

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Facility/Project Identification

HEALTH FACILITIES & SERVICES REVIEW BOARD

Facility Name: Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Waterloo
Street Address: 624 Voris-Jost Drive
City and Zip Code: Waterloo 62296
County: Monroe Health Service Area 11 Health Planning Area:

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

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

Type of Ownership of Applicants

<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

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

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

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

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

**Type of Ownership of Co-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.

**Primary Contact** [Person to receive ALL correspondence or inquiries]

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

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

Name: Scott Timmerman
Title: Regional Vice President
Company Name: Fresenius Medical Care – North America
Address: 1 Cityplace Drive, Suite 160, St. Louis, MO 63141
Telephone Number: 314-872-1714
E-mail Address: scott.timmerman@fmc-na.com
Fax Number: 314-872-7413

**Post Exemption Contact**

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

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

**Site Ownership**

[Provide this

Exact Legal Name of Site Owner: GAHC3 Southern Illinois MOB Portfolio LLC
Address of Site Owner: 1819 Von Karman Ave. Suite 300, Irvine, CA 92612
Street Address or Legal Description of the Site: 624 Voris-Jost Drive, Waterloo, IL 62296
<b>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.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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 Waterloo
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>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
<b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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.

<b>APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>
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**Flood Plain Requirements NOT APPLICABLE – DISCONTINUATION ONLY**

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at [www.FEMA.gov](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>).

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

**Historic Resources Preservation Act Requirements**

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

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

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

**DESCRIPTION OF PROJECT**

**1. Project Classification**

[Check those applicable - refer to Part 1110.20 and Part 1120.20(b)]

Part 1110 Classification:

Substantive

Non-substantive

## 2. Narrative Description

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

Fresenius Medical Care of Illinois, LLC plans to discontinue its 6-station ESRD facility, Fresenius Medical Care Waterloo, located at 624 Voris-Jost Drive, Waterloo. Waterloo is in Monroe County and in HSA 11.

There is an excess of 16 stations in HSA 11.

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

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

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

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

**NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Related Project Costs NOT APPLICABLE – DISCONTINUATION ONLY**

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

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

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

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

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

**Project Status and Completion Schedules**

**For facilities in which prior permits have been issued please provide the permit numbers.**

Indicate the stage of the project’s architectural drawings:

None or not applicable  Preliminary  
 Schematics  Final Working

Anticipated project completion date (refer to Part 1130.140): 11/30/2019

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

Purchase orders, leases or contracts pertaining to the project have been executed.  
 Financial commitment is contingent upon permit issuance. Provide a copy of the contingent “certification of financial commitment” document, highlighting any language related to CON Contingencies  
 Financial Commitment will occur after permit issuance.

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

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

Are the following submittals up to date as applicable:

Cancer Registry  
 APORS  
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted  
 All reports regarding outstanding permits  
**Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.**

**Cost Space Requirements NOT APPLICABLE – DISCONTINUATION ONLY**

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
In-Center Hemodialysis							
Total Clinical							
<b>NON REVIEWABLE</b>							
<b>Total Non-clinical</b>							
<b>TOTAL</b>							



**Facility Bed Capacity and Utilization NOT APPLICABLE - ESRD FACILITY**

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

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

**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.

[Signature]  
 SIGNATURE  
Bryan Mello  
 Assistant Treasurer  
 PRINTED NAME  
 PRINTED TITLE

[Signature]  
 SIGNATURE  
Dorothy Rizzo  
 Assistant Treasurer  
 PRINTED NAME  
 PRINTED TITLE

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

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

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

[Signature]  
 SIGNATURE  
Bryan Mello  
 PRINTED NAME  
 Assistant Treasurer  
 PRINTED TITLE

[Signature]  
 SIGNATURE  
Dorothy Rizzo  
 PRINTED NAME  
 Assistant Treasurer  
 PRINTED TITLE

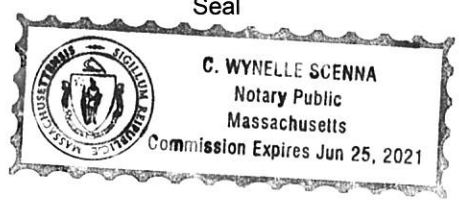
Notarization:  
 Subscribed and sworn to before me  
 this \_\_\_\_ day of \_\_\_\_\_

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

[Signature] Signature of Notary

Seal

Seal



\*Insert the EXACT legal name of the applicant

**SECTION II. DISCONTINUATION**

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

**Criterion 1110.290 – Discontinuation**

READ THE REVIEW CRITERION and provide the following information:

**GENERAL INFORMATION REQUIREMENTS**

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

**REASONS FOR DISCONTINUATION**

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

**IMPACT ON ACCESS**

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

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

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

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

**1110.110(a) – Background of the Applicant**

READ THE REVIEW CRITERION and provide the following required information:

**BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
  - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
  - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.
  - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
  - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
  - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

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

**Criterion 1110.110(b) & (d) NOT APPLICABLE – DISCONTINUATION ONLY**

**PURPOSE OF PROJECT**

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

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

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

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

**ALTERNATIVES NOT APPLICABLE – DISCONTINUATION ONLY**

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

Alternative options must include:

- A) Proposing a project of greater or lesser scope and cost;
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- D) Provide the reasons why the chosen alternative was selected.

- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

**SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**

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

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT: NOT APPLICABLE – DISCONTINUATION ONLY**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
  - c. The project involves the conversion of existing space that results in excess square footage.
  - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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

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

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

**PROJECT SERVICES UTILIZATION: NOT APPLICABLE – DISCONTINUATION ONLY**

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

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

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

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

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

**UNFINISHED OR SHELL SPACE: NOT APPLICABLE – DISCONTINUATION ONLY**

Provide the following information:

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

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

**ASSURANCES: NOT APPLICABLE – DISCONTINUATION ONLY**

Submit the following:

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

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



**SECTION V. SERVICE SPECIFIC REVIEW CRITERIA**

**F. Criterion 1110.230 - In-Center Hemodialysis NOT APPLICABLE – DISCONTINUATION ONLY**

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

Category of Service	# Existing Stations	# Proposed Stations
<input checked="" type="checkbox"/> In-Center Hemodialysis	0	0

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

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

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

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

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

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

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

<p>_____</p>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and</li> <li>2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;</li> </ol>
<p>_____</p>	<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
<p>_____</p>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<p>_____</p>	<p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> <li>1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;</li> <li>4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>

_____ _____ _____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;  f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;  g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
	<b>TOTAL FUNDS AVAILABLE</b>

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

**SECTION VII. 1120.130 - FINANCIAL VIABILITY**

**NOT APPLICABLE – DISCONTINUATION ONLY**

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

**Financial Viability Waiver**

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

	Historical 3 Years			Projected
<b>Enter Historical and/or Projected Years:</b>				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

Variance

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

**APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION VIII.1120.140 - ECONOMIC FEASIBILITY**

**NOT APPLICABLE – DISCONTINUATION ONLY**

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

**NOT APPLICABLE – DISCONTINUATION ONLY**

**A. Reasonableness of Financing Arrangements**

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

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

**B. Conditions of Debt Financing**

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

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

**C. Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD									
Contingency									
<b>TOTALS</b>									
* Include the percentage (%) of space for circulation									
<p><b>D. Projected Operating Costs</b></p> <p>The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.</p>									
<p><b>E. Total Effect of the Project on Capital Costs</b></p> <p>The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.</p>									
<p><b>APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b></p>									

**SECTION IX. SAFETY NET IMPACT STATEMENT**

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

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

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

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

**A table in the following format must be provided as part of Attachment 37.**

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

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

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

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

**SECTION X. CHARITY CARE INFORMATION**

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

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

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

**A table in the following format must be provided for all facilities as part of Attachment 39.**

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

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

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



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

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant Identification including Certificate of Good Standing	26-28
2	Site Ownership	29-97
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	98
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	99
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	
7	Project and Sources of Funds Itemization	
8	Financial Commitment Document if required	100
9	Cost Space Requirements	
10	Discontinuation	101-106
11	Background of the Applicant	107-111
12	Purpose of the Project	
13	Alternatives to the Project	
14	Size of the Project	
15	Project Service Utilization	
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
	<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	112
38	Charity Care Information	113-114

**Applicant**

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

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

**Type of Ownership of Applicant**

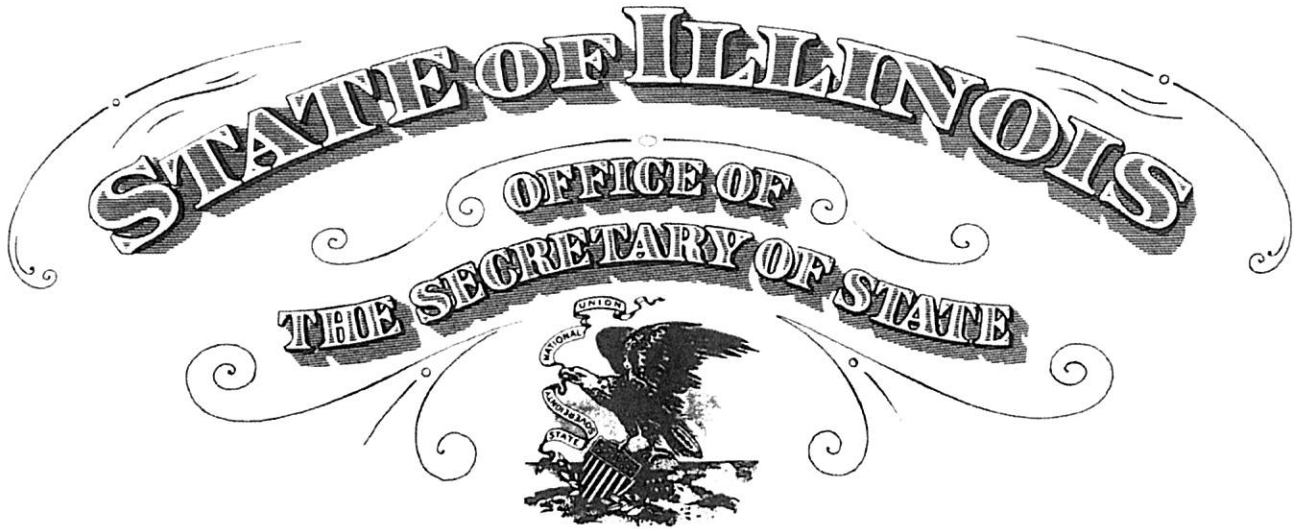
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/>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

File Number

0114682-3



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

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

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

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



*Jesse White*

Authentication #: 1911502190 verifiable until 04/25/2020  
Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE Certificate of Good Standing  
ATTACHMENT 1

**Co-Applicant**

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

**Type of Ownership of Co-Applicant**

- |                                                            |                                              |                                |
|------------------------------------------------------------|----------------------------------------------|--------------------------------|
| <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 that does not do business in the State of Illinois therefore no Certificate of Good Standing is included.

**Site Ownership**

Exact Legal Name of Site Owner: GAHC3 Southern Illinois MOB Portfolio LLC
Address of Site Owner: 1819 Von Karman Ave. Suite 300, Irvine, CA 92612
Street Address or Legal Description of the Site: 624 Voris-Jost Drive, Waterloo, 62296
<b>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.</b>

# LEASE AGREEMENT

BY AND BETWEEN

**SOUTHERN ILLINOIS MEDICAL DEVELOPMENT  
CORPORATION,  
AN ILLINOIS CORPORATION**

**("LANDLORD")**

AND

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

**("TENANT")**

DATED: 19 FEBRUARY, 2014

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made as of this 19 day of February, 2014 ("Effective Date") by and between Southern Illinois Medical Development Corporation, an Illinois corporation ("Landlord"), and Fresenius Medical Care of Illinois, LLC, a Delaware limited liability company, d/b/a Fresenius Medical Care Waterloo ("Tenant").

ARTICLE 1 - CONSTRUCTION OF SHELL BUILDING

1.1. Construction of Shell Building. Using an architect selected by Landlord and reasonably acceptable to Tenant (the "Architect"), Landlord shall, at Landlord's sole cost and expense construct a building ("Building") and certain improvements in substantial accordance with the specifications shown and detailed in Exhibit B and the Construction Drawings (as defined in Section 1.3), with such minor variations as Landlord may deem advisable and with such construction sometimes hereinafter referred to as "Landlord's Work". Tenant hereby approves Ottolino Winter Huebner, 222 South Bemiston Avenue, Suite 200, Clayton, Missouri 63105, as Architect, Kuhlman Design Group, 66 Progress Parkway, St. Louis, Missouri 63043, 15 East Washington, Belleville, Illinois 62220, as civil engineer ("Engineer") and R.G. Ross Construction Co., Inc., 4079 Bayless Road, St. Louis, Missouri 63125, as Landlord's general contractor for the Landlord's Work ("Landlord's Contractor").

The Building shall contain approximately Eight Thousand Three Hundred Ninety-Four (8,394) gross square feet of which approximately Six Thousand Nine Hundred Twenty (6,920) gross square feet shall be leased hereunder to Tenant (the "Premises") on the property commonly known as 515-535 Hamacher Street, Waterloo, IL 62298, consisting of approximately +/-1.5 acres as described on Exhibit A (the "Property"). Tenant's Proportionate Share is Eighty-Two and 44/100 percent (82.44%).

1.2. Commercially Reasonable Efforts Required; Substantial Completion. Landlord shall use diligent efforts and take all commercially reasonable steps to Substantially Complete (as hereinafter defined) Landlord's Work per Landlord's Work Schedule set forth below. For purposes of this Lease, "Substantial Completion" of Landlord's Work shall occur when (i) Landlord's Work is sufficiently complete in accordance with Tenant's specifications so that Tenant can install the Tenant Improvements and utilize the Building for its intended use, as detailed in Section 4.1 of this Lease, and (ii) Landlord secures all required permits and approvals for Landlord's Work from governmental authorities having jurisdiction over the Building.

Landlord's Work Schedule

Table with 2 columns: Date, Work. Row 1: Within 60 days of the later of the full execution of this Lease and Landlord's receipt of Tenant's approved floor plan ("CD Delivery Date"), Landlord's Completion of Construction Drawings and presentation to Tenant.

Initials [Handwritten signature]

Site Owner - Lease

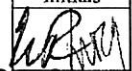
Within 10 business days of CD Delivery Date ("CD Approval Date")	Tenant's approval of Construction Drawings
Within 5 days of Tenant approval (subject to provisions of Section 1.3) or approval of the Construction Drawings by the Planning Board, whichever is later	Landlord shall submit Construction Drawings to Planning Board for approval
Within 5 days of the Planning Board's approval of the Construction Drawings	Landlord shall submit for all applicable building permits to accomplish Substantial Completion of the Building
Within 150 days of the date that the permit is issued ("Delivery Date")	Landlord substantially completes Landlord's Work

If on the Delivery Date there should remain items of Landlord's Work to be completed, Landlord and Tenant shall within ten (10) business days from the Delivery Date prepare a written list (the "Punch List") of such uncompleted items. Landlord agrees to complete the Punch List item(s) with all due diligence.

Subject to the delivery of the Punch List, Tenant shall be deemed to have accepted the Premises and Landlord's Work shall be deemed to have been completed in accordance with the terms of this Lease. Unless Tenant notifies Landlord in writing within ten (10) days after the Delivery Date as to any Punch List item(s), Tenant waives any claim as to matters not listed in said notice. Notwithstanding anything to the contrary contained in the Lease, Landlord shall provide a 1-year warranty with respect to any Building defects commencing on the Delivery Date.

### 1.3. Approval of the Construction Drawings.

(a) No later than sixty (60) days after the later of the (i) full execution of this Lease and (ii) Landlord's receipt of Tenant's approved floor plan ("CD Delivery Date"), Landlord shall, in accordance with the pre-approved site plan ("Site Plan"), attached hereto as Exhibit B-1 prepare and furnish to Tenant, at Landlord's sole cost and expense, in compliance with applicable laws, statutes, ordinances and codes, construction drawings (which plans shall be consistent with the specifications shown on Exhibit B) ("Construction Drawings") for the construction of Landlord's Work. Within ten (10) business days after receipt of the Construction Drawings, Tenant shall either (i) approve the Construction Drawings in writing (and Tenant's failure to timely respond shall constitute such approval), or (ii) advise Landlord in writing of any reasonable changes or additions Tenant requires to the Construction Drawings. If Tenant advises Landlord that changes to the Construction Drawings are required, then Landlord shall have ten (10) business days after receipt of notice to implement such revisions and re-submit the Construction Drawings to Tenant for approval. This process shall continue until the Construction Drawings are approved by Tenant (the date Landlord receives notice of such approval being hereinafter referred to as the "CD Approval Date"). Tenant will not unreasonably withhold, condition or delay Tenant's approval of the Construction Drawings.

Initials  


Site Owner - Lease

ATTACHMENT - 2



(b) Once the Construction Drawings are approved by Tenant, Landlord shall submit the Construction Drawings to the Planning Board for approval within five (5) days. Upon approval of the Construction Drawings by the Planning Board, Landlord must apply for building permit within five (5) days. Failure to apply for the permits or obtain the permits once approved will be considered a Material Breach and subject to the penalty outlined in Section 1.7.

(c) Subject to Tenant's prior written approval of the Construction Drawings, Landlord shall be entitled to design the Premises and otherwise complete Landlord's Work as Landlord deems reasonably necessary and appropriate. Tenant's approval rights as to all plans, drawings and specifications shall be limited solely to the matters as to which Tenant has approval rights as specifically provided for in this Section 1.3, and all other plans, drawings and specifications submitted to Tenant, if any, shall not be subject to Tenant's approval, but shall be submitted only for Tenant's information and use. Tenant will not unreasonably withhold, condition or delay Tenant's approval of any of Landlord's plans and specifications as to which Tenant has approval rights.

