



Fresenius Medical Care

September 19, 2012

RECEIVED

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

SEP 20 2012

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Modification, Project #12-069, RCG Pekin

Dear Ms. Avery:

I am writing to request a Type A Modification, specifically a change of the site, of the above mentioned project. The following pages are replacement pages for the original application pertaining to the new site. These include:

- Page 1 Identification page
- Page 3 Site Ownership
- Page 4 Flood Plain Requirements
- Page 5 Narrative Description
- Page 6 Project Costs and Sources of Funds
- Page 17 Availability of Funds
- Page 26-31 Attachment 2 – Site Owner - Letter of Intent for Leased Space
- Page 34 Flood Plain Determination
- Page 35 Historic Determination
- Page 36-37 Attachment 7 – Itemized Costs
- Page 39 Attachment 9 - Cost Space Requirements
- Page 49-50 Attachment 13 – Alternatives
- Page 51 Attachment 14 - Size
- Page 85-90 Attachment 39 – Letter of Intent for Leased Space
- Page 100 Economic Feasibility

Since the public hearing requirements will be applicable to this modification, a check for \$2,000 is enclosed. Please notify me of any additional information or fees required.

Sincerely,

Lori Wright
Senior CON Specialist
Phone 708-498-9121

cc: Clare Ranalli

Fresenius Medical Services ♦ North Division

One Westbrook Corporate Center, Suite 1000 Westchester, IL 60154 708-562-0371

Fresenius Management Services, Inc
 One Westbrook Corp. Ctr. Ste. 1000
 Westchester, IL 60154
 (708) 498-9400



Fresenius Medical Care

DATE: 09/18/2012
 CHECK NO: 0006370368

66-156
 531

NET AMOUNT

PAY *****2,000.00*

NOT VALID AFTER 90 DAYS

PAY
 Two thousand and 00/100 Dollars

TO
 THE
 ORDER
 OF

ILLINOIS DEPT OF PUBLIC HEALTH
 FACILITIES PLANNING BOARD
 525 WEST JEFFERSON STREET
 SPRINGFIELD IL 62761

Michael Bissman

Wells Fargo Bank, N.A.

12-069 RCG Pekin - Type A Modification

⑆0006370368⑆ ⑆053101561⑆ 2079900011555⑆

VENDOR NO.# 172686

PLEASE DETACH BEFORE DEPOSITING

PAGE 1 OF 1

0006370368

INVOICE#	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT AMT.	NET AMOUNT
091712-4316	09/17/2012	4316 PEKIN CON APP MODIFICATION FEE	2,000.00	0.00	2,000.00
TOTALS			\$2,000.00		\$2,000.00

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: <i>RCG Pekin*</i>			
Street Address: <i>Lot 1, El Camino & 14th Street</i>			
City and Zip Code: <i>Pekin, 61554</i>			
County: <i>Tazewell</i>	Health Service Area	<i>2</i>	Health Planning Area:

**Facility will be renamed Fresenius Medical Care Pekin after relocation.*

Applicant Identification

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

Exact Legal Name: <i>Dialysis Centers of America – Illinois, Inc., d/b/a RCG Pekin</i>	
Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Name of Registered Agent: <i>CT Systems</i>	
Name of Chief Executive Officer: <i>Rice Powell</i>	
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Telephone Number: <i>800-662-1237</i>	

Type of Ownership of 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 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.

Post Permit Contact

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

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154</i>
Telephone Number: <i>708-498-9121</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>708-498-9334</i>

Additional Contact

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

Name: <i>Clare Ranalli</i>
Title: <i>Attorney</i>
Company Name: <i>Holland & Knight, LLP</i>
Address: <i>131 S. Dearborn, 30th Floor, Chicago, IL 60603</i>
Telephone Number: <i>312-578-6567</i>
E-mail Address: <i>clare.ranalli@hkllaw.com</i>
Fax Number: <i>312-578-6666</i>

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>Pekin 1.0 LLC</i>
Address of Site Owner: <i>10531 Timberwood Circle, Suite D, Louisville, KY</i>
Street Address or Legal Description of Site: <i>Lot 1, El Camino & 14th Street, Pekin, IL 61554</i> <i>PIN#10101114000</i>
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: <i>Dialysis Centers of America – Illinois, Inc., d/b/a RCG Pekin</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
<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
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

