield facility and permit staff to transfer to nearby Fresenius Medical Care clinics. This will enable individuals who choose to receive dialysis treatment at these clinics to maintain access to services. Patients who choose home therapies can be accommodated at a local Fresenius Medical Care facility that offers home dialysis services or another provider of their choosing. The closure will also address the low overall area utilization rate, in the 5-mile geographical service area.

2. The Deerfield facility, located at 405 Lake Cook Road, is in Deerfield, which is in HSA 7 and in suburban Cook County. The geographical service area is a 5-mile radius surrounding the facility.
3. As mentioned previously, the continuous low utilization and patients choosing home therapies precipitated the decision to close the facility.
4. Not Applicable
5. It is reasonably anticipated that closing the facility, transferring staff to nearby Fresenius Medical Care clinics, and allowing patients their choice of an alternative clinic to receive dialysis treatment, will allow for a more appropriate use of resources, address low area utilization, and provide continuous uninterrupted access to dialysis services with sufficient staffing.
6. The goal of Fresenius Medical Care is to keep dialysis access available to this patient population. There is no direct empirical evidence relating to this project.

**Section X, Safety Net Impact Statement**

The discontinuation of the Fresenius Medical Care of Deerfield dialysis facility will not have any impact on safety net services in the Deerfield healthcare market 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 transportation arrangements to and from the unit.

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 Medical 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 have 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 provides community benefit by supporting various medical education activities and associations, such as the Renal Network and the 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.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients) (Self-Pay)	2021	2022	2023
Out-patient Only	162	130	132
<b>Total</b>	<b>162</b>	<b>130</b>	<b>132</b>
<b>Charity (cost in dollars) (Self-Pay)</b>	<b>\$2,728,028</b>	<b>\$3,153,383</b>	<b>\$2,571,644</b>
MEDICAID			
Medicaid (# of patients)	2021	2022	2023
Out-patient Only	174	232	336
<b>Total</b>	<b>174</b>	<b>232</b>	<b>336</b>
<b>Medicaid (revenue)</b>	<b>\$3,293,009</b>	<b>\$4,815,408</b>	<b>\$7,833,049</b>
<b>Total</b>			
*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. Below is a breakdown of the Medicaid Risk patients and revenues.

- 2021 - 1,106 patients with revenues of \$31,316,165
- 2022 - 3,310 patients with revenues of \$105,805,388
- 2023 - 3,589 patients with revenues of \$116,149,669

## **Section X, Charity Care Information**

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. 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 more than 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 more than 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 do not have to pay a monthly premium, for Part A. This is because they or a spouse paid Medicare taxes while working. If a beneficiary does not get premium-free Part A, they may be able to buy it if they (or their spouse) are not 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 cannot 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 cannot 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			
	2021	2022	2023
<b>Net Patient Revenue</b>	\$434,533,258	\$414,538,828	\$406,315,992
Amount of Charity Care (charges)	\$2,727,028	\$3,153,383	\$2,571,644
Cost of Charity Care	\$2,727,028	\$3,153,383	\$2,571,644
*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay balances. Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.			