(d) Landlord shall pay all impact, facility and connection fees (including, but not limited to, all utility hook-up and connection fees) imposed by regulatory authorities arising from the construction of Landlord's Work.

(e) Promptly following the approval by Tenant of the Construction Drawings, Landlord and Tenant agree to sign and attach to this Lease as Exhibit B-2 a schedule identifying each approved drawing or document constituting a part of the Construction Drawings.

1.4. Cooperation; Non-Interference. Landlord and Tenant shall in good faith review and approve (or disapprove), process and perform any obligation pursuant to this Lease concerning approval of plans, or concerning the construction of Landlord's Work with all due diligence and reasonable speed including, without limitation, approvals, reviews, shop drawings, change orders, subcontractor bids, value engineering, and inspections, with the objective of facilitating the construction of Landlord's Work as quickly as reasonably possible. During the construction of Landlord's Work, Tenant agrees to refrain from interfering with or hindering Landlord's construction activities on the Premises.

1.5. Changes to the Construction Drawings.

(a) The Construction Drawings may be changed from time to time by mutual agreement of the parties, in the manner provided in Section 1.3 for the approval of the Construction Drawings. If any material error or omission is discovered in the Construction Drawings, then the party discovering same shall immediately notify the other in writing and the Construction Drawings shall be subsequently modified or changed where reasonably necessary.

(b) If changes to the scope of the Landlord's Work result from one of the following:

Initials
<i>[Handwritten Signature]</i>
Site Owner - Lease

ATTACHMENT - 2

- (i) a request for a material change from the Tenant, or
- (ii) a material change as a result of the discovery of unforeseen site conditions, or
- (iii) a material change resulting from the direction of the local governmental authority,

then, the Landlord will obtain from its contractor and furnish to Tenant's Project Manager within ten (10) business days from the date of issuance of such request or the date of such discovery, an itemized analysis of the increased cost, including a detailed budget setting out (with unit costs) the amount of additional time, materials, and labor which will be required to complete the requested changes.

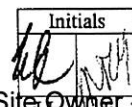
(c) The cost of all such changes (subject to approval of Tenant's Project Manager with respect to changes under Section 1.5(b)(i) hereof) shall be totaled and converted into an increase in the Base Rent in accordance with the Rent Computation Formula set forth in Section 3.1.1 hereof using the agreed Rent Capitalization Factor of Nine and 25/100 percent (9.25%) and this lease shall be amended accordingly no later than ten (10) days after the Delivery Date.

(d) If a change in the Construction Drawings causes a delay in the completion of Landlord's Work, and if within ten (10) days after such delay occurs, Landlord notifies Tenant in writing of the extent of and reasons for such delay, then the date provided for in Section 1.2 for Landlord to complete Landlord's Work shall be extended by one (1) day for each day of delay caused by the changes.

1.6. Tenant's Right to Inspect and Test. At any time after the Delivery Date, Tenant shall be allowed entry into the Premises in order to inspect and test, at Tenant's sole cost and expense, all mechanical, electrical and utility systems servicing the Premises in order to insure proper installation and use thereof.

In addition, Landlord hereby grants Tenant permission to test, at Tenant's sole cost and expense, and at any time after the pouring of the slab, for vapor emissions from the concrete floor slab to ensure that such vapor emissions do not exceed five (5) pounds per one thousand (1,000) square feet for VCT or five (5) pounds per one thousand (1,000) square feet for sheetgoods. If Tenant's inspection and/or testing reveals that the vapor emissions of the slab exceeds the five (5) pounds per one thousand (1,000) square feet, Landlord shall, by increasing the Estimated Total Project Costs (as defined in Section 3.1.1) and Actual Total Project Costs (as defined in Section 3.1.1) with Tenant's reasonable approval, have thirty (30) days to repair such deficiencies. In the event that such faults are not properly fixed within such thirty (30) day time period, Tenant shall have the right to exercise its rights under Section 17.4 of this Lease upon written notice to Landlord.

1.7. Material Inducement. Landlord hereby recognizes and acknowledges that its obligation hereunder to Substantially Complete construction of Landlord's Work on or before the Delivery Date constitutes a material inducement to Tenant to enter into this Lease. As such, and subject to delays contemplated in Section 1.5(d), in the event that (i) Landlord fails to timely complete all of Landlord Work as required under this Article 1 and (ii) if such failure is not caused by the acts contemplated under Article 22 of this Lease, Tenant shall have the option to exercise any and all of the following remedies:

Initials


Site Owner - Lease  
**ATTACHMENT - 2**

- (i) Collect liquidated damages from Landlord in the amount of Five Hundred Dollars (\$500.00) per day beginning on the Delivery Date and continuing until Landlord's Work is Substantially Complete, which amount at Tenant's option shall be paid by Landlord to Tenant on a monthly basis or deducted from Tenant's payment of Base Rent (as defined in Section 3.1 of this Lease);
- (ii) Exercise its rights under Section 17.4 of this Lease; and/ or
- (iii) Two hundred seventy (270) days after the Delivery Date, terminate the Lease.

1.8. Re-measurement. Intentionally Omitted.

1.9. Tenant Improvements. Tenant shall, at Tenant's sole cost and expense, submit plans and specifications ("Tenant Improvement Plans") 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. Within ten (10) business days after receipt of the Tenant Improvement Plans, Landlord shall either (i) approve the Tenant Improvement Plans in writing (and Landlord's failure to timely respond shall constitute such approval), or (ii) advise Tenant in writing of any reasonable changes or additions Landlord requires to the Tenant Improvement Plans. If Landlord advises Tenant that changes to the Tenant Improvement Plans are required, then Tenant shall have thirty (30) days after receipt of notice to implement such revisions and re-submit the Tenant Improvement Plans to Landlord for approval. This process shall continue until the Tenant Improvement Plans are approved by Landlord. Landlord hereby grants Tenant and its contractors, agents, equipment and materials suppliers, and subcontractors a license to access the Property, the Building and the Premises from and after the Delivery Date 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. Within sixty (60) days after Tenant's completion of the Tenant Improvements and any subsequent Alterations, Tenant shall, at Tenant's expense, furnish Landlord with a complete set of as-built plans and specifications for all such improvements.

1.9.1. 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 union contractors. Promptly after completion of the Tenant Improvements, Tenant shall procure a certificate of occupancy for the Premises from the applicable authorities. Copies of each such permit, license and certificate obtained by Tenant pursuant to this Section 1.9.1 shall be delivered to Landlord. Subject to the terms of Article 7 of this Lease, Tenant covenants not to suffer any mechanic's liens to be filed against the Property, Building 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.

1.10. Tenant Under Slab Plumbing. As part of Landlord's Work, Tenant may request that Landlord install under slab plumbing at the Premises ("Plumbing") per Tenant's plans and specifications ("Plumbing Plans") and at the Tenant's sole cost and expense. Within thirty (30)

Initials  


Site Owner - Lease

ATTACHMENT - 2

days after Landlord notifies Tenant that Landlord has obtained the Shell Building Permit, Tenant may submit the Plumbing Plans to Landlord. Within twenty (20) days of Landlord's receipt of the Plumbing Plans, Landlord shall notify Tenant of the cost for the installation of the Plumbing. If Tenant elects to have the Landlord install the Plumbing, Tenant must notify Landlord within ten (10) days after Landlord has notified Tenant of the cost of such installation. Prior to the commencement of the Plumbing, Tenant must inform Landlord whether Tenant elects to: (i) pay the Landlord's Contractor directly for the Plumbing once the work has been completed, or (ii) have the cost of the Plumbing included in the Base Rent per section 3.1.1 of the Lease.

## ARTICLE 2 – LEASE OF PREMISES; TERM

2.1. Lease of Premises. The term of this Lease shall be for approximately fifteen (15) years (“Initial Term”) commencing on the date that is the earlier of i) ninety (90) days from the Delivery Date, or ii) the date Tenant commences to treat patients at the Premises (the “Commencement Date”), and terminating on the last day of the one hundred eightieth (180<sup>th</sup>) full calendar month following the Commencement Date (“Expiration Date”). Within ten (10) days after Landlord's request therefor, the parties shall execute and deliver the Commencement Date Certificate in the form set forth in Exhibit C attached to this Lease, in order to confirm and memorialize the Commencement Date, the Expiration Date, the Base Rent and such other terms as reasonably requested by either party. All terms and conditions of this Lease are in full force and effect from and after the Effective Date except for the Tenant's obligation to pay Base Rent and Additional Rent hereunder which shall commence on the Commencement Date.

2.2. Options to Extend Term. Landlord hereby grants to Tenant three (3) consecutive options to extend the term of this Lease (each a “Renewal Option”) each for a period of five (5) years (each an “Option Term”). The lease of the Premises for each Option Term shall be on the same terms and conditions contained in this Lease except that the Base Rent for each Option Term shall be determined pursuant to the terms and conditions of Section 3.2 of this Lease. Each Renewal Option may be exercised only by written notice delivered by Tenant to Landlord no later than One Hundred 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”. Landlord and Tenant agree that this Lease and the Office Lease (as defined in Section 26.30 below) shall be coterminous unless otherwise agreed to by the parties in writing. Therefore, the Office Lease contains a provision for extension of the Term of the Office Lease which is identical to this Section 2.2 and Tenant's exercise of any Renewal Option under this Lease shall constitute the exercise of the corresponding Renewal Option under the Office Lease.

**ARTICLE 3 - BASE RENT**

3.1. *Base Rent; Pro-ration for Partial Months.* During the Initial Term, Tenant shall pay to Landlord annual rent ("Base Rent") as follows:

Year	Rent per square foot	Annual rent	Monthly rent
One	\$16.75	\$115,940.00	\$9,661.67
Two	\$17.04	\$117,910.98	\$9,825.92
Three	\$17.33	\$119,915.47	\$9,992.96
Four	\$17.62	\$121,954.03	\$10,162.84
Five	\$17.92	\$124,027.25	\$10,335.60
Six	\$18.23	\$126,135.71	\$10,511.31
Seven	\$18.54	\$128,280.02	\$10,690.00
Eight	\$18.85	\$130,460.78	\$10,871.73
Nine	\$19.17	\$132,678.61	\$11,056.55
Ten	\$19.50	\$134,934.15	\$11,244.51
Eleven	\$19.83	\$137,228.03	\$11,435.67
Twelve	\$20.17	\$139,560.91	\$11,630.08
Thirteen	\$20.51	\$141,933.45	\$11,827.79
Fourteen	\$20.86	\$144,346.32	\$12,028.86
Fifteen	\$21.21	\$146,800.21	\$12,233.35

in equal monthly installments payable in advance on or before the first day of every calendar month, without any notice, setoff or deduction except as provided elsewhere in this Lease. Payment of Base Rent shall be made to Landlord at the address specified in Section 26.15 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 and any partial month prior thereto, if applicable, 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. *Calculation and Adjustment of Base Rent.* The parties agree that the Base Rent for Year One set forth in Section 3.1 above consists of Tenant's Proportionate Share of the estimated Base Rent for the entire Building based on an Estimated Total Project Cost (as calculated per Exhibit F attached hereto) in the sum of One Million Five Hundred Nineteen Thousand Nine Hundred Ninety-Five and 00/100 U.S. Dollars (\$1,519,995.00) times a rent capitalization factor equal to 9.25% ("Rent Capitalization Factor") and Base Rent for subsequent Years is increased

Initials


 Site Owner - Lease  
**ATTACHMENT - 2**

by One and 7/10 percent (1.7%), i.e. the Base Rent for each subsequent Year is determined by multiplying the Base Rent for the prior year by a factor of 1.017 ("Annual Rate Increase Factor"). Within thirty (30) days following the Delivery Date, Landlord shall provide Tenant with a summary of the actual total project costs including, without limitation, the components set forth on **Exhibit "F"** (the "Actual Total Project Costs"), which may also include, but not be limited to, cost adjustments associated with any project scope changes caused by municipal permit review and inspection comments, unforeseen site conditions, revisions to the construction plan documents initiated by Tenant scope changes or omissions, or conflicts by design consultants. At Tenant's request, Landlord shall provide appropriate supporting documentation (actual bids, invoices from subcontractors or other such supporting documents) to substantiate the Actual Total Project Costs, which shall be approved by Tenant, such Tenant approval not to be unreasonably withheld, conditioned or delayed.

Upon determining the Actual Total Project Costs, the estimated Base Rent set forth in Section 3.1 shall be adjusted to the actual Base Rent to be paid by Tenant to Landlord under this Lease as follows: (a) the actual Base Rent for Year One shall equal Tenant's Proportionate Share of the product of the Actual Total Project Costs multiplied by the Rent Capitalization Factor; and (b) the actual Base Rent for Year Two and subsequent Years shall increase by the Annual Rate Increase Factor to equal the product of the actual Base Rent for the immediately preceding Year multiplied by the Annual Rate Increase Factor ("Rent Computation Formula"). Within ten (10) days after the date Landlord furnishes to Tenant the summary of Actual Total Project Costs, the parties shall document the actual Base Rent due by Tenant to Landlord under this Lease by amending the rent schedule in Section 3.1 to reflect such actual Base Rent amounts via an amendment to this Lease or in the Commencement Date Certificate, in the form attached hereto as **Exhibit "C"**. If Tenant has paid to Landlord any estimated Base Rent, then the parties shall reconcile such payment to equal the actual amount of Base Rent by either Tenant paying any deficiency or Landlord refunding or giving Tenant a credit against future Base Rent for any overpayment, whichever the case may be, within ten (10) days after the date Landlord furnishes to Tenant the summary of Actual Total Project Costs.

**3.2. Base Rent for Option Terms.** The Base Rent for the first year of each Option Term shall be equal to the Base Rent paid during the 12-month period immediately preceding the commencement of the applicable Option Term multiplied by the Annual Rate Increase Factor. Base Rent shall continue to increase annually by the Annual Rate Increase Factor through the remainder of each applicable Option Term.

**3.3. Late Payment of Base Rent.** If Landlord does not receive any payment of Base Rent within five (5) days after that Rent is due, then: (a) interest shall accrue on such unpaid Base Rent at the rate of ten percent (10%) per annum until fully paid by Tenant; and (b) Tenant shall pay a late charge equal to Five Hundred Dollars (\$500.00). Tenant hereby acknowledges that late payment by Tenant to Landlord of Base Rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage covering the Premises. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with

respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

#### ARTICLE 4 - USE AND COMPLIANCE WITH LAWS

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

4.2. Condition of Premises; Repairs and Replacements. Tenant shall keep the Premises in a neat and orderly fashion during the Lease Term. Tenant, at Tenant's sole expense, shall promptly make all repairs, replacements, alterations, or improvements, retrofitting, or remediation to the Premises including any Alterations (as defined in Article 5), 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 Building. Landlord, at Landlord's sole expense, shall promptly make all repairs, replacements, alterations, or improvements, retrofitting, or remediation needed to comply with all Laws to the extent that such Laws apply to the Building as a whole, or any of its structural components or mechanical or electrical systems.

#### ARTICLE 5 – ALTERATIONS; TENANT’S RIGHT TO EXPAND

5.1. General. Tenant may, at Tenant’s sole cost and expense, remodel the Premises during the Lease Term in accordance with the terms and conditions of Section 5.2 of this Lease. In addition, without the necessity of obtaining Landlord’s consent, Tenant may, at Tenant’s sole cost and expense, install such counters, non-structural partitions, non-structural walls, shelving, fixtures, fittings, machinery and equipment in the Premises as Tenant deems necessary to conduct its business. Tenant may also install a television or satellite antenna on the roof of the Premises, flues and wall or roof penetrations and an emergency generator in a location close in proximity to the Premises. Tenant shall cooperate with Landlord with respect to the location and method of installation of such equipment. Tenant shall not install any improvements on the roof of the Building or make any roof penetrations without the prior written approval of the plans and contractor therefor by Landlord and all such improvements and work shall be performed in a manner which does not invalidate, compromise, reduce or in any way whatsoever diminish Landlord’s rights and benefits under Landlord’s roof warranty and Landlord may require the installation of all such roof improvements to be performed by Landlord’s roof contractor at Tenant’s sole cost.

5.2. Alterations; Notification to Landlord Required. Notwithstanding anything contained in Section 5.1, Tenant shall not be permitted to make any alteration or modification to the Premises after the Commencement Date (“Alterations”) which either (a) costs more than Two Hundred

Thousand Dollars (\$200,000) in each instance or (b) affects the structural, electrical, mechanical or life safety systems of the Building, without prior written approval of the Landlord. Tenant shall be responsible for all costs associated with an Alteration that:

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

5.3. 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.

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

5.5. 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 7 of this Lease, Tenant covenants not to suffer any mechanic's liens to be filed against the Property, Building, 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.

5.6. Expansion Right. During the Lease Term, Tenant shall have the right upon no less than thirty (30) days prior written notice to Landlord, to expand the square footage of the Building, parking areas, and/or the Premises, as the case may be, up to the maximum extent allowed by local zoning, building, and other requirements ("Expansion Right"); provided, however, that Tenant's Expansion Right hereunder shall be subject to Landlord's prior written approval of the plans and specifications therefor not to be unreasonably withheld, conditioned or delayed and an adjustment to the Base Rent and Tenant's Proportionate Share satisfactory to Landlord and Tenant. Subject to the terms and conditions contained herein, Landlord shall have the option to either perform construction of the work required by Tenant its sole cost and expense or allow Tenant to perform such work. Landlord shall give written notice of its election to Tenant within fifteen (15) days of receipt of Tenant's written notice. In the event that Landlord elects to perform the work, Landlord and Tenant shall negotiate an incremental increase in the Base Rent based on the cost of the expansion.