<p>Part 1110 Classification:</p> <p><input checked="" type="checkbox"/> Substantive</p> <p><input type="checkbox"/> Non-substantive</p>	<p>Part 1120 Applicability or Classification: [Check one only.]</p> <p><input type="checkbox"/> Part 1120 Not Applicable</p> <p><input type="checkbox"/> Category A Project</p> <p><input checked="" type="checkbox"/> Category B Project</p> <p><input type="checkbox"/> DHS or DVA Project</p>
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2. Narrative Description

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

Dialysis Centers of America - Illinois, Inc. proposes to discontinue its RCG Pekin 9-station ESRD facility located at 600 S. 13th Street, Pekin, IL. In conjunction with this discontinuation we will establish a replacement 11-station hemodialysis facility, expanding by 2 additional stations. This establishment will be located at Lot 1, El Camino Drive and 14th Street, Pekin, IL which is approximately 1.5 miles away from the current location. This is an empty lot and a free-standing building will be built by a developer to be leased space of which the interior will be built out by the applicant.

Both locations are in HSA 2. According to the September 2012 station inventory there is a need for an additional 2 stations in this HSA.

This project is "substantive" under Planning Board rule 1110.10(b) as it entails the discontinuation and establishment (relocation) of a health care facility that will provide in-center chronic renal dialysis services.

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	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	938,400	N/A	938,400
Contingencies	93,228	N/A	93,228
Architectural/Engineering Fees	103,000	N/A	103,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	296,000	N/A	296,000
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	1,285,200 167,100	1,452,300	N/A 1,452,300
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	2,882,928	N/A	2,882,928
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	1,430,628	N/A	1,430,628
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)	1,452,300	N/A	1,452,300
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	2,882,928	N/A	2,882,928

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

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

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

VIII. - 1120.120 - Availability of Funds

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

<u>1,430,628</u>	<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"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
<u>N/A</u>	<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>
<u>N/A</u>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>1,452,300</u>	<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"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
<u>N/A</u>	<p>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;</p>
<u>N/A</u>	<p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p>
<u>N/A</u>	<p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<u>2,882,928</u>	TOTAL FUNDS AVAILABLE



Cushman & Wakefield of
 Illinois, Inc.
 455 N. Cityfront Plaza Drive
 Suite 2800
 Chicago, IL 60611-5555
 (312) 470-1800 Tel
 (312) 470-3800 Fax
 www.cushwake.com

September 13, 2012

Chad Middendorf
 10531 Timberwood Circle, Suite D
 Louisville, KY 40223

RE: **Dialysis Centers of America – Illinois, Inc.**
Letter of Intent – Pekin, IL

Dear Chad,

Cushman & Wakefield has been exclusively authorized by Dialysis Centers of America-Illinois Inc., a wholly owned subsidiary of Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America (“FMCNA”) to present the following letter of intent to lease space from your company.

FMCNA is the world’s leading provider of dialysis products and services. The company manages in excess of 3,500 kidney dialysis clinics and 50 billing centers and regional offices throughout North America.

LANDLORD: Pekin 1.0 LLC
 10531 Timberwood Circle, Suite D
 Louisville, KY 4022

TENANT: Dialysis Centers of America-Illinois Inc.

LOCATION: Lot 1 El Camino & 14th Street
 Pekin, IL 61554
 (Subject to change when property is subdivided)

PIN: 10101114000

INITIAL SPACE REQUIREMENTS: Approximately 6,800 contiguous usable square feet.

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. may have the need and therefore must have the option to increase or decrease the area by up to ten percent (10%) until approval of final construction drawings.

PRIMARY TERM: An initial lease term of fifteen (15) years. The Lease and rent would commence on the date that the facility starts treating patients. For purposes of establishing an actual occupancy date, both parties will execute an amendment after occupancy has occurred, setting forth dates for purposes of calculations, notices, or other events in the Lease that may be tied to a commencement date.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

DELIVERY OF PREMISES:

Landlord shall deliver the Premises to DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. for completion of the Tenant Improvements upon substantial completion of the shell.