Initials
<i>[Handwritten Signature]</i>

Site Owner - Lease

ATTACHMENT - 2



## ARTICLE 6 - REPAIRS AND MAINTENANCE

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

6.2. Landlord's Operation, Repair and Maintenance Obligations. During the Lease Term, Landlord shall:

(a) without expense to Tenant, maintain and make all necessary repairs and/or replacements to the exterior and structural portions of the Building and Premises, including, without limitation: foundations, including the slab, structure, load bearing walls, exterior walls, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, and footings.

(b) maintain and make all necessary repairs and/or replacements to the following, unless Tenant elects to maintain any of the following by providing written notice to Landlord electing to do the same at its sole cost and expense: utility lines outside of the Premises, parking areas (including surfacing, striping, paving and sealing), curbing, sidewalks and directional markers, ice and snow removal, water mains, gas and sewer lines, private roadways, landscape, loading docks, if any, and provision and repair of adequate lighting during all hours of darkness that Tenant shall be open for business.

Tenant shall reimburse Landlord for Tenant's Proportionate Share of the costs and expenses paid by or on behalf of Landlord for repairing, maintaining, powering, replacing, insuring, sweeping, cleaning, utilities, safety, security, administering, managing, and otherwise operating the Building and common areas of the Property including, without limitation, all utility lines outside of the Premises, heating and air conditioning equipment (including, without limitation, the cost of service and maintenance contracts), all parking areas, lighting, landscaping, fountain, irrigation, sprinklers, drives, sidewalks, walkways, storm detention areas, sanitary sewers, development and tenant identification monument, pylons and related sign structures, and all other common areas of the Property (the "Maintenance Expenses"), except for capital expenditures, as defined in Section 6.2(b)(vii) below. Maintenance Expenses may include a usual customary management fee charged by a third party real estate managing agent and/or an administration fee in the amount of ten percent (10%) of the total Maintenance Expenses if the common areas are administered by Landlord. The Property is part of a larger development ("Medical Campus") subject to an Easement, Construction and Maintenance Agreement dated November 3, 2010 and recorded on November 9, 2010 as Document 344661 in the Monroe County, Illinois Recorder's Office ("Easement Agreement") pursuant to which owners of parcels of property in the Medical Campus pay a pro rata share of certain costs of maintaining common areas within the Medical Campus which are for the mutual benefit of the owners and tenants of the Medical Campus and the pro rata share of Landlord payable under the Easement Agreement ("Easement Agreement Costs") with respect to the Property shall be included in Maintenance Expenses under this Lease provided that such Easement Agreement Expenses are not duplicative of other Maintenance Expenses under this Lease. Tenant shall pay Tenant's Proportionate Share

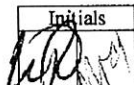
of Maintenance Expenses as additional rent for the same periods and in the same manner, time, and place as the Base Rent.

(i) Payment of Estimated Maintenance 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 Maintenance Expenses for the upcoming calendar year (the "Estimated Statement"). Tenant shall pay to Landlord, Tenant's Proportionate Share of Landlord's estimate of Maintenance Expenses each month together with Tenant's payment of Base Rent.

(ii) Annual Reconciliation of Maintenance Expenses. On or before April 15<sup>th</sup> of each year, Landlord shall provide Tenant with a statement showing the actual Maintenance 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 Tenant's Proportionate Share of Maintenance 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 Maintenance Expenses. Should Landlord fail to reimburse Tenant hereunder, Tenant shall have the right to offset Base Rent.

(iii) 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 Maintenance 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 Tenant's Proportionate Share of the actual Maintenance Expenses any calendar year, Tenant shall submit a written claim to Landlord ("Tenant's Audit Claim") that shall describe in detail how the Maintenance Expenses have been overstated. If Tenant's audit reveals that the Maintenance Expenses taken as a whole were overstated by at least three percent (3%), Landlord shall pay for Tenant's reasonable costs of conducting the audit which shall not exceed the amount of such overstatement. Otherwise, Tenant shall pay its own costs.

(iv) 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 third party arbitrator to conduct its own independent audit of the Maintenance Expenses for the calendar year or years in question. The parties shall cooperate with such third party arbitrator so that it can make a determination as to the validity of Tenant's Audit Claim. The determination of the third party arbitrator shall be given to the parties within sixty (60) days and shall be final and binding upon the parties. Upon the conclusion of the third party arbitrator's audit, all amounts owed by Landlord to Tenant or by Tenant to Landlord, as the case may be, shall be paid within ten (10) days. The parties shall share the costs of retaining the third party arbitrator equally. Should Landlord fail to reimburse Tenant hereunder, Tenant shall have the right to offset Base Rent.

Initials  


Site Owner - Lease  
**ATTACHMENT - 2**

(v) 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.

(vi) Time Limitation to Bill Tenant for Maintenance Expenses. In no event shall Tenant be required to pay any Maintenance 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 Maintenance Expenses more than two (2) years after furnishing an Actual Expenses Statement to Tenant.

(vii) 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 6.2 (b) or under generally accepted accounting and management practices shall not be included in Maintenance Expenses. Notwithstanding the foregoing, Landlord may charge as a Maintenance Expense: (A) a parking lot overlay or repaving provided the same occurs no more frequently than once every seven (7) years and the cost thereof is amortized on a straight line basis over the ensuing seven (7) calendar year period ("Repaving"); and (B) any capital expenditures intended to reduce Maintenance Expenses or affect economies in the operation, maintenance, or repair of the Building provided that Landlord shall provide Tenant with (i) an estimate of the amount of reduction in Maintenance Expenses anticipated as a result of that capital improvement or replacement, (ii) an estimate of the cost of the capital improvement and 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 Maintenance 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.

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

## ARTICLE 7 - COVENANT AGAINST LIENS

7.1. Covenant Against Liens. Tenant shall not permit mechanics' or other liens to be placed upon the Property, Building, 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 Alterations. 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 7.1 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, Building, or Premises, as the case may be.

#### ARTICLE 8 - ENTRY BY LANDLORD

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

8.1.1. 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 8.1.1, 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.

8.2. 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 8, except for an emergency entry into the Premises taken pursuant to Section 8.1.1 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.

8.3. 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 9 – HVAC, UTILITIES AND SERVICES

9.1. HVAC. Landlord, at its own expense, shall install heating and air conditioning equipment to serve the Premises (“HVAC”), which shall be no less than 4 tons per 1,000 square feet of leased space, and shall provide heating and air conditioning services to the Premises 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 Tenant’s specifications, if the same is provided to Landlord. Tenant shall be responsible for the installation of ductwork for the HVAC. Notwithstanding anything in this Lease to the contrary, Landlord shall be responsible for the cost of making the repairs to or implementing the replacement of the HVAC to the extent that such repair and/or replacement exceeds the cost of Two Thousand Five Hundred Dollars (\$2,500.00) per repair and/or replacement and such excess costs, if any, shall not be included in Maintenance Expenses.

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

9.3. 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 from and after the Delivery Date. 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.

9.4. 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 of the negligence or willful misconduct of Landlord or any person or entity acting on behalf of Landlord, Tenant shall be entitled to an abatement of Base Rent for the

Initials  
  
 Site Owner - Lease  
 ATTACHMENT - 2

period of such interruption if Landlord does not make repairs and restore all interrupted services to the Premises within two (2) business days.

## ARTICLE 10 - TAXES

10.1. Tax Expenses. "Tax Expenses" means all federal, state, county, or local government or municipal taxes, fees, charges, or other impositions of every kind (whether general, special, ordinary, or extraordinary) during any calendar year (without regard to any different fiscal year used by any government or municipal authority) because of or in connection with the ownership, leasing, and/or operation of the Property or the Building. Tax Expenses shall include without limitation 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, without limitation, any government or private assessments (or the Building'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.

10.1.1 Excluded Taxes. Notwithstanding the provisions of Section 10.1, all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes applied or measured by Landlord's gross or net income shall not be included in Tax Expenses.

10.2. Payment of Tax Expenses. Unless Tenant elects to pay the Tax Expenses directly to taxing authority, Landlord shall pay on a timely basis any invoices for Tax Expenses related to the Property and/or the Building and Tenant shall reimburse Landlord for Tenant's Proportionate Share of such Tax Expenses within thirty (30) calendar days after Tenant's receipt of applicable invoices from Landlord. Alternatively, on or before December 31st of each year during the Lease Term, Landlord may provide Tenant with a statement detailing Landlord's reasonable estimate of the Tax Expenses for the upcoming calendar year. In such case, Tenant shall pay to Landlord, Tenant's Proportionate Share of Landlord's estimate of Tax Expenses each month in equal monthly installments together with Tenant's payment of Base Rent and annual reconciliation of Tax Expenses shall occur in accordance with the same procedure used for reconciliation of Maintenance Expenses under Section 6.2(b)(ii) of this Lease. At Tenant's sole cost, Tenant may contest (including seeking an abatement or reduction of) any Tax Expenses agreed to be paid hereunder; provided that Tenant first shall satisfy any requirements of Laws, including, if required, that the Tax Expenses be paid in full before being contested. At Tenant's sole cost, Landlord shall assist Tenant as reasonably necessary with respect to any such contest, including joining in and signing applications or pleadings. Tenant's Proportionate Share of any rebate received shall belong to Tenant. With respect to Tax Expenses which accrue during the

Initials  
  
 Site Owner - Lease  
**ATTACHMENT - 2**

Lease Term of this Lease, as may be extended, but become payable after the expiration of such Lease Term, if any, Tenant's obligation to pay its Proportionate Share of such Tax Expenses shall be settled by the parties on a prorated basis prior to the expiration of said Lease Term based upon the most recent applicable tax bills then available, but subject to actual adjustments subsequent to the expiration of the Lease Term, as applicable.

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

## ARTICLE 11 – INSURANCE

11.1. 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 Building is located in a flood hazard area) insuring, on a replacement cost basis, Tenant Improvements and Alterations that Tenant is responsible for.
- (b) Comprehensive general liability or public liability insurance with limits not less than \$2,000,000 combined single limit, including coverage for bodily injury and property damage to third parties.
- (c) Policies shall be placed with companies holding an A.M. Best's rating of B+ or better. Tenant shall, upon written request, provide the Landlord with a certificate of insurance evidencing the existence and amounts of such insurance required herein. Notwithstanding the foregoing, the insurance agreed to in this Section 11.1 may be provided in a combination of self-insured retention, primary insurance and /or excess / umbrella insurance. Tenant shall name Landlord as an additional named insured as its interests may appear on Tenant's comprehensive general liability policy of insurance.

11.2. 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, earthquake, subsidence, rent loss, vandalism, malicious mischief, sprinkler leakage and water damage, demolition and debris removal and flood insurance (if the Building is located in a flood hazard area) and any other coverages as may be required by Landlord's lenders at any time and from time to time insuring, on a replacement cost basis, the Property, the Building, and the Premises, including but not limited to the parking lot, common areas, foundation, and roof and excluding the Tenant Improvements and Alterations.
- (b) Comprehensive general liability or public liability insurance with limits not less than \$2,000,000 combined single limit, including coverage for bodily injury and property damage to third parties.

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

Initials


  
 Site Owner - Lease  
**ATTACHMENT - 2**

Tenant with a certificate of insurance evidencing the existence and amounts of such insurance required herein.

Tenant shall reimburse Landlord for Tenant's Proportionate Share of Landlord's costs associated with the insurance premiums (but not deductibles) for the insurance contained in Sections 11.2(a) and 11.2(b) ("Insurance Premiums") within 15 days of Tenant's receipt of an applicable invoice from Landlord. Alternatively, on or before December 31st of each year during the Lease Term, Landlord may provide Tenant with a statement detailing Landlord's reasonable estimate of the Insurance Premiums for the upcoming calendar year. In such case, Tenant shall pay to Landlord, Tenant's Proportionate Share of Landlord's estimate of Insurance Premiums each month in equal monthly installments together with Tenant's payment of Base Rent and annual reconciliation of Insurance Premiums shall occur in accordance with the same procedure used for reconciliation of Maintenance Expenses under Section 6.2(b)(ii) of this Lease.

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

#### ARTICLE 12 - HAZARDOUS MATERIALS; MEDICAL WASTE

12.1. *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 Building, 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;

12.2. *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, the Building 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 I Study, if



any, and (c) Landlord has not received any notices or other notifications from any governmental entity that the Property, the Building 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, the Building, 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. All representations and/or warranties of Landlord contained in this Lease are expressly limited to the actual knowledge of William J. Rebholz without inquiry or any duty to inquire.

12.3. 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, released, or disposed of in or about the Property, the Building, 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 12.1 of this Lease.

12.4. 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, the Building, 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 Building, 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.

12.5. Remediation Obligations. If the presence of any Hazardous Material brought onto the Property, the Building, 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, the Building or the Premises, that party shall promptly take all necessary actions, at its sole cost and expense, to return the Property, the Building, or the Premises, as the case may be, to the condition that existed before the introduction of such Hazardous Material. If Landlord undertakes any cleanup, remediation, detoxification, or similar action pursuant to this Section 12.5 as a result of the presence, release, or disposal in or about the Property, the Building, or the Premises of any Hazardous Material, and that action requires that Tenant be denied access or use of the Premises to conduct its business on the Premises for a period of greater than one (1) business day, Base Rent payable under this Lease shall be abated for the period that Tenant is unable to conduct its business in the Premises.

12.6. 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, the Premises or the Building, 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

Initials  
  
 Site Owner - Lease  
 ATTACHMENT - 2

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.

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

### ARTICLE 13 - INDEMNIFICATIONS

13.1. 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 the Tenant Improvements and the Alterations and all other work in, on or about the Building and Property, 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. This indemnification shall survive the expiration or earlier termination of this Lease.

13.2. 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. This indemnification shall survive the expiration or earlier termination of this Lease.

## ARTICLE 14 - DAMAGE AND DESTRUCTION

14.1. Partial Damage or Destruction. If no more than twenty-five percent (25%) of the Property, Building, Premises or parking areas are partially destroyed from any cause insured by Landlord as required herein and such damage or destruction renders the Premises partially inaccessible or unusable, Landlord shall promptly restore the Property, Building, Premises (excluding the Tenant Improvements and Alterations) or parking areas to substantially the same condition as they were in immediately before the destruction within one hundred eighty (180) days after the date of such partial destruction. Base Rent shall be abated for the portion of the Premises not occupied by Tenant during the time of such restoration and for any portion of the Premises which may be occupied by Tenant but which are unfit for the purposes permitted under this Lease. In the event that Landlord fails to restore the Property, Building, Premises or parking areas, as the case may be, within the one hundred eighty (180) day timeframe provided herein, Tenant shall have right to terminate this Lease upon ten (10) days notice to Landlord or exercise its rights under Section 17.4 of this Lease. Notwithstanding the foregoing, Landlord shall not be required to make any repairs or restorations under this Article 14 that are prohibited by law or to the extent the cost of such repairs or restorations exceed the amount of insurance proceeds paid to Landlord in connection with such loss, 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.

14.2. Complete Damage or Destruction. If more than twenty-five percent (25%) of the Property, Building, Premises or parking areas are destroyed from any cause insured by Landlord as required herein, 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 (excluding the Tenant Improvements and Alterations). The following provisions shall apply in the event of a complete destruction:

- (a) Landlord and Tenant shall each have the right to terminate this Lease upon thirty (30) days written notice to the other party if Landlord's commercially reasonable determination of period for reconstruction will exceed two-hundred and seventy (270) days from the date of the casualty;
- (b) Landlord shall have the right to terminate this Lease upon thirty (30) days written notice to Tenant if such complete destruction occurs at any time during the last thirty six (36) calendar months of the Term; provided, however, that Tenant may nullify such termination by giving written notice to Landlord exercising the next succeeding unexercised five (5) year Renewal Option, if any.
- (c) Base Rent shall be fully abated during the period beginning on the date of the casualty and ending on the date of completion of Landlord's restoration obligations as provided in this Article 14. 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.

14.3. Damage Near End of Term. Notwithstanding any other provision of this Article 14 to the contrary, if any portion of the Property, Building, Premises or parking areas are destroyed or damaged by a casualty during the last twelve (12) months of the Lease Term, Landlord and

Tenant shall each have the option to terminate this Lease by giving ten (10) days written notice to the other party within thirty (30) days of the date of the casualty.

14.4. Effective Date of Termination; Rent Apportionment. If Landlord or Tenant elects to terminate this Lease under this Article 14 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. Any termination of the Lease under this Article 14 shall effect the concurrent termination of the Office Lease.

#### ARTICLE 15 - CONDEMNATION

15.1. Condemnation. If: (a) any portion of the Premises; or (b) such portion of the parking lot serving the Premises which reduces the number of parking spaces below the number of parking spaces required by applicable law and Landlord is unable to replace such parking spaces or otherwise cause the parking lot to comply with applicable law, is taken or condemned by any competent authority for any public or quasi-public use or purpose or is sold to the condemning authority in lieu of condemnation, and such condemnation renders the Premises inaccessible or unusable, Landlord and Tenant shall each have the right to terminate this Lease upon thirty (30) days written notice to the other party. Tenant shall have the right to make such claims as may be available to Tenant under applicable law, provided such claims do not reduce the amount of condemnation proceeds available to Landlord. Any termination of the Lease under this Article 15 shall effect the concurrent termination of the Office Lease.

15.2. Apportionment of Base Rent. If this Lease is terminated under this Article 15, 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 16 - ASSIGNMENT AND SUBLEASING

16.1. Restriction on Landlord's Right to Alienate Property. Prior to the Commencement Date, Landlord shall not be permitted to sell or otherwise transfer any portion of its interest in the Property or under this Lease without first obtaining the written approval of the Planning Board and Tenant shall, at no cost to Tenant, exercise diligent efforts in good faith to cooperate with and assist Landlord in obtaining such approval.

16.2. Restricted Transfers by Tenant. Except as provided in Section 16.3 of this Lease, Tenant shall not voluntarily assign, sublease or otherwise encumber or transfer 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.

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

16.2.2. INTENTIONALLY OMITTED.

16.3. Permitted Transfers by Tenant. Notwithstanding Section 16.2 and provided that such assignee or subtenant enters into a commercially reasonable written assignment or sublease agreement, Tenant may assign this Lease or sublease the Premises (or a portion of the Premises in the case of a transfer permitted under Section 16.3(f)) upon written notice to Landlord, but without the consent of Landlord to:

- (a) any entity into which or with which Tenant has merged or consolidated;
- (b) any parent, subsidiary, successor, or wholly-owned affiliated entity of Tenant;
- (c) any entity which acquires all or substantially all of the assets or issued and outstanding shares of capital stock of Tenant;
- (d) any partnership, the majority interest of which shall be owned by Tenant or a parent, subsidiary, successor or wholly-owned affiliate entity of Tenant;
- (e) any purchaser of substantially all of Tenant's assets located at the Premises, provided that any such assignee or successor shall agree in writing to assume and perform all of the terms and conditions of this Lease on Tenant's part to be performed from and after the effective date of such assignment or subletting; or
- (f) as a subtenant only, any doctor or medical director associated with Tenant, provided that no more than ten percent (10%) of the Premises are transferred pursuant to this Section 16.3(f).

16.4. Right to Collect Base Rent. If this Lease is assigned, Landlord shall collect Base Rent directly from the assignee. If all or part of the Premises is subleased and Tenant defaults, Landlord shall have the right to collect the base rent payable by the sublessee to Tenant directly from the sublessee provided that Landlord shall apply all amounts collected to Tenant's monetary obligations under this Lease. Notwithstanding any of the foregoing provisions of this Article to the contrary, in the event of any subletting made by Tenant for a rental rate in excess of the Base Rent and additional rent and other rentals due under this Lease to Landlord, Tenant shall pay to Landlord as additional rent due under this Lease 50% of all of such excess amounts as and when paid by subtenant to Tenant.

  
 Site Owner - Lease  
**ATTACHMENT - 2**

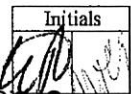
## ARTICLE 17 - DEFAULTS AND REMEDIES

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

- (a) Tenant's failure to pay when due any Base Rent or any other monetary obligation required to be paid under this Lease if the failure continues for ten (10) days after Tenant's receipt of written notice of its failure from Landlord to Tenant; provided, however, that Landlord shall not be required to send more than two (2) such notices during any calendar year and Tenant shall be in default immediately upon the occurrence of any subsequent failure to make timely payment of Base Rent or any other monetary obligation required to be paid under this Lease.
- (b) Tenant's failure to perform any other obligation under this Lease if the failure continues for thirty (30) days after Tenant's receipt of written notice of its failure from Landlord to Tenant. If the required cure of the noticed default cannot be completed within thirty (30) days, Tenant's failure to perform shall not constitute a default under this Lease if Tenant has taken steps to cure the failure and is diligently and continuously attempting to complete the cure as soon as reasonably possible;
- (c) The entry of an order for relief with respect to Tenant or any guarantor of this Lease under any chapter of the Federal Bankruptcy Code, the dissolution or liquidation of Tenant or any guarantor of this Lease, the appointment of a trustee or receiver to take possession of all or substantially all of Tenant's or any guarantor's assets or Tenant's interest under this Lease that is not discharged within thirty (30) days;
- (d) The execution by Tenant or any guarantor of this Lease of an assignment for the benefit of creditors;
- (e) Tenant sublets the Premises or assigns the Lease in violation of Article 16 hereof;
- (f) The vacating or abandonment of the Premises by Tenant for a period of 30 consecutive days or more without Landlord's consent; or
- (g) Any default by Tenant under the Office Lease.

17.2. 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 and exercisable by Landlord at any time thereafter, with or without additional notice or demand and without limiting Landlord in the exercise of any other right or remedy which Landlord may have by reason of such default or breach:

- (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. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises to get the Premises to the condition which existed as of the Delivery Date; reasonable attorneys' fees; real estate commissions actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid Base Rent and other

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Site Owner - Lease  
**ATTACHMENT - 2**

sums or charges due hereunder for the balance of the Term after the termination exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided; and that portion of the leasing commission paid by Landlord applicable to the unexpired term of this Lease, if any;

- (b) Terminate Tenant's right to possession only and repossess the Premises by forcible entry and detainer suit, by taking peaceable possession, or otherwise, without terminating this Lease, in which event Landlord may, but shall be under no obligation to, relet the same for the account of Tenant, for such rent and upon such terms as shall be commercially reasonable. For the purpose of such reletting, Landlord is authorized to decorate, repair, remodel or otherwise alter the Premises. Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. Tenant shall, upon demand, pay to Landlord all of the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises to get the Premises to the condition which existed as of the Delivery Date; reasonable attorneys' fees; and real estate commissions actually paid. If Landlord shall fail to relet the Premises, Tenant shall pay to Landlord a sum equal to the amount of the Base Rent and other sums and charges due hereunder for the balance of the Term as such rental shall become due. If the Premises is relet and a sufficient sum shall not be realized from such reletting, after payment of the costs and expenses of all decoration, repairs, remodeling, alterations and additions and the expenses of such reletting (including broker's commissions and attorneys' fees) to satisfy the rental provided for in this Lease, Tenant shall satisfy and pay the same upon demand therefor from time to time as such rental becomes due. Landlord may file suit to recover any sums falling due from time to time and no suit or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not previously reduced to judgment in favor of Landlord;
- (c) Maintain Tenant's right to possession in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the Rent, and other sums or charges due hereunder as the same becomes due hereunder;
- (d) 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;
- (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. Landlord shall also be entitled to recover from Tenant as additional rent all costs, charges, expenses and attorneys' fees incurred in connection with Tenant's default and in connection with Landlord's remedies undertaken with respect to Tenant's default, whether or not Tenant's

Initials  


Site Owner - Lease  
**ATTACHMENT - 2**

default is subsequently cured. Tenant waives demand for rent, demand for possession, and any and all demands or notices required by law; and

- (f) No waiver of any default by Tenant shall be implied from any omission by Landlord to take any action on account of said default if such default persists or shall be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated. No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance with any obligation hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. The provisions of this Article shall survive any termination of the Lease.

17.3. 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 17.3, Tenant shall have the right to exercise its rights pursuant to Section 17.4 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.

17.4. Tenant's Right of Self Help. In the event of a default of this Lease by Landlord pursuant to Section 17.3, 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 17.4, Tenant shall have the right to use contractors of its choosing. Landlord hereby grants to Tenant and Tenant's contractors a license, effective during the Lease Term, to enter those portions of the Property, Building, 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 17.4 shall be deemed paid or incurred for the account of Landlord and Landlord shall reimburse Tenant therefore within ten (10) days of Tenant's submission of invoices and proof of Tenant's payment of such invoices. In the event that Landlord fails to reimburse Tenant as provided herein, such failure shall be considered a material breach of this Lease and the following provisions shall apply:

- (i) Interest shall accrue on such unpaid amounts at the rate of eighteen percent (18%) per annum unless such interest rate violates applicable usury laws, in which case interest shall accrue at the maximum allowable legal rate; and
- (ii) Tenant may deduct the full cost incurred in curing Landlord's default and any accrued interest thereon pursuant to Section 17.4(i) of this Lease from future payments of Base Rent.

Initials


 Site Owner - Lease  
**ATTACHMENT - 2**



**ARTICLE 18 - HOLDING OVER**

18.1. Holdover Rent. If Tenant remains in possession of the Premises after the expiration or earlier termination of this Lease, Tenant's occupancy shall be deemed a month-to-month tenancy upon the same terms and conditions of this Lease except that (a) Base Rent shall be equal to One hundred fifty (150%) of the Base Rent paid by Tenant to Landlord for the month in which this Lease expired or was otherwise terminated and (b) Tenant shall not have any right to extend the Lease Term.

18.2. 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 19 - SURRENDER OF PREMISES**

19.1. 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.

19.2. 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 Building 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.

19.3. Removal of Tenant Improvements and Alterations. Tenant shall not remove the Tenant Improvements and Alterations installed on or in the Premises by Tenant during the Lease Term pursuant to Article 5 of this Lease.

**ARTICLE 20 - ESTOPPEL CERTIFICATES**

20.1. Obligation to Provide Estoppel Certificates. Within fifteen (15) 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 or the Building. 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 as may be reasonably required for the purpose of supporting Landlord's underlying transaction.

**ARTICLE 21 - SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT**

21.1. 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 and/or master 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 fifteen (15) 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.

21.2. Non-Disturbance and Attornment. Provided that Tenant's occupancy of the Premises is not disturbed and that the terms and conditions of this Lease are honored by the transferee of Landlord's interest in the Property, Tenant covenants and agrees to attorn to the transferee of Landlord's interest in the Property by foreclosure, deed in lieu of foreclosure, exercise of any remedy provided in any Encumbrance or underlying lease, or operation of law, and to recognize such transferee as the new landlord under this Lease. In the event any Encumbrance holder notifies Tenant of such a transfer of Landlord's interest in the Property, Landlord agrees that Tenant shall not be liable for making payments of Base Rent or any other sums due pursuant the terms of this Lease directly to the transferee.

21.3. 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 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 Building and 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 22 - FORCE MAJEURE**

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

**ARTICLE 23 - SIGNS**

23.1. Building Name; Landlord's Signage Rights and Obligations. Subject to Tenant's signage rights under this Article 23, Landlord may at any time change the name of the Building and install, affix, and maintain all signs on the exterior of the Building as Landlord may, in Landlord's sole discretion, desire. Tenant may use the name of the Building or pictures or illustrations of the Building in its advertising or other publicity during the Lease Term.

23.2. 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 Building, the Property and/or exterior monuments where other tenant's signs are located. In addition, Tenant shall have the right to install directional signs in the parking areas of the Property that indicate the location of the Premises. The location, materials, size, appearance and quality of all signs installed by Tenant pursuant to this Section 23.2 shall be subject to Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

23.3. Compliance with Laws. Notwithstanding anything contained in this Article 23 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.


23.4. Removal of Tenant's Signs Upon Lease Termination. Tenant shall, at Tenant's expense, promptly and permanently remove all of its signs installed pursuant to Section 23.2 of this Lease upon the termination or earlier expiration of this Lease and repair all damage to the Building and the Premises resulting from such removal.

**ARTICLE 24 - PARKING**

24.1. Grant of Parking Rights. Landlord, at no cost to Tenant, shall provide Tenant with the number of parking spaces required by applicable law (including handicapped spaces) 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. Tenant shall have the exclusive right during the Lease Term to use 32 assigned parking spaces of which 3 shall be designated as handicapped parking.

**ARTICLE 25 - BROKERS**

25.1. Brokers. Landlord and Tenant hereby represent to each other that they know of no 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. The terms of this Article 25 shall survive the expiration or earlier termination of this Lease.

Initials  
  
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**ATTACHMENT - 2**

## ARTICLE 26 - MISCELLANEOUS PROVISIONS

- 26.1. 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.
- 26.2. 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 and the Building.
- 26.3. 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 26.3 limit, hinder or otherwise prevent Tenant from exercising any of its offset rights pursuant to the terms of this Lease.
- 26.4. 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.
- 26.5. 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.
- 26.6. Time of the Essence. Time is of the essence of this Lease and each of its provisions.
- 26.7. 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.
- 26.8. Authority. Landlord and Tenant each warrant and represent to each other that the individuals executing this Lease are duly authorized to execute and deliver this Lease and, once fully executed and delivered, this Lease constitutes a valid, legal and binding obligation enforceable in accordance with the terms and conditions contained herein.
- 26.9. Binding Effect. This Lease shall bind and benefit the parties to this Lease and their legal representatives and successors in interest. Whenever the word "Landlord" is used herein it shall be construed to include the successors and assigns of the Landlord, and the word "Tenant" shall include the successors and assigns of the Tenant, and the words Landlord and Tenant shall include single and plural, individual or corporation, subject always to the restrictions herein contained as to subletting or assignment of this Lease. In the event of any sale or other transfer or conveyance of the Building and/or Lease by Landlord, Landlord shall be entirely freed of all

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Site Owner - Lease

**ATTACHMENT - 2**

obligations of Landlord under this Lease and shall not be subject to any liability resulting from any act, omission or event occurring after such conveyance.

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

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

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

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

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

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

If to Landlord: Southern Illinois Medical Development Corporation  
509 Hamacher Street, Suite 202  
Waterloo, IL 62298  
Attn: William J. Rebholz, Chief Executive Officer

with a copy to: Greensfelder, Hemker & Gale, P.C.  
12 Wolf Creek Drive, Suite 100  
Swansea, Illinois 62226  
Attn: L. Kevin Vick

If to Tenant: Fresenius Medical Care of Illinois, LLC

Initials  


At the Premises

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

All notices shall be effective on delivery if delivery is confirmed by the delivery service. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities or overnight delivery service. Either party may change its address by giving the other party notice of the change in any manner permitted by this Section 26.15.

26.16. 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.

26.17. Zoning. Landlord warrants and represents that the Premises is zoned for Tenant's use and is not located within a Flood Plain.

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

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

26.20. 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 E.

26.21. Guaranty of Lease. Concurrently with the execution of this Lease by Landlord and in order to induce Landlord to enter into this Lease with Tenant and in additional consideration therefor, Fresenius Medical Care Holdings, Inc., a New York corporation, shall execute the Guaranty of Lease attached hereto as Exhibit G.

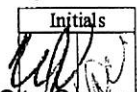
26.22. Landlord Development Rights. Tenant acknowledges and agrees that Exhibit A, Exhibit B-1 and any other site plans related to the Property set forth only the general layout of the Property, but shall not be deemed as a warranty, representation or agreement on the part of Landlord that the Property will be or remain exactly as depicted on such exhibits or site plans,

and Landlord specifically reserves the right at any time and from time to time and without the consent of Tenant to change and alter any aspect of the Property including, without limitation, the configuration of signs, parking areas, landscaping, driveways, curb cuts and other common areas, the addition of kiosks and other structures and improvements provided that Tenant's Permitted Use of the Premises is not limited or restricted thereby, and to execute and record a subdivision plat legally subdividing the Property from the surrounding real estate and dedicating certain improvements. The Property is subject to all easements, rights of way, covenants, restrictions, exclusives, zoning laws and all applicable ordinances, resolutions, rules, regulations, codes and other laws affecting the Property or any portion or portions thereof and the Property may be encumbered and/or benefited from time to time by certain additional easements, development and operating covenants, and similar agreements necessary or appropriate to facilitate the development, use, management and operation of the Property, the Medical Campus and/or surrounding real estate and Landlord shall have the right to enter into and/or terminate any such easements and agreements in Landlord's sole discretion.. Tenant agrees that it shall abide by all such easements and agreements as the same may be amended from time to time in Landlord's sole discretion provided that Tenant's Permitted Use of the Premises is not limited or restricted thereby.

26.24. Landlord's Condition. Notwithstanding anything contained herein to the contrary, Landlord's obligations under this Lease are conditioned upon: (i) Landlord's receipt of all of the permits under Article 1 which shall include, without limitation, all necessary or appropriate building, construction and curb cut permits and all licenses, permits, approvals and consents from all applicable governmental authorities necessary or appropriate for Landlord to perform the Landlord's Work all of which shall be in form and substance reasonably satisfactory to Landlord; and (ii) Landlord's procurement of financing for the Landlord's Work in form and substance reasonably satisfactory to Landlord. If this condition is not satisfied or waived by Landlord on or before the date which is sixty (60) days after the CD Delivery Date ("Landlord Contingency Date"), then Landlord shall have the right to extend the Landlord Contingency Date by providing Tenant with written notice on or before the expiration of the original Landlord Contingency Date and Landlord shall have an additional sixty (60) days to satisfy this condition and the Landlord Contingency Date and Landlord's performance deadlines under this Lease shall be extended accordingly. If Landlord does not give written notice of satisfaction or waiver of this condition on or before the Landlord Contingency Date (as extended, if applicable), then this Lease shall terminate and be of no further force or effect.

26.25. Separate Covenants. Each and every covenant and agreement contained in this Lease shall for all purposes be construed to be a separate and independent covenant and agreement, and the breach of any covenant or agreement contained herein by either party shall in no way or manner discharge or relieve the other party from its obligation to perform each and every covenant and agreement herein.

26.26. Liability of Landlord. Notwithstanding anything to the contrary contained in this Lease, Tenant agrees that Tenant shall look solely to the estate and property of Landlord in the Property for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms and provisions of this Lease to be observed and/or performed by Landlord; subject, however, to the

Initials  


Site Owner - Lease

ATTACHMENT - 2

prior rights of any holder of any mortgage or deed of trust covering the Building, and no other assets of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim and there shall be absolutely no personal liability on the part of the Landlord with respect to any of the terms, covenants and conditions of this Lease, such exculpation to be without any exception whatsoever. The provisions hereof shall inure to the benefit of Landlord's successors and assigns including any mortgagee.

26.27. No Set off. Except as otherwise specifically permitted in the Lease, Tenant shall not have the right to set off any claims of Tenant against Landlord against any rent payable hereunder, nor shall Landlord have the right to set off any claims it may have against Tenant any sums of money, if any, payable by Landlord to Tenant hereunder.