OPTIONS TO RENEW:

Three (3), five (5) year options to renew the Lease. Option rental rates shall be based upon the lower of Fair Market Value or the increase in the Consumer Price Index over the previous five years, capped at 2.5% per year. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall provide sixty (60) days' prior written notification of its desire to exercise the option.

RENTAL RATE:

\$18.00 per usable square foot

ESCALATION:

10% increase in years 6 and 11.

TENANT ALLOWANCE:

Please see Building Shell Exhibit. *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

CONCESSIONS:

A rent free period of 3 months upon commencement.

USE:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. may operate on the Premises, at DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. 's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

DEMISED PREMISES

SHELL:

Landlord is responsible for delivery a shell building in conformance with DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. 's specifications attached as *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

CONTRACTOR FOR TENANT IMPROVEMENTS:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. will hire a contractor and/or subcontractors of their choosing to complete their tenant improvements utilizing the tenant allowance. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall be responsible for the implementation and management of the tenant improvement construction and will not be responsible to pay for Landlord's project manager, if any.

HVAC:

Landlord will provide HVAC service to the space to meet DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. 's requirements as outlined in Exhibit A. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires HVAC service 24 hours per day, 7 days per week. *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

DELIVERIES:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires delivery access to the Premises 24 hours per day, 7 days per week.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

EMERGENCY GENERATOR:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall have the right, at its cost, to install an emergency generator to service the Premises in a location to be mutually agreed upon between the parties.

**SPACE PLANNING/
ARCHITECTURAL AND
MECHANICAL DRAWINGS:**

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. will provide all space planning and architectural and mechanical drawings required to build out the tenant improvements, including construction drawings stamped by a licensed architect and submitted for approvals and permits. All building permits shall be the DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. 's responsibility.

**PRELIMINARY
IMPROVEMENT PLAN:**

At this time, please provide AutoCAD files that include one-eight inch scale architectural drawings of the proposed demised premises and detailed building specifications.

PARKING:

Landlord will provide a parking ratio of 5 per 1,000 RSF with as many of those spaces as possible to be directly in front of the building for patient use. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall require that 10% of the parking (**specify number**) be designated handicapped spaces plus one ambulance space (cost to designate parking spaces to be at Landlord's sole cost and expense).

BUILDING CODES:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires that the site, shell and all interior structures constructed or provided by the Landlord to meet all local, State, and Federal building code requirements, including all provisions of ADA.

**CORPORATE
IDENTIFICATION:**

Tenant shall have signage rights in accordance with local code.

**COMMON AREA EXPENSES
AND REAL ESTATE TAXES:**

Tenant shall be responsible for all Real Estate Taxes and Operating Expenses associate with the building.

**ASSIGNMENT/
SUBLETTING:**

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires the right to assign or sublet all or a portion of the demised premises to any subsidiary or affiliate without Landlord's consent. Any other assignment or subletting will be subject to Landlord's prior consent, which shall not be unreasonably withheld or delayed.

MAINTENANCE:

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the exterior portions and structural portions of the Building to keep the building weather and water tight and structurally sound including, without limitation: foundations, structure, load bearing walls, exterior walls, doors and windows, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, footings as well as any elevators, water mains, gas and sewer lines, sidewalks, private roadways, landscape, parking

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

areas, common areas, and loading docks, if any, on or appurtenant to the Building or the Premises.

With respect to the parking and other exterior areas of the Building and subject to reasonable reimbursement by Tenant, Landlord shall perform the following, pursuant to good and accepted business practices throughout the term: repainting the exterior surfaces of the building when necessary, repairing, resurfacing, repaving, re-striping, and resealing, of the parking areas; repair of all curbing, sidewalks and directional markers; removal of snow and ice; landscaping; and provision of adequate lighting during all hours of darkness that Tenant shall be open for business.

Tenant shall maintain and keep the interior of the Premises in good repair, free of refuse and rubbish and shall return the same at the expiration or termination of the Lease in as good condition as received by Tenant, ordinary wear and tear, and damage or destruction by fire, flood, storm, civil commotion or other unavoidable causes excepted. Tenant shall be responsible for maintenance and repair of Tenant's equipment in the Premises.