26.28. Cumulative Remedies: No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies available at law or in equity. No failure by Landlord to insist upon the strict performance of any agreement, term, covenant or condition hereof, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach, agreement, term, covenant or condition. No waiver by Landlord of any breach by Tenant under this Lease shall affect or alter this Lease in any way whatsoever.

26.29. Electronic Communications. The parties agree that electronically mailed or faxed signatures may be used to expedite the transaction contemplated by this Lease. Each party intends to be bound by its electronically mailed or faxed signature and each is aware that the other will rely on the electronically mailed or faxed signature and each acknowledges such reliance and waives any defenses to the enforcement of the documents and notices effecting the transaction contemplated by this Lease based on an electronically mailed or faxed signature. The parties agree to deliver to each other original signed hard copies of all documents and notices signed and transmitted by electronic mail or telefax within five (5) days after the date of such transmission; provided, however, that failure to do so will not render such documents or notices invalid or ineffective.

26.30. Office Lease. Landlord and Tenant shall enter into a lease agreement pursuant to which Tenant shall lease from Landlord office space in the Building ("Office Lease").

**SIGNATURE PAGE TO FOLLOW**



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

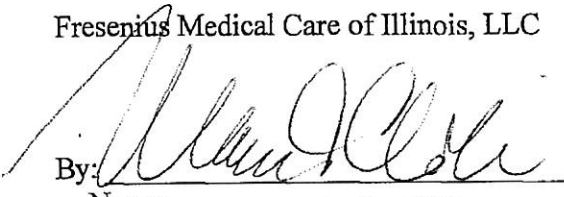
**LANDLORD:**

Southern Illinois Medical Development Corporation

By:   
William R. Reilly, M.D., President

**TENANT:**

Fresenius Medical Care of Illinois, LLC

By:   
Name: **Maria T. C. Gillis**  
Title: **Assistant Treasurer**

**EXHIBIT A****PROPERTY, BUILDING, PREMISES**

LOT 3 OF THE PROPOSED SOUTHERN ILLINOIS MEDICAL CENTER SUBDIVISION BEING PART OF TAX LOT 2 IN U.S. SURVEY 720, CLAIM 516, TOWNSHIP 2 SOUTH, RANGE 9 WEST OF THE THIRD PRINCIPAL MERIDIAN, MONROE COUNTY, ILLINOIS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHWEST RIGHT-OF-WAY LINE OF HAMACHER STREET, 100 FEET WIDE, AS SHOWN BY RIGHT-OF-WAY PLAT RECORDED IN ENVELOPE 180-C IN THE MONROE COUNTY RECORDS, WITH THE CENTERLINE OF EAGLE COURT AS SHOWN BY PLAT OF EAST RIDGE 7<sup>TH</sup> ADDITION RECORDED IN ENVELOPE 2-6A; THENCE SOUTH 39 DEGREES 52 MINUTES 38 SECONDS WEST (BASED ON GRID NORTH, ILLINOIS STATE PLANE COORDINATE SYSTEM, WEST ZONE) ALONG SAID NORTHWEST RIGHT-OF-WAY LINE OF HAMACHER STREET 1006.57 FEET; THENCE ALONG SAID RIGHT-OF-WAY LINE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 946.45 FEET AND A CHORD WHICH BEARS SOUTH 47 DEGREES 01 MINUTE 20 SECONDS WEST 235.44 FEET, AN ARC DISTANCE OF 236.05 FEET TO THE SOUTHEAST CORNER OF THE PROPOSED SOUTHERN ILLINOIS MEDICAL CENTER SUBDIVISION; THENCE ALONG THE EASTERLY LINE OF SAID SUBDIVISION NORTH 28 DEGREES 08 MINUTES 16 SECONDS WEST 279.54 FEET TO THE SOUTHEAST CORNER OF SAID PROPOSED LOT 3 BEING THE POINT OF BEGINNING; THENCE LEAVING SAID EASTERLY LINE SOUTH 61 DEGREES 59 MINUTES 53 SECONDS WEST, 213.08 FEET TO THE EASTERLY RIGHT OF WAY LINE OF PROPOSED SOUTHERN ILLINOIS MEDICAL DRIVE, FIFTY FEET WIDE; THENCE ALONG SAID RIGHT OF WAY NORTH 28 DEGREES 00 MINUTES 07 SECONDS WEST, 205.93 FEET, THENCE LEAVING SAID RIGHT OF WAY NORTH 61 DEGRESS 59 MINUTES 53 SECONDS EAST, 212.59 FEET; THENCE SOUTH 28 DEGREES 08 MINUTES 16 SECONDS EAST, 205.93 FEET TO THE POINT OF BEGINNING.

RIGHT OF WAY OF SOUTHERN ILLINOIS MEDICAL DRIVE, FIFTY FEET WIDE OF THE PROPOSED SOUTHERN ILLINOIS MEDICAL CENTER SUBDIVISION BEING PART OF TAX LOT 2 IN U.S. SURVEY 720, CLAIM 516, TOWNSHIP 2 SOUTH, RANGE 9 WEST OF THE THIRD PRINCIPAL MERIDIAN, MONROE COUNTY, ILLINOIS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHWEST RIGHT-OF-WAY LINE OF HAMACHER STREET, 100 FEET WIDE, AS SHOWN BY RIGHT-OF-WAY PLAT RECORDED IN ENVELOPE 180-C IN THE MONROE COUNTY RECORDS, WITH THE CENTERLINE OF EAGLE COURT AS SHOWN BY PLAT OF EAST RIDGE 7<sup>TH</sup> ADDITION RECORDED IN ENVELOPE 2-6A; THENCE SOUTH 39 DEGREES 52 MINUTES 38 SECONDS WEST (BASED ON GRID NORTH, ILLINOIS STATE PLANE COORDINATE SYSTEM, WEST ZONE) ALONG SAID NORTHWEST RIGHT-OF-WAY LINE OF HAMACHER STREET 1006.57 FEET; THENCE ALONG SAID RIGHT-OF-WAY LINE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 946.45 FEET AND A CHORD WHICH BEARS SOUTH 53 DEGREES 31 MINUTE 15 SECONDS WEST 446.54 FEET, AN ARC DISTANCE OF 450.30 FEET TO THE POINT OF BEGINNING; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 946.45 FEET AND A CHORD WHICH BEARS SOUTH 68 DEGREES 41 MINUTE 22 SECONDS WEST 50.34 FEET, AN ARC DISTANCE OF 50.35 FEET; THENCE LEAVING SAID RIGHT OF WAY OF HAMACHER STREET NORTH 28 DEGREES 00 MINUTES 07 SECONDS WEST 510.93 FEET; THENCE NORTH 61 DEGREES 59 MINUTES 53 SECONDS EAST, 50.00 FEET; THENCE SOUTH 28 DEGREES 00 MINUTES 07 SECONDS EAST, 516.80 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF HAMACHER STREET, BEING THE POINT OF BEGINNING.

**EXHIBIT B****IN-CENTER BUILDING SHELL EXHIBIT "PREMISES"****GENERAL INFORMATION**

A "Building Shell Premises" construction project is one in which Landlord constructs a building shell structure, utilities, parking, landscaping, and site improvements to Tenant's specifications. Tenant's specifications are intended to allow Landlord's completed project to function as a "Build to Suit" structure accommodating interior build out by Tenant into an outpatient dialysis facility.

Landlord is to provide the Tenant a site survey (ALTA) in an AUTOCAD file format which shall include but not limited to property boundaries, utility locations, roads curbing, sewers and topography. Landlord shall be responsible for hiring Registered Architects, Engineers, and any other persons necessary to prepare and present to Tenant the following (all of which shall be referred to collectively as the "Plans"): a complete set of construction documents for the building shell (which shall be based on the preliminary plan of the building shell and interior build-out prepared by the Tenant and approved by the Landlord) and a site plan containing but not limited to the property boundaries, set backs, curb cuts, topography, parking layout, exterior lighting, depiction of the location of all incoming required utilities, including, but not limited to: Electrical service, Gas service, Domestic Water supply, Waste Line (Sewer), Telephone service, and Cable TV service sufficient for permitting and construction. The Landlord's Architect/Engineers, after signing a confidentiality agreement, shall receive the Tenant's proprietary details and Master Specifications to incorporate into the Plans. The first set of Plans (the "Draft Plans") shall be 50% complete construction documents, and shall be presented to Tenant for Tenant's approval. The cost of any such modifications shall be the sole responsibility of the Landlord, provided all such modifications shall be consistent with the various descriptions of the anticipated construction contained in this Lease. A final set of Plans 100% (the "Final Plans") shall be submitted to Tenant for Tenant's approval. Final Plans are to be submitted in AutoCAD 2004, PDF and hardcopy to Tenant's Project Manager.

All plans and construction shall be completed in compliance with all applicable laws, codes, regulations, including zoning requirements and all authorities having jurisdiction. In addition, all plans and construction must meet National Fire Protection Association (NFPA) 101, Life Safety Code 2000 and all other referenced NFPA codes. Landlord will secure any/all required federal, state and/or local inspections for this Building Shell Project. The Landlord is required to have the Tenant's Project Manager involved in but not directly managing the design process, bidding process, selection of the General Contractor and the construction process of the building shell work. Landlord shall provide to tenant all necessary documents for code and regulatory reviews or inspections.

**FMS OUTLINE SPECIFICATIONS**  
**FRESENIUS MEDICAL CARE - NORTH AMERICA**

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**ATTACHMENT - 2**

1. **Insurance:** The Contractor must carry \$2,000,000 minimum coverage of Workman's Compensation & General Liability Insurance.
2. **Owner Furnished Equipment:** The Contractor shall be responsible for receiving, storing and protecting the Tenant's equipment which is delivered to the job site.
3. **Workmanship & Codes:** All work shall conform to best industry standards, and all materials shall be new, first quality, and installed in strict accordance with manufacturer's instructions and recommendations. All standards provided and work performed must conform and/or be adjusted to conform to any and all applicable codes.
4. **Plans:** Complete architectural and engineering plans for the building structure to be prepared at 1/4" = 1'-0" scale by the Landlord's registered architect and engineers, utilizing all appropriate Tenant supplied details. "Final Plans" shall include but not limited to:

A. **COVER SHEET**

- Building Classification
- Building Owner
- Location Map & Plan
- Zoning and Applicable Codes
- Drawing Index
- Project Address
- Project Team
- Building Square Footage

B. **CIVIL**

- Existing Topographical Survey and Site Plan
- Proposed Topographical Survey and Site Plan
- Utility Plan
- Grading and Drainage Plan
- Storm Water & Sediment Control Plan
- Sanitary Sewer Detail Sheet
- Water System Detail Sheet
- Electrical System Detail Sheet
- Landscape and Irrigation Plan
- Roadways / Parking Plan, Sections and Details
- Site Lighting Plans

C. **STRUCTURAL**

- Footing/ Foundation Plan, Sections and Details
- Column Schedule and Details
- Roof Framing Plan, Sections and Details

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ATTACHMENT - 2

Slab Plan and Details  
Roof Deck Plan and Details  
Framing Elevations and Details

D. **ARCHITECTURAL**

Architectural Site Plan  
Floor Plans  
Roof Plans  
Building Elevations  
Exterior/Interior Wall Sections  
Exterior/Interior Window/ Door Schedule and Details

E. **MECHANICAL**

HVAC Roof Plan  
Equipment Schedules and Details

F. **ELECTRICAL**

Electrical Site Plan  
Under-slab Electrical Conduit Floor Plan  
Electrical Riser Diagrams, Details and Schedules

G. **PLUMBING**

Under-slab Sanitary Waste and Vent Floor Plan  
Under-slab Domestic Water Floor Plan  
R.O. and Concentrate Sleeving Floor Plan  
Plumbing Riser Diagrams, Details, and Schedules

H. **FIRE PROTECTION**

Fire Sprinkler Piping Plan  
Sprinkler Riser Diagrams, Schedules and Details  
Hydraulic Calculations

5. **Utilities Permits and Fees:** The Landlord shall secure and pay for all utilities (water, electrical, gas, sewer, and refuse) used during the construction period, and all permits and fees necessary for complete construction, including all tap, impact development fees, water, gas and electric meters and/or all assessments.
6. **Clean up & Safety:** The Landlord is responsible for keeping the site in a safe and clean condition at all times.

7. **Telephone:** The Landlord shall have a job site telephone installed at the start of the job and removed after final punch of the job with the approval of the Tenant's Project Manager.

8. **Civil (Site Work)**

- A. All site engineering required for permitting and construction to be performed by the Landlord's Civil Engineer. Site plans must be prepared by a registered Civil Engineer and submitted to the Tenant for review and approval before any work is started.
- B. Provide clearing, grubbing, fill, blasting, grading, excavations, and other work necessary to prepare the site for development.
- C. The Landlord is responsible for bringing all utilities to the building including water, electrical, natural gas, sanitary sewer, storm drainage, telephone, cable and fire protection (sprinklers) in the sizes and water pressure shown in the utility matrix below. All utilities listed below shall be exclusive for Tenant use with Tenant specific utility meters. Utility termination is to be within the Tenant's space and located at location mutually agreed upon by Tenant and Landlord. Landlord to provide backflow preventer for domestic water, sprinkler and landscape irrigation in hot boxes. Landlord is responsible for all impact fees and tapping fees. All MEP rooms located outside of Tenant space must be accessible to Tenant's staff at all times. Landlord to provide minimum 25 pair phone cable.

Landlord is to provide 2 dedicated 4" conduits to the building and/ or roof penetration for Cable TV (if available) or satellite, internet and telephone. Terminate inside building within the wiring closet at location designated by the Tenant.

Utility Matrix

Service	Number of Patient Stations and Training Rooms Designed For							
	6	8	12	16	20	24	28/32	36/40
City Water (Minimum) (A minimum sustainable dynamic pressure of 60 psi is required)	2"	2"	2"	2"	2"	2"	3"	3"
Sanitary Waste (Dedicated for Tenant use)	4"	4"	4"	4"	4"	4"	4"	4"
208V, 3 phase, 4w Electrical (amps)**	400	400**	600	600	600	800	800	1000

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 Site Owner - Lease  
**ATTACHMENT - 2**

Natural Gas* (MBH)	250	300	350	450	600	720	850	1100
Building Sq. Ft.	3200	3500	4400	5800	8000	9500	10500	12800

\* If natural gas is not available, then electric service will need to be sized by Tenant's electrical engineer.

\*\* 230 V Δ (Delta) Service shall be 600 AMP minimum. Electrical power to terminate inside Tenant's space at a location approved by the Tenant within a single main distribution panel dedicated solely for Tenant's use.

D. Site design and building orientation must allow for easy access to patient drop-off, parking, and easy turn around, as well as easy access for delivery trailer trucks, sanitary vehicles and unobstructed access to building by fire rescue. Traffic should circulate in a counterclockwise direction providing safe and coherent traffic flow. Single lanes shall have 12'-0" min. width and curved lanes 14'-6" min., each additional lane 12'-0". Multiple straight lanes shall be 10'-6" min.

Landlord to provide Roadways & Parking consisting of 2½" bituminous concrete on a 6" compacted base for general parking & roads. Service/delivery/dumpster(s) areas shall be constructed of 6" minimum 3000 PSI reinforced Portland cement concrete on an 8" compacted base. Wheel-stop curbs shall be precast concrete or granite (if required by local codes). Bituminous curbing is not an acceptable option. Concrete delivery ramps must meet max. 1:12 slope and min. 6' clear width.

Provide parking spaces at the minimum rate of 1 per 250 square feet of building area or per local codes, whichever is greater. Auto parking spaces shall be 8'-0"W min. x 20'-0"L and designed so parked vehicles do not obstruct adjacent routes of travel. Provide HC parking at a rate of 10% of total parking spaces or per local code, whichever is greater. One HC parking stall must be designated as van parking. HC parking must be located along building where patients will not cross active drive aisles and along accessible pathway(s) to the building entrance. Provide parking lot striping for standard and handicap, HC designation and signage. Parking is prohibited from being located directly adjacent to building exterior.

Provide a covered patient drop-off area (porte cochere) at patient entrance. Drop off and queuing zone cannot overlap vehicular way or obstruct traffic, should be marked as a "no parking" area, and provide a minimum vehicle queuing area 20' long. Patient drop-off lane shall be 14'-0" wide min. Provide a reinforced concrete vehicle pad flush with the patient building entrance, curb cuts, HC ramp and accessible sidewalks under the porte cochere. Provide fire suppression system in to porte cochere ceiling to meet NFPA 13 and all state and local codes. Provide painted metal bollards to

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ATTACHMENT - 2

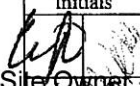


protect the walkway, porte cochere columns, patient entrance, and all emergency exit doors if located adjacent to parking or driveways. Provide continuous reinforced concrete ADA accessible sidewalks from all building exits to patient drop-off area (porte cochere).

Accessible aisles servicing cars and van parking spaces shall be 60" wide min. and shall extend the full length of the parking spaces they serve. Aisles must be marked to discourage parking and must not overlap the vehicular way. Accessible aisles servicing vans can be located at either side of parking space except at angled van parking spaces which shall have access aisles located on the passenger's side of the parking spaces.

Provide adequate turning and maneuvering space for a 55 ft. trailer plus tractor truck to make deliveries to the service area. Layout shall provide 50' direct/ straight access for sanitary vehicles, with 18 feet of vertical clearance over the entire approach and 32 feet above the dumpster enclosure. Landlord to provide a concrete loading area in front of delivery doors. Plans to be submitted to Tenant for review and approval prior to start of work.

- E. Landlord to provide reinforced concrete dumpster pad with enclosure and gates for (2) dumpsters (10 yards each) per Tenant details at a location agreed upon by Tenant and Landlord. Dumpsters shall not be installed behind parking spaces, in front of fire hydrants, or within 5 feet of a combustible wall, opening or building eave. Enclosure shall hold the dumpsters and provide a 2-foot clearance from the interior walls to each side of the dumpsters (provide wheel stops or bumpers), and shall be 6 feet high or at least 6 inches above the top of the dumpster. When required, gates must be a minimum of 16 feet wide with no intermediate posts. When gates are opened, they shall not infringe on traffic aisles, gates shall clear 180 degrees when secured open. Extend concrete pad a minimum of 8' in front of gates flush with drive access and provide painted metal bollards to protect enclosure and gates.
- F. Landlord to provide reinforced concrete generator pad with imbedded anchor rods and fence enclosure per Tenants details at location adjacent to Mechanical/ Electrical area, away from air intakes, storm drains and where noise may not interfere with adjacent use. Location agreed upon by Tenant and Landlord. Enclosure and gates to meet at minimum local building codes. Install conduit stub-up in pad and underground connections between pad and building. Generator unit is OFIC. Landlord to take delivery, install and coordinate with generator representative the start-up of the generator.
- G. Where roof top units may not be used for HVAC equipment and condenser pad(s) are necessary, provide a typical area of approximately 76" x 38" per unit to include suitable room for pad installation. Size will vary based on unit selection and should be at least 6" greater than the unit's overall base

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Site Owner - Lease

**ATTACHMENT - 2**

dimensions. Pad shall be one-piece level concrete slab with a min. thickness of 6".

- H. Provide 6" Diameter x 48" height, concrete filled steel pipe bollards painted yellow at each corner of the enclosures (Dumpster and Generator) and as necessary to protect equipment or enclosure. Bollards shall be provided in front of natural gas mains outside of the facility to prevent accidental contact. Pre-cast cement bollards 12" diameter x 34" high shall be provided if parking spaces or drop-off areas are located immediately adjacent to glazed exterior walls or patient care areas. When there is a grass buffer area or a curb lower than 6" between parking spaces or drop-off area and glazed walls or patient care areas, wheel stoppers shall be provided. When required, pre-cast cement bollards 12" diameter x 34" high shall be provided at column supports for the patient drop-off area and to protect all emergency exit doors if located adjacent to parking or driveways. In locations where there are no curbs or landscaping buffers between vehicular circulation and the building corners, provide bollards for protection.
  
- I. Landlord to provide site lighting for parking areas and sidewalks including parking lot pole lights at the rate of 1 per 10 parking spaces, side walk illumination, drop off & delivery area illumination, and building mounted lighting. Lighting at every point within a means of egress leading from the building exit to a public way shall be illuminated with a 2 bulb battery backup fixture. All fixtures along the egress path shall have battery backup in case of power failure. Provide general yard lighting from fixtures mounted on building and/or 24'-0" high minimum lighting poles at fence line. All site lighting should meet minimum local standards or 2.0 footcandles on average measured at the walking surface, whichever is more restrictive.
  
- J. Signage shall identify the facility entrance and exit, the building entry, as well as parking and delivery areas. Landlord to provide underground electric power to a free standing sign location agreed upon by Tenant and Landlord near the driveway entrance. All buildings shall have a street address number on or near the main entrance. Signage shall not be located in a manner that would confuse or obstruct traffic. Signs shall be provided informing drivers of clearances and location of accessible and van accessible parking. Accessibility signage shall be provided per ADAAG and state/local regulations, accessibility signs shall be located at 5'-0" from finished grade or top of sidewalk to the sign's center line. Signs shall be anchored securely to building or on rust inhibitive metal sign posts. When required traffic control signs shall be provided.

Landlord to provide a free standing sign concrete base for Tenant signage with electric power for lighting. When required, provide electrical power for Tenant's building signage. Use Tenant's signage specifications and details and coordinate locations of sign base and building signage with Tenant.

- K. Landscaping design shall take safety, accessibility, screening, sound attenuation and overall aesthetics into consideration. Landlord to provide landscaping and landscaping irrigation system plans per minimum local requirements and submitted to Tenant for review and approval before any work is started. Landlord is required to install the complete irrigation system with separate meter. When possible, create islands large enough to accommodate a mixture of canopy trees, flowering trees, evergreen trees, shrubs and flowers. Avoid plants that drop fruit and/or sap. Treatment Room shall have priority for most favorable view of landscaped areas. In an effort to eliminate the need for supplemental irrigation, we recommend xeriscaping when possible. Xeriscaping is the use of appropriate regionally available water conserving plants.
- L. Landlord to provide site fencing where required by local authority to meet minimum local standards. Fencing design to be submitted to Tenant for review and approval before any work is started.
- M. Landlord to engage a national licensed professional pest control company for application of federal registered (EPA) termite soil treatment solution after excavation, filling and grading operations are complete. Termiticide shall be applied before placement of under slab, compacted gravel as recommended by the pest control company. Product and installation shall be warranted, by the national pest control company, for a period of 5 years from date of treatments.

9. **Structural**

- A. Landlord to provide soil borings of the site to be reviewed by qualified Geotechnical Engineer to determine bearing capacity and stability of the soil (quantity and location to be approved by Tenant). Foundations and floor slabs must be designed by a registered Structural Engineer.
- B. Landlord to provide engineered foundations of poured in place concrete with appropriate reinforcing.
- C. Landlord to provide structural systems in compliance with all applicable Building Codes. The interior space shall be free of bearing walls, and interior columns, if required, shall be no closer than 38 ft. on center, 44 ft. on center in Texas. Water treatment area floors shall be rated at 100 PSF minimums. The building roof must be flat or a flat roof section large enough to accommodate the rooftop HVAC units with appropriate maintenance space around the units must be provided.
- D. Clear space from the finished slab to the underside of the roof structure (beams, joists or trusses) shall be a minimum of 13 ft.

- E. The Landlord will install an interior floor slab of 5" concrete with welded wire fabric, per ACI 302, directly above a 10 mil Polyolefin film vapor barrier with all seams carefully sealed and taped **only** following the guidelines established in ASTM E1745. The slab and vapor barrier are to be installed only after the under slab sanitary piping and electrical conduit work are completed by the Landlord's Contractor. Concrete floor slab shall conform to ACI 117 to meet tolerances for flatness and levelness. The moisture content within the slab shall be measured per ASTM F2170 where the RH requirement shall be 85% or less. A slab moisture report is required to be provided to the Tenant's representative for verification that the slab meets these requirements. In the event that the Tenant's vapor emission requirements are not met, the Landlord's contractor will provide an appropriate moisture mitigation system to meet the above requirement. The cost of the moisture mitigation system will be credited back to the Tenant in the form of a direct payment to the Tenant's contractor from the Landlord.
- F. The Landlord will compact the soil to 95% compaction beneath the floor slab prior to the installation of under slab piping, scale and electrical conduit. Compaction shall be verified by a testing agency hired by the Landlord.
- G. The Landlord will be responsible for the structural design of the roof system to support the HVAC equipment on a standard roof curb.
- H. Any roof drain leaders shall be located directly adjacent to an interior column with a maximum 1" clearance between outside face of the leader and the outside face of the column.

## 10. Architectural

### A. Exterior Structure

- 1) Exterior walls shall be finished with brick veneer or acrylic based EIFS on the outside and waterproofed to prevent the infiltration of moisture into the building. Interior side gypsum board and vapor barrier for all exterior walls to be installed by Tenant's TI contractor.
- 2) Brick veneer shall include soldier coursing above windows and rowlock coursing at window sills. Acrylic based EIFS, if used, shall have architectural details around windows and at the roof edges.
- 3) A porte cochere/ covered drive thru at the main entrance for patient drop off shall be constructed of the same material as the building exterior, and shall have a min. 20' width to accommodate a 14 ft. wide vehicle lane and additional width to accommodate ADA patient

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**ATTACHMENT - 2**

entrance door requirements. The covered area shall be a minimum of 500 sq. ft., have recessed down lighting and a minimum vertical clearance of 14 ft. and min. 20' gabled roof or parapet height to accommodate FMC signage. Clearance height signage to be posted above the traffic entrance. If roof is sloped it shall be designed to minimize the risk of falling snow or ice. Snow cleats, guards, etc. shall be installed.

- 4) All exit doors, other than at the porte cochere, must be provided with a permanent protective awning. Metal frame and fabric awnings are prohibited. If awning roof is sloped it shall be designed to minimize the risk of falling snow or ice. Snow cleats, guards, etc. shall be installed.
- 5) Insulation of walls and roof shall comply with local energy codes, but in no case shall the roof have less than an R-30 rating, and the walls shall not have less than an R-18 rating.
- 6) If a rated roof structure is to be provided (roof deck, roof trusses, insulation, and layer of gypsum board below the trusses) then a rated "membrane" must be provided that meets or exceeds the rated walls that will terminate into the rated "membrane". The membrane must have a one hour rating and be continuous over the top of the rated walls.
- 7) Roofing system must carry a 15 yr. non-prorated guarantee, from a nationally recognized roofing manufacturer. Metal roofing systems with exposed fasteners are **not** acceptable.
- 8) Landlord is responsible for providing roof and attic access ladders and hatches. If these provisions are installed outside of tenant's lease space the ladders and hatches must be accessible to tenant's staff at all times. Equipment maintenance path, make-up air provisions and lighting shall be provided if attic space exists. Electrical outlets and walk way paths shall be provided at all mechanical units for maintenance as required by code.
- 9) All windows to be low E, double glazed insulated glass of not less than 10 SF ea., in anodized aluminum frames, and shall be provided at the rate of not less than 1 per 400 sq. ft. of building area. All windows are to be a fixed non-operable type and to have sill tray flashings with stop ends. In addition, at the main entrance, an aluminum/glass storefront system of insulated, low E glass shall be installed and properly flashed in place (Kawneer VG451T or equal) with an exterior door (Besam Unislide OC-S or Record USA 5100 Series). The main entrance shall include a minimum 8'-0" x 7'-6"

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Site Owner - Lease  
ATTACHMENT - 2

vestibule in cold weather climates with aluminum/glass storefront system (Kawneer VG450-2 or equal) and a hard ceiling with lighting and heating unit. Location, size, and electrical schematic wiring of vestibule lighting and a recessed, ceiling-mounted heating unit shall be coordinated with Tenant's architect. Where required by code, glazing shall be tempered, safety glass. Window stools for all except the storefront system shall be no lower than 3'-6" from finished floor.

- 10) Downspouts must not evacuate water onto sidewalks.

#### B. Insulation

- 1) **Ceiling/Roof** - R-30 minimum. Where additional insulation must be added to the underside of the roof structure to attain the required R value, install the following with impaling pins: Owens-Corning Thermal Batt insulation (foil-faced) with flame spread rating in compliance with governing codes. Tape all seams for a continuous seal.
- 2) **Exterior Walls** - R-18 minimum
- 3) **Windows** - All windows to be low E, double glazed insulated glass
- 4) **Doors** - All exterior doors to be insulated & weather stripped

#### C. Demising Walls

- 1) Landlord shall be responsible for the complete construction of all demising walls. Walls shall comply with all applicable local codes and regulations. Vapor barrier to be installed on Tenant's side of demising wall.

#### D. Doors and Frames

- 1) **Exterior doors and frames**- All exterior doors shall be out-swinging with non-ferrous non-removable hinges, weather stripping, insulation, drip caps and ADA accessible with 1/4" high threshold. Delivery doors to have heavy duty thresholds.
  - a) **Delivery Doors** - pair 3'W x 7'H, Steelcraft, insulated 16 gauge metal door with 14 gauge galvanized steel frames.
  - b) **Staff Entrance door** - 3'W x 7'H, Steelcraft, insulated 16 gauge metal door with 14 gauge galvanized steel frame.
  - c) **Main Entrance & Vestibule door** - 8'-0"W x 7'-6"H glass/aluminum automatic sliding door system, Besam Unislide OC-S or Record USA 5100 Series, overhead concealed narrow stile single, or approved equal.

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Site Owner - Lease

ATTACHMENT - 2

- d) **Dialysis Room** – 4’-0” x 7’H, Steelcraft, insulated 16 gauge metal door with 14 gauge galvanized steel frame.
- 2) **Door Hardware:** All exterior doors and hardware are to be provided and prepped by Landlord to Tenant’s specifications to accept electric door strikes, closers, keypad locksets and automatic door operators. All metal doors to have panic hardware installed.
- 3) Doors and hardware shall be commercial grade and as follows:

DOOR	SIZE	TYPE	MAT.	HARDWARE (Standard Comm. Grade) Plus
Main Exterior Entrance	8’-0” x 7’-6”	Fully Glazed	Alum/Glass	Overhead Concealed Narrow Stile Single Automatic Sliding Door System with the following features: I. fixed side lite, II. emergency breakaway feature (full breakout unit in climate zones 1 – 7) III. Five Position Key Switch with Rotary Knob Switch  (spec to match or equal Besam Unislide OC-S or Record USA 5100 Series)
Interior Vestibule Door	8’-0” x 7’-6”	Fully Glazed	Alum/Glass	Overhead Concealed Narrow Stile Single Automatic Sliding Door System with the following features: I. fixed sidelite II. emergency breakaway feature III. fail secure electric carriage lock (with remote door release feature)  (spec to match or equal Besam Unislide OC-S or Record USA 5100 Series)
Delivery	6’ x 7’	Pair Flush	MTL	Flush Bolts
Staff Entrance	3’ x 7’	Flush	MTL	Panic Type Exit Device
Dialysis Room Direct Exterior Entrance	4’-0” x 7’-0”	Flush	MTL	Panic Type Exit Device

11. **Mechanical (HVAC):**

A. **Landlord to provide rooftop package HVAC units and / or split system package units based on FMC Energy Code Climate Zone Map (attached) and to meet the following criteria:**

- 1) **Heating - 72° - Cooling 74°**, inside to be designed using ASHRAE Climatic Conditions for area and energy code 90.1.
- 2) **Humidity Control**-system must be able to maintain humidity levels between 40%-60% at all times, in all seasons, non-condensing.
- 3) **Fresh Air** - 15% or 20 CFM per person, whichever is greater, in Dialysis area and 10% in all other areas or 15 CFM per person; whichever is greater.
- 4) Provide and install full size supply and return vertical trunk ductwork, connected to unit, and terminating parallel to the underside of adjacent building structure for connection to distribution ductwork (provided by Tenant).
- 5) Align fresh air intake section of HVAC units such that the required distance of 25 feet from any waste vent is maintained. Locate HVAC units away from perimeter of building roof.
- 6) **Typical Unit zoning per use space:**
  - a) Dialysis Area
  - b) Business Area
  - c) Storage and Water Treatment area
- 7) **Vestibule Wall Heater** – Q-Mark, LFK 204, 204V 1Ø, fan forced wall heater for cold weather locations, with tamper resistant thermostat in a LFKS mounting frame.
- 8) **Air Handler Units and Split System Units** must be installed level to permit proper condensate pan drainage, also provide secondary pan, with independent drain line for split system with discharge into janitor mop sink, "P-12". Locate units in mechanical spaces and storage areas to maintain minimum service and operational clearances and filter accessibility. Install flexible connectors, refrigerant piping, electrical connections, condensate drains and unit filters as instructed by the manufacturer and meeting local codes for a fully operational system. Landlord is required to operate system before turnover to Tenant.
  - a) **Manufacturers:**
    - i.) York International Corporation



- ii.) Carrier Corporation
- iii.) The Trane Company
- b) **Filters** shall be pleated, medium efficiency, throw away type, within a rigid frame sized to securely fit HVAC unit filter rack. Filter shall service both return air and fresh air intakes.

**B. Provide exhaust vented to outside of the following areas:** Coordinate roof penetration locations with Tenant.

- 1) **Toilets** (2 CFM per square foot or 75 CFM per water closet, whichever is greater)
  - a) Controlled via 7 day 24 hour time clock
- 2) **Soiled Utility** (5 air changes per hour)
  - a) Controlled via 7 day 24 hour time clock
- 3) **Janitor Closet** (5 air changes per hour)
  - a) Controlled via 7 day 24 hour time clock
- 4) **Medical Waste Room** (5 air changes per hour)
  - a) Controlled via 7 day 24 hour clock
- 5) **Staff Lounge**
  - a) Controlled by manual switch
- 6) **Gas fire hot water heater:**
  - a) Combustion air duct (separate high & low roof penetrations) with weather caps at roof (intake damper to be controlled with burner).
  - b) Or, separate roof penetrations for direct enclosed combustion supply and exhaust venting to the exterior.

**12. Plumbing**

**A. Domestic Piping:**

- 1) Hot and cold water shall be PVC/ CPVC piping, where allowable otherwise use copper Type "L"

Initials  
  
Site Owner - Lease  
**ATTACHMENT - 2**

- 2) Under slab water piping shall be copper Type "K", sleeved.
- 3) Sewer/soil drainage piping shall be PVC (or Dura-Iron if required by code)
- 4) Backflow preventers for incoming water service as required by code.
- 5) Provide cleanouts at all changes of direction in sewer drain piping and main trunk at 50' length intervals including outside the building footprint.
- 6) Provide full line size water meter. Coordinate location with Tenant.
- 7) Floor drains to have trap primers in staff and patient toilets, janitor closets, emergency shower and eye wash and medical waste room. Floor drains in dialysis counter are **not** to have trap primers.
- 8) For water service size, see Utility Matrix.
- 9) Black iron gas piping.
- 10) Orange PVC for Sprinkler piping, where allowable otherwise black iron piping.

**B. Plumbing Fixture Schedule:**

Emergency Shower	Floor	Encon	01050216	
Floor Drain	-	Josam	30002-5C-4	
Floor Drain	Floor	Josam	30002-5C-4	Installed below emergency shower
Trap Primer	-	J. R. Smith	2699	
Floor Sink	Flush with floor	Plastic Oddities	PFS-400H	14" x 14"
Trench Drain	Flush with floor	J. R. Smith	9818-100S	Length to be determined by door width
Drainage Grate	-	J. R. Smith	9870-491-HPP	
Indirect Waste Cleanout	Inline on indirect waste line	-	-	2" Schedule 40 PVC threaded plug
Clinic Staff Shower	Floor	Aqua Bath	Care Series C4136BF-FUS	¾ inch
Concealed thermostatic water mixing valve for use on shower installations	-	-	-	Cast brass body, stainless steel faceplate, and lever type handle design.
Deluxe chrome plated showerhead and deluxe shower hose	-	Powers	Hydroguard Series, Model # E425-E-M-6	
Floor Clean-out	-	Josam	Series 57000	

**13. Electrical**

All wiring, receptacles, fixtures, and other electrical components shall comply with the N.E.C. and all other applicable local codes and regulations.

**A. Conductors:**

Branch Circuits. #12 gauge min., control wiring #14 gauge min. All conductors shall be cooper.

**B. Conduits:**

Rigid metallic conduits or EMT shall not be run under concrete slab.

**C. Panels and ATS:**

**Sub Panel A:** In addition to the Tenant specific distribution panel, provide sub-panel, conduit and wiring for exterior lighting, site lighting, irrigation system, signage, HVAC units and room exhaust units. NEMA galvanized sheet steel casing with molded case bolt on circuit breakers with toggle type mechanism and a 20% spare capacity. Panel buss and lugs shall be copper only. Label all circuit index cards.

**ATS:** Landlord to install Tenant provided ATS on service line between the Tenant distribution panel and Sub Panel A.

**D. Emergency Exterior Lighting**

Fixtures are wall-mounted lighting with two bulbs and emergency battery back-up. Fixtures to be located adjacent to each exit door and along walking route to parking lot and/ or driveway. Finish, number of fixtures and locations to be reviewed and approved by Tenant.

**E. Porte Cochere Lighting:**

Provide a minimum of 10 foot-candles under entire porte cochere at the driving and walking surface.

**F. Other Exterior Lighting:**

**Parking lot pole lighting, non-emergency sidewalk lighting, delivery area lighting, and building lighting** - Lighting to meet minimum local standards or 2.0 footcandles on average measured at the walking surface, whichever is more restrictive. Fixtures to be fully shielded type. Light levels should not exceed 0.1 footcandles at property lines and should not spill onto adjacent property.

**G. Exterior Lighting Schedule:**

L-14	EXTERIOR	Lithonia McGraw	WST-2/42TRT-WT-120-ELDW-LPI IMT-96-CF-120V-2S-BZ-CFEM		Wall Mounted	2	42	TRT
L-15	EXTERIOR ENTRANCES	Lithonia Lumark	TWR1-2/42TRT-120-LPI-EL CFWP-FL-84-120V-CF-EM/2L		Wall Mounted	2	42	CF
L-16	PORTE COCHERE	Gotham	AH-100M-8AR-120	8"	Recessed	1	100	MH
L-16E	PORTE COCHERE	Gotham	AH-100M-8AR-120-EC	8"	Recessed	1	100	MH

**14. Fire Protection:**

Provide sprinkler system with service line to perimeter of building, sprinkler riser, backflow preventer, horizontal main line and branches, and hangers such that with the addition of drops and sprinkler heads by the Tenant's contractor the entire interior structure will be fully and properly protected. Landlord to provide a complete dry sprinkler system with sprinkler heads at the porte cochere, along building overhangs, and in any unheated attic spaces. Sprinkler system is to comply with NFPA 13 and all applicable state and local codes.

**A. Piping**

- 1) Schedule 40 black steel pipe shall be joined by approved combination of couplings, gaskets and grooves.
- 2) Plastic piping, where allowed by the Authority Having Jurisdiction, shall be CPVC conforming to NFPA 13.
- 3) Riser location to be coordinated between Tenant and Landlord.

**15. Coordination**

A. The Landlord agrees to cooperate with the Tenant's Contractors, and will make the building site available to the Tenant's Contractors as soon as Landlord has the Certificate of Occupancy for the shell building. It is expected that the Tenant's contractor will be allowed to install under slab sanitary waste piping and electrical conduits before the shell work is complete.

**16. Record Documents**

A. Provide one set of record drawings to the Tenant in AutoCad format, with layering scheme acceptable to the Tenant. Record data outside of building to an accuracy of +/- 1" and determine and record the invert elevation of all drain lines. Include in record documents all field changes made, all relevant dimensions, and all relevant details of the work. Keep record documents up to date with all field orders and change orders clearly indicated.

- B. Deliver record drawings as one set of reproducible drawings and as a CD with each drawing as a separate PDF, properly titled and dated to the Tenant. Indicate preparer of record drawings. These record drawings shall become the property of the Tenant.
- C. Specifications: Maintain one clean copy of complete specifications, including addenda, modifications, and bulletins with changes, substitutions, and selected options clearly noted. Circle or otherwise clearly indicate which manufacturer and products are actually used.
- D. Operating and Maintenance Manuals: Where necessary, manuals shall be submitted which contain the following:
- 1) Description of the system provided.
  - 2) Handling, storage, and installation instructions.
  - 3) Detailed description of the function of each principal component of the systems or equipment.
  - 4) Operating procedures, including pre-startup, startup, normal operation, emergency shutdown, normal shutdown and troubleshooting.
  - 5) Maintenance procedures including lubrication requirements, intervals between lubrication, preventative and repair procedures, and complete spare parts list with cross reference to original equipment manufacturer's part numbers.
  - 6) Control and alarm features including schematic of control systems, control loop electric ladder diagrams, controller operating set points, settings for alarms and shutdown systems, pump and fan curves.
  - 7) Safety and environmental considerations.
- E. Three copies of the manuals shall be provided within sufficient time to allow for training of Owner's personnel. The requirement for manuals applies to each packaged and field-fabricated operating system. The manuals shall be provided in three-ring side binders with durable plastic covers. The manuals shall contain a detailed table of contents and have tab dividers for major sections and special equipment.

17. **Landlord's Delivery:**

- A. Complete the following prior to turnover of building to Tenant:

Initials
<i>[Handwritten Signature]</i>
Site Owner - Lease

**ATTACHMENT - 2**

- 1) Advise Tenant of insurance change over requirements.
- 2) Submit all warranties, maintenance contracts, final certificates and similar documents.
- 3) Submit record documents.
- 4) Deliver maintenance stocks of materials where specified.
- 5) Make final change over of lock cylinders or cores and advise Tenant of change of security responsibility.
- 6) Complete startup of all systems and instruct Tenant's personnel in proper operation and routine maintenance of systems and equipment.
- 7) Complete clean up and restoration of damaged finishes.
- 8) Remove all temporary facilities and utilities no longer needed.
- 9) Submit final meter readings, record of stored fuel and similar information.

**END OF EXHIBIT B**

**EXHIBIT B-1**

**SITE PLAN**

EXHIBIT B-  
SITE PLAN

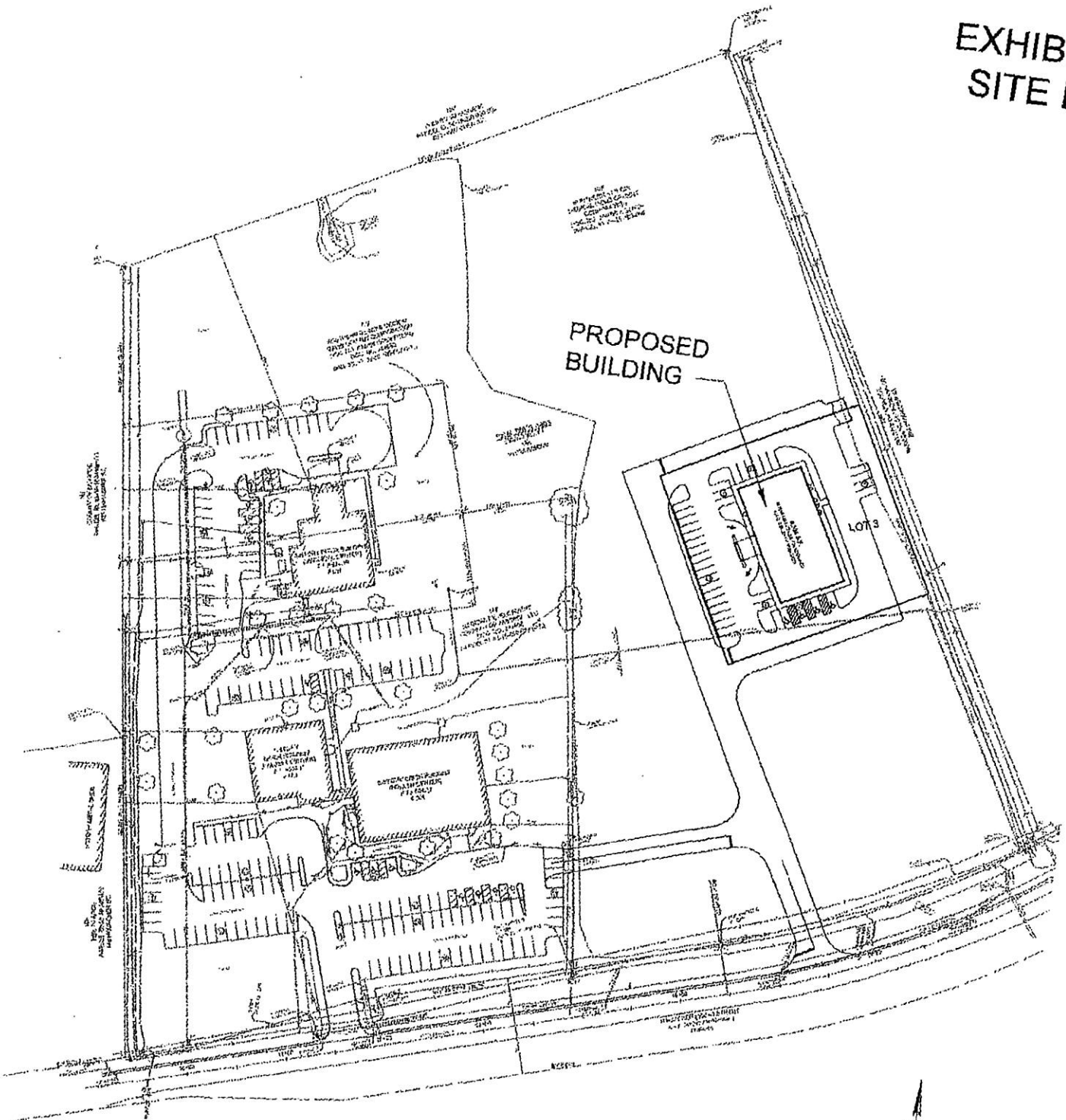




EXHIBIT C

COMMENCEMENT DATE CERTIFICATE

This Commencement Date Certificate is made as of this \_\_\_ day of \_\_\_\_\_, 201\_\_ between \_\_\_\_\_ ("Landlord") and Fresenius Medical Care of Illinois, LLC ("Tenant").

WHEREAS, the parties entered into a lease dated 19 February, 2014, (the "Lease"), attached hereto and incorporated by reference, in which Landlord leased to Tenant that certain property situated at \_\_\_\_\_, containing approximately \_\_\_\_\_ square feet (the "Premises").

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

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

1. The actual rentable square footage of the Building is \_\_\_\_\_ square feet. The Tenant's Pro-Rata Share is \_\_\_\_\_.

2. Landlord's Work was Substantially Complete according to the terms of the Lease on \_\_\_\_\_, 201\_\_ and the Tenant assumed possession of the Premises on such date. Other key dates are as follows:

- (a) The Commencement Date of the Lease is \_\_\_\_\_, 201\_\_.
- (b) The Lease Expiration Date is \_\_\_\_\_, 201\_\_.

3. The annual Base Rent under the Lease during the Initial Term is \_\_\_\_\_ Dollars (\$\_\_\_\_\_) payable in equal monthly installments in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) each.

4. Except for the specific modifications to the Lease contained in this Commencement Date Certificate, all terms of the Lease shall remain unchanged, and are hereby ratified, republished and reaffirmed and are incorporated into this Agreement.

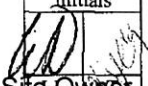
IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the date and year first hereinabove written.

**LANDLORD:**  
[Insert Name of Landlord]

**TENANT:**  
Fresenius Medical Care of Illinois, LLC

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

Initials


Site Owner - Lease  
**ATTACHMENT - 2**

**EXHIBIT D****CONDITIONS, COVENANTS & RESTRICTIONS AFFECTING TITLE**

1. Oil and gas lease between Louis Kolmer and wife, and S. Brooks Remington, as evidenced by instrument dated September 28, 1939 and recorded in the Monroe County, Illinois Recorder's Office October 16, 1939 in Deed Book 58 on Page 330.
2. Easement granted Union Electric Company as evidenced by instrument dated March 14, 1952 and recorded in the Monroe County, Illinois Recorder's Office March 25, 1952 in Deed Book 68 on Page 583.
3. Agreement between Union Electric Company and Steven D. Degener and Carol A. Degener, his wife, as evidenced by instrument dated May 10, 1985 and recorded in the Monroe County, Illinois Recorder's Office May 31, 1985 in Deed Book 147 on Page 445, as Document No. 136562.
4. Permanent Easement Dedication of Right of Way for Public Road Purposes granted the People of the County of Monroe as evidenced by instrument dated March 9, 1990 and recorded in the Monroe County, Illinois Recorder's Office April 9, 1990 in Deed Book 165 on Page 697, as Document No. 163699.
5. Subject to reservation of an easement for utility purposes contained in Deed from Robert H. Voris and Dorothy Kathryn Voris, his wife, and Russel W. Jost and Jean C. Jost, his wife, to Southern Illinois Medical Development Partnership, dated May 13, 1994 and recorded in the Monroe County, Illinois Recorder's Office May 13, 1994, in Deed Book 185 on Page 283-284, as Document No. 192180.
6. Easement granted to Harrisonville Telephone Company dated October 10, 1994 and recorded in the Monroe County, Illinois Recorder's Office, October 24, 1994, in Deed Book 189 on Pages 405-406, as Document No. 196125.
7. Dedication of Right-of-Way for Public Roadway dated September 9, 1994 and recorded in the Monroe County, Illinois Recorder's Office October 13, 1994, in Deed Book 189 on Pages 198-199, as Document No. 195836.
8. Easement granted to the City of Waterloo as evidenced by instrument dated November 23, 1994 and recorded in the Monroe County, Illinois Recorder's Office November 28, 1994 in Deed Book 190 on Pages 89-91, as Document No. 196882.
9. Rights of the public in and to that part of the tract formerly used as a public roadway commonly known as "Floraville Road" and a/a "Hamacher Street" and "Belleville Road".

10. Easement granted City of Waterloo for surface water drainage dated Feb. 3, 2006 and recorded February 24, 2006 as Document No. 304500 in the Office of the Recorder of Deeds of Monroe County, Illinois.
11. Easement granted City of Waterloo for utilities dated December 9, 2004 and recorded December 27, 2004 as Document No. 293508 in the Office of the Recorder of Deeds of Monroe County, Illinois.
12. Annexation Agreement recorded May 28, 2009 as Document No. 332622 in the Office of the Recorder of Deeds of Monroe County, Illinois.
13. Easement, Construction and Maintenance Agreement between Southern Illinois Medical Development Corporation and Medical Development Company of America, LLC dated November 3, 2010 and recorded November 9, 2010 as Document No. 344661 in the Office of the Recorder of Monroe County, Illinois.
14. Mortgage dated June 26, 2013 from Southern Illinois Medical Development Corporation to Reliance Bank recorded June 27, 2013 as Instrument No. 365947 and re-recorded July 3, 2013 as Instrument No. 366120.
15. Assignment of Rents dated June 26, 2013 from Southern Illinois Medical Development Corporation to Reliance Bank recorded July 3, 2013 as Instrument No. 366122.
16. Mortgage dated June 26, 2013 from Southern Illinois Medical Development Corporation to Reliance Bank recorded July 3, 2013 as Instrument No. 365946.
17. Assignment of Rents dated June 26, 2013 from Southern Illinois Medical Development Corporation to Reliance Bank recorded July 3, 2013 as Instrument No. 366123.

**EXHIBIT E**

**W-9 FORM**

Form **W-9**  
(Rev. August 2013)  
Department of the Treasury  
Internal Revenue Service

### Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Name (as shown on your income tax return)  
**Southern Illinois Medical Development Corporation**

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:  
 Individual/sole proprietor     C Corporation     S Corporation     Partnership     Trust/estate  
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ \_\_\_\_\_  
 Other (see instructions) ▶ \_\_\_\_\_

Exemptions (see instructions):  
 Exempt payee code (if any) \_\_\_\_\_  
 Exemption from FATCA reporting code (if any) \_\_\_\_\_

Address (number, street, and apt. or suite no.)  
**509 Hamacher Street**

City, state, and ZIP code  
**Waterloo, Illinois, 62298**

Requester's name and address (optional)  
**Fresenius Medical Care of Illinois, LLC**

List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note, if the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
			-					

Employer identification number								
3	7	-	1	3	1	4	3	5 0

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below), and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here    Signature of U.S. person ▶ *WORLDG, Executive Director*    Date ▶ *1/2/2014*

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** The IRS has created a page on [IRS.gov](http://IRS.gov) for information about Form W-9, at [www.irs.gov/w9](http://www.irs.gov/w9). Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

**EXHIBIT F****ESTIMATED TOTAL PROJECT COSTS**

Land Value/Cost	\$ 180,000.00	based on +/-1.5 acres
Surveying Fees and Costs	incl.	included in Construction
Architectural Fees and Costs	\$ 39,000.00	based on OWH bid
Engineering Fees and Costs	incl.	included in Construction
Site Development Costs and Related Fees	incl.	included in Construction
Building Construction Costs and Fees	\$ 1,049,935.00	based on RG Ross Budget; including Architect Fees and Costs, per foot cost is \$130/ft2
Legal Fees and Costs	\$ 25,000.00	estimated
Insurance Premiums	\$ 3,000.00	estimated
Subdivision Fees and Costs	\$ 10,000.00	estimated
Zoning Fees and Costs	\$ 2,000.00	estimated
Construction Related Permits and Fees	\$ 34,000.00	estimated
Title Fees and Costs	\$ 11,000.00	estimated
Loan Costs and Fees	\$ 10,000.00	estimated
Construction Period Interest	\$ 28,000.00	estimated
Other Project Related Fees and Costs	\$ 42,022.00	tbd
Development Fees	\$ 86,038.00	6% of TPC
Estimated as of 1/2/2014	\$ 1,519,995.00	

**EXHIBIT G****GUARANTY OF LEASE**

FRESENIUS MEDICAL CARE HOLDINGS, INC. ("FMCH"), a New York corporation with principal offices located at 920 Winter Street, Waltham, MA 02451, Attn: Legal Dept., does hereby guarantee the payment and performance of its affiliate, Fresenius Medical Care of Illinois, LLC ("FMCIL"), a Delaware limited liability company, under a lease (the "Lease") between FMCIL as tenant and Southern Illinois Medical Development Corporation ("Landlord") as landlord, dated 19 FEBRUARY, 2014 and attached hereto.

FOR VALUE RECEIVED, and in consideration for, and as an inducement to Landlord to enter into the Lease, FMCH (herein referred to as "Guarantor"), which has a substantial economic interest in FMCIL (herein referred to as "Tenant"), hereby guarantees to Landlord, its successors and assigns, the payment of all base rent, additional rent and all other charges and payments to be made by Tenant under the Lease, and the full performance and observance by Tenant of all the terms, covenants, conditions and agreements therein provided to be performed and observed by Tenant, for which Guarantor shall be jointly and severally liable with Tenant, without requiring any additional notice of nonpayment, nonperformance or nonobservance, or proof of notice or demand, whereby to charge Guarantor, all of which Guarantor does hereby expressly waive, and Guarantor expressly agrees that Landlord, its successors and assigns may proceed against Guarantor separately or jointly, before, after or simultaneously with the proceedings against Tenant for default, and that this Guarantee shall not be terminated, affected or impaired in any way or manner whatsoever by reason of the assertion of Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease or by reason of summary or other proceedings against Tenant, or by the omission of Landlord to enforce any of its rights against Tenant or by reason of any extensions of time or indulgence granted by Landlord to Tenant. Without limiting the generality of the foregoing, it is understood that Landlord is not required to exhaust or pursue any remedies it may have against Tenant under the Lease before, after or simultaneously with any proceedings against Guarantor and Guarantor hereby waives any right it may have to require Landlord to so exhaust or pursue such remedies. Guarantor further covenants and agrees (i) that Guarantor will be bound by all the provisions, terms, conditions, restrictions, and limitations contained in the Lease, the same as though Guarantor was named therein as Tenant; and (ii) that this Guarantee shall be absolute and unconditional and shall remain and continue in full force and effect as to any renewal, extension, amendment, addition, assignment, sublease, transfer, or other modification of the Lease, whether or not Guarantor shall have any knowledge or have been notified of or agreed or consented to any such renewal, extension, amendment, addition, assignment, sublease, transfer or other modification of the Lease, and Guarantor agrees to be bound by any and all such modifications to the Lease. Further, Guarantor hereby covenants and agrees to assume the Lease and to perform all of the terms and conditions thereunder for the balance of the original term should the Lease be disaffirmed by any trustee in bankruptcy for Tenant, or at the option of Landlord, Guarantor shall, in the event of Tenant's bankruptcy, make and enter into a new lease, which

Initials
<i>[Handwritten Signature]</i>

Site Owner - Lease

**ATTACHMENT - 2**

shall be in form and substance identical to the Lease. All obligations and liabilities to Guarantor pursuant to this Guarantee shall be binding upon the heirs, legal representatives, successors and assigns of Guarantor, and Guarantor, its heirs, legal representatives, successors and assigns shall remain fully liable under the Lease and this Guarantee regardless of any merger, corporate reorganization or restructuring involving Tenant, regardless of the resulting organization, structure or ownership of Tenant. If this Guarantee is signed by more than one person or entity as Guarantor, then the persons and/or entities are jointly and severally referred to herein as Guarantor, and each person or entity shall be jointly and severally liable for all obligations of Guarantor. This Guarantee shall be governed by and construed in accordance with the laws of the State of Illinois.

In the event any payment by Tenant to Landlord is held to constitute a preference under the bankruptcy laws, or if for any other reason Landlord is required to refund such payment or pay the amount thereof to any other party, such payment by Tenant to Landlord shall not constitute a release of Guarantor from any liability hereunder, but Guarantor agrees to pay such amount to Landlord upon demand and this Guarantee shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

Guarantor agrees that it shall not have (a) any right to enforce any remedy which Landlord now has or hereafter may have against Tenant, or any right to participate in any security now or hereafter held by Landlord; or (b) any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation.

Anything herein to the contrary notwithstanding, Guarantor hereby expressly waives and releases any rights of subrogation that Guarantor may have against Tenant, any rights of contribution that Guarantor may have against any other guarantor of, or other person secondarily liable for the payment or performance of the obligations of Tenant, and any rights of reimbursement that Guarantor may have against Tenant.

Guarantor hereby unconditionally consents and agrees that any legal action brought under this Guarantee may be brought in any State Court of the State of Illinois or in a Federal United States Court in the District in which the Premises is located, and Guarantor hereby unconditionally consents to the jurisdiction of such courts in connection with any course of action brought by or against Tenant and/or Guarantor in any way directly or indirectly related to the Lease or this Guarantee. Further, Guarantor hereby irrevocably and unconditionally appoints Tenant, and the tenant under the Lease if another party shall be the Tenant under the Lease, as its duly authorized agents for service of process in connection with any such cause of action, either of which may be considered a fully authorized agent for service of process in any other manner permitted by law.

At any time that Tenant is required to furnish a certificate pursuant to the Lease, Guarantor, by guarantying the terms and conditions of the Lease, agrees that Guarantor, upon fifteen (10) days prior written request to Tenant or Guarantor, shall certify (by written instrument, duly executed, acknowledged and delivered to Landlord and to any third person designated by Landlord in such request) that Guarantor concurs with the statements set forth in said certificate by Tenant and that this Guarantee remains in full force and effect.

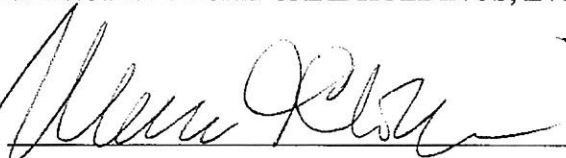
Initials  
*[Handwritten Signature]*

Site Owner - Lease



IN WITNESS WHEREOF FMCH has caused its duly authorized officer to execute this Guaranty of Lease as of this 19 day of February, 2014.

FRESENIUS MEDICAL CARE HOLDINGS, INC.

By: 

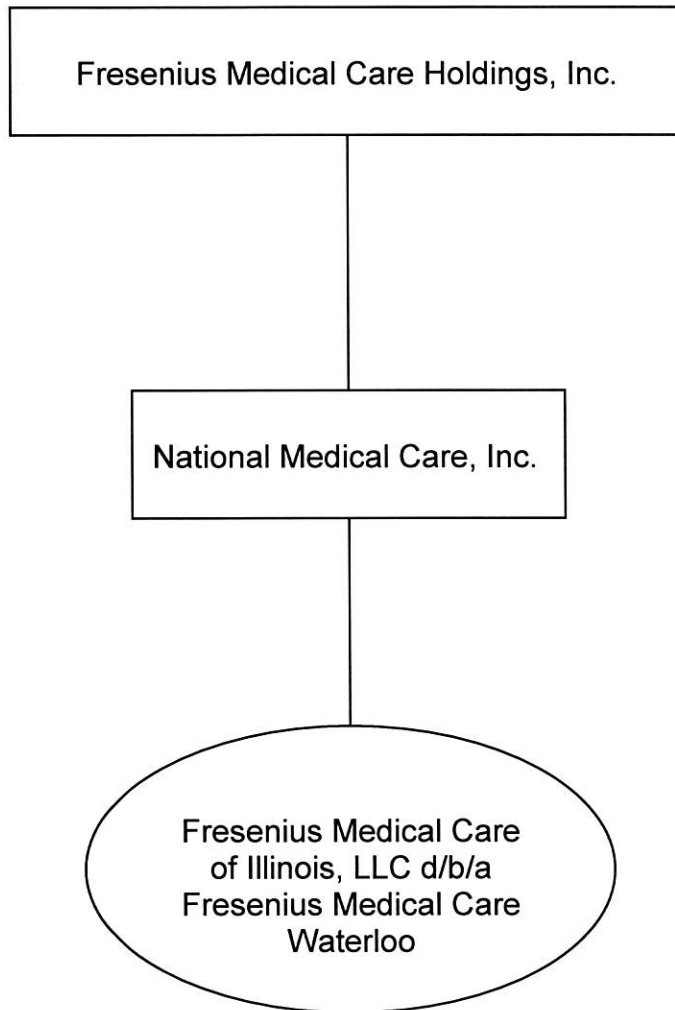
Print Name:     **Maria T. C. Gillis**    

Title:     **Assistant Treasurer**

**Operating Identity/Licensee**

Exact Legal Name: Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Waterloo			
Address: 480 Central Avenue, Northfield, IL 60093			
<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.**



### Current Fresenius CON Permits and Status

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

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

**Discontinuation – General Information Requirements**

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

Fresenius Medical Care of Illinois, LLC proposes to discontinue the Fresenius Medical Care Waterloo ESRD facility consisting of 6 ESRD stations.

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

There are no other services to discontinue.

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

The facility plans to discontinue its ESRD services by November 30, 2019.

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

The leased space will be released back to the landlord.

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

The facility's patients are anticipated to choose to transfer to Fresenius Belleville, however some may choose an area DaVita facility that is closer to their homes. Medical records will be sent to the same facility the patient transfers to and will be maintained according to Fresenius' or DaVita's record retention policies.

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

Certification on following page.

Criterion 1110.290 – Discontinuation

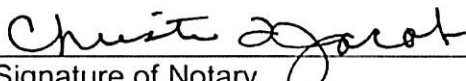
I am the Regional Vice President at Fresenius Medical Care who oversees the Waterloo facility. In accordance with 77 II. Admin Code 1110.290, and with regards to Fresenius Medical Care Waterloo, I certify the following:

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

  
\_\_\_\_\_  
Signature

Scott Timmerman/Regional Vice President  
Name/Title

Subscribed and sworn to before me  
this 11<sup>th</sup> day of Sept., 2019

  
\_\_\_\_\_  
Signature of Notary

Seal



**IMPACT ON ACCESS**

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

The discontinuation of the Fresenius Waterloo facility will not have an adverse effect upon access to care for the residents in the Waterloo healthcare market/17-mile radius. Waterloo is in HSA 11 and as of the September 2019 State ESRD station inventory there is an excess of 16 stations in this HSA. As well, there are 4 other ESRD facilities within the radius with an average utilization of 52%. One is Fresenius Belleville and the other three are DaVita facilities. These four clinics can easily absorb the 13 patients at the Waterloo facility.

- 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 a written impact statement was sent to the three DaVita facilities within the 17-mile distance radius. Any response received will be forwarded to the Board.

Copies of written impact statement requests on following pages.



September 20, 2019

Facility Administrator  
DaVita Metro East Dialysis Center  
5105 W. Main Street  
Belleville, IL 62226

Dear Facility Administrator:

The purpose of this letter is to inform you that Fresenius Medical Care of Illinois, LLC, an affiliate of Fresenius Medical Care North America, is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue the 6-station Fresenius Medical Care Waterloo dialysis facility located at 624 Voris-Jost Drive, Waterloo, IL.

The estimated date that this discontinuation will occur is November 30, 2019. Over the past two years the Waterloo dialysis facility has provided 3,248 in-center hemodialysis treatments to end stage renal disease (ESRD) patients. It is anticipated that a majority of the patients will choose to transfer to the Fresenius Belleville facility, however some may choose a DaVita facility closer to their home. Contact will be made with area facilities in the next few weeks to determine availability and to make any needed transfer arrangements.

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

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

Sincerely,

Lori Wright  
Senior CON Specialist





September 20, 2019

Facility Administrator  
DaVita Red Bud Dialysis Center  
1500 E. Market Street, Lot 4  
Red Bud, IL 62278

Dear Facility Administrator:

The purpose of this letter is to inform you that Fresenius Medical Care of Illinois, LLC, an affiliate of Fresenius Medical Care North America, is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue the 6-station Fresenius Medical Care Waterloo dialysis facility located at 624 Voris-Jost Drive, Waterloo, IL.

The estimated date that this discontinuation will occur is November 30, 2019. Over the past two years the Waterloo dialysis facility has provided 3,248 in-center hemodialysis treatments to end stage renal disease (ESRD) patients. It is anticipated that a majority of the patients will choose to transfer to the Fresenius Belleville facility, however some may choose a DaVita facility closer to their home. Contact will be made with area facilities in the next few weeks to determine availability and to make any needed transfer arrangements.

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

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

Sincerely,

Lori Wright  
Senior CON Specialist



September 20, 2019

Facility Administrator  
DaVita Sauget Dialysis Center  
2061 Goose Lake Road  
Sauget, IL 62206

Dear Facility Administrator:

The purpose of this letter is to inform you that Fresenius Medical Care of Illinois, LLC, an affiliate of Fresenius Medical Care North America, is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue the 6-station Fresenius Medical Care Waterloo dialysis facility located at 624 Voris-Jost Drive, Waterloo, IL.

The estimated date that this discontinuation will occur is November 30, 2019. Over the past two years the Waterloo dialysis facility has provided 3,248 in-center hemodialysis treatments to end stage renal disease (ESRD) patients. It is anticipated that a majority of the patients will choose to transfer to the Fresenius Belleville facility, however some may choose a DaVita facility closer to their home. Contact will be made with area facilities in the next few weeks to determine availability and to make any needed transfer arrangements.

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

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

Sincerely,

Lori Wright  
Senior CON Specialist

**BACKGROUND OF APPLICANT**

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

See clinic list on following page.

- 2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.**

Certification on following pages.

- 3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

Authorization on following pages.

## Fresenius Kidney Care In-center Clinics in Illinois

#19-047

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

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

Certification & Authorization

Fresenius Medical Care of Illinois, LLC

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

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

By: *Bryan Mello*  
ITS: Bryan Mello  
Assistant Treasurer

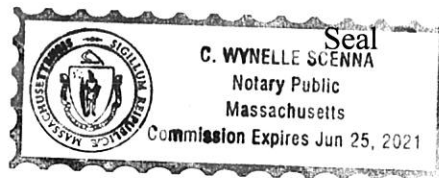
By: *Dorothy Rizzo*  
ITS: Dorothy Rizzo  
Assistant Treasurer

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

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

Signature of Notary *C Wynelle Scenna* Signature of Notary

Seal



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: Bryan Mello  
Assistant Treasurer

By: [Signature]  
ITS: Dorothy Rizzo  
Assistant Treasurer

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

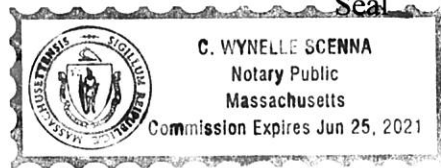
Notarization:  
Subscribed and sworn to before me  
this 18 day of Sept, 2019

\_\_\_\_\_  
Signature of Notary

C Wynelle Scenna

\_\_\_\_\_  
Signature of Notary

Seal



Seal

The discontinuation of Fresenius Medical Care Waterloo will not have any impact on safety net services in the Waterloo area of Monroe County in HSA 11. Outpatient dialysis services are not typically considered "safety net" services, however, we do provide care for patients in the community who are economically challenged and/or who are undocumented who do not qualify for Medicare/Medicaid and qualify under FMCNA's Indigent Waiver policy. We assist patients who do not have insurance in enrolling when possible in Medicare, Medicaid or insurance on the Healthcare Marketplace. Also, our social services department assists patients who have issues regarding transportation and/or mobility needs with making arrangement for transport to and from the unit. Since it is anticipated that all patients will choose to transfer to area Fresenius clinics, patients will maintain access to these services. Those who choose an area DaVita facility are anticipated to find they have similar policies.

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

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

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

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

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

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



## Fresenius Medical Care North America - Community Care/Charity Care

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

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

### Indigent Waiver Program

FMCNA has established an indigent waiver program to assist patients who are unable to obtain insurance coverage or who lack the financial resources to pay for medical services. This program is not advertised to patients, but is discussed with patients who have indicated a financial hardship and a need for Indigent Waiver consideration and have not qualified for any other available programs

In order to qualify for an indigent waiver, a patient must satisfy eligibility criteria for both annual income and net worth.

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

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

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

### IL Medicaid and Undocumented patients

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

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

### FMCNA Collection policy

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

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

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

**Medicare and Medicaid Eligibility**

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

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

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

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

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

**Self-Pay**

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

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

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

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

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



September 20, 2019

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

Re: Fresenius Medical Care Waterloo

Dear Ms. Avery,

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

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

Sincerely,

A handwritten signature in black ink that reads "Lori Wright".

Lori Wright  
Senior CON Specialist