UTILITIES:

Tenant shall pay all charges for water, electricity, gas, telephone and other utility services furnished to the Premises. 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. Landlord agrees to bring water, electricity, gas and sanitary sewer to the Premises in sizes and to the location specified by Tenant and pay for the cost of meters to meter their use. Landlord shall pay for all impact fees and tapping fees associated with such utilities.

SURRENDER:

At any time prior to the expiration or earlier termination of the Lease, Tenant may remove any or all the alterations, additions or installations, installed by or on behalf of Tenant, in such a manner as will not substantially injure the Premises. Tenant agrees to restore the portion of the Premises affected by Tenant's removal of such alterations, additions or installations to the same condition as existed prior to the making of such alterations, additions, or installations. Upon the expiration or earlier termination of the Lease, Tenant shall turn over the Premises to Landlord in good condition, ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion, or other unavoidable cause excepted. All alterations, additions, or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

ZONING AND RESTRICTIVE COVENANTS:

Landlord confirms that the current property zoning is acceptable for the proposed use as an outpatient kidney dialysis clinic. There are no restrictive covenants imposed by the development, owner, and/or municipality that would in any way limit or restrict the operation of DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC.'s dialysis clinic

FLOOD PLAIN:

Landlord confirms that the property and premises is not in a Flood Plain.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

CAPITALIZATION TEST:

Landlord will complete the attached Accounting Classification Form to ensure DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. is not entering into a capitalized lease arrangement.

FINANCING:

Landlord will provide a non-disturbance agreement.

EXCLUSIVITY

Landlord will not, during the term of the Lease and any option terms, lease space in a 5 mile radius to any other provider of hemodialysis services.

ENVIRONMENTAL:

Landlord confirms that there is no asbestos present in the building and that there are no contaminants or environmental hazards in or on the property. A Phase One Environmental Study has been conducted and has been made available for DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. 's review. Landlord also confirms that no other tenants or their activities present issues as to the generation of hazardous materials.

DRAFT LEASE:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires the use of its Standard Form Lease, which is attached.

BROKERAGE FEE:

Cushman & Wakefield of Illinois, is the exclusive real estate services provider to FMCNA, its subsidiaries and affiliates. The Landlord will pay a market commission to Cushman & Wakefield of Illinois. The real estate commission shall be payable 50% upon lease execution and 50% upon occupancy. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. and FMCNA shall retain the right to offset rent for failure to pay the real estate commission.

LEASE EXECUTION:

Both parties agree that they will make best efforts to reach a fully executed lease document within thirty days of the execution of this letter of intent.

LEASE SECURITY:

Fresenius Medical Holdings Corp shall fully guarantee the lease.

CONFIDENTIAL:

The material contained herein is confidential. It is intended for use of Landlord and Tenant solely in determining whether they desire to enter into a Lease, and it is not to be copied or discussed with any other person.

EXCLUSIVE NEGOTIATING PERIOD:

The parties agree that they will negotiate on an exclusive basis for a period of thirty (30) days from the execution of this document.

NON-BINDING NATURE:

This proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive Lease agreement has been fully executed and delivered by the parties. The parties agree that this proposal is not intended to create any agreement or

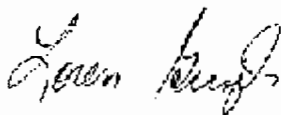
No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

obligation by either party to negotiate a definitive Lease agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive, fully executed agreement, and without any liability to the other party, either party may (i) propose different terms from those summarized herein, (ii) enter into negotiations with other parties and/or (iii) unilaterally terminate all negotiations with the other party hereto.

If you are in agreement with these terms, please execute the document below and return a copy for our records.

You may email the proposal to loren.guzik@cushwake.com. Thank you for your time and cooperation in this matter, should you have any questions please call me at 312.470.1897.

Sincerely,



Loren Guzik
Senior Director
Office Group
Phone: 312-470-1897
Fax: 312-470-3800
e-mail: loren_guzik@cushwake.com

CC: Mr. Bill Popken

AGREED AND ACCEPTED this ____ day of _____, 2012

By: _____ Chad Middendorf _____

Title: _____ General Manager _____

AGREED AND ACCEPTED this ____ day of _____, 2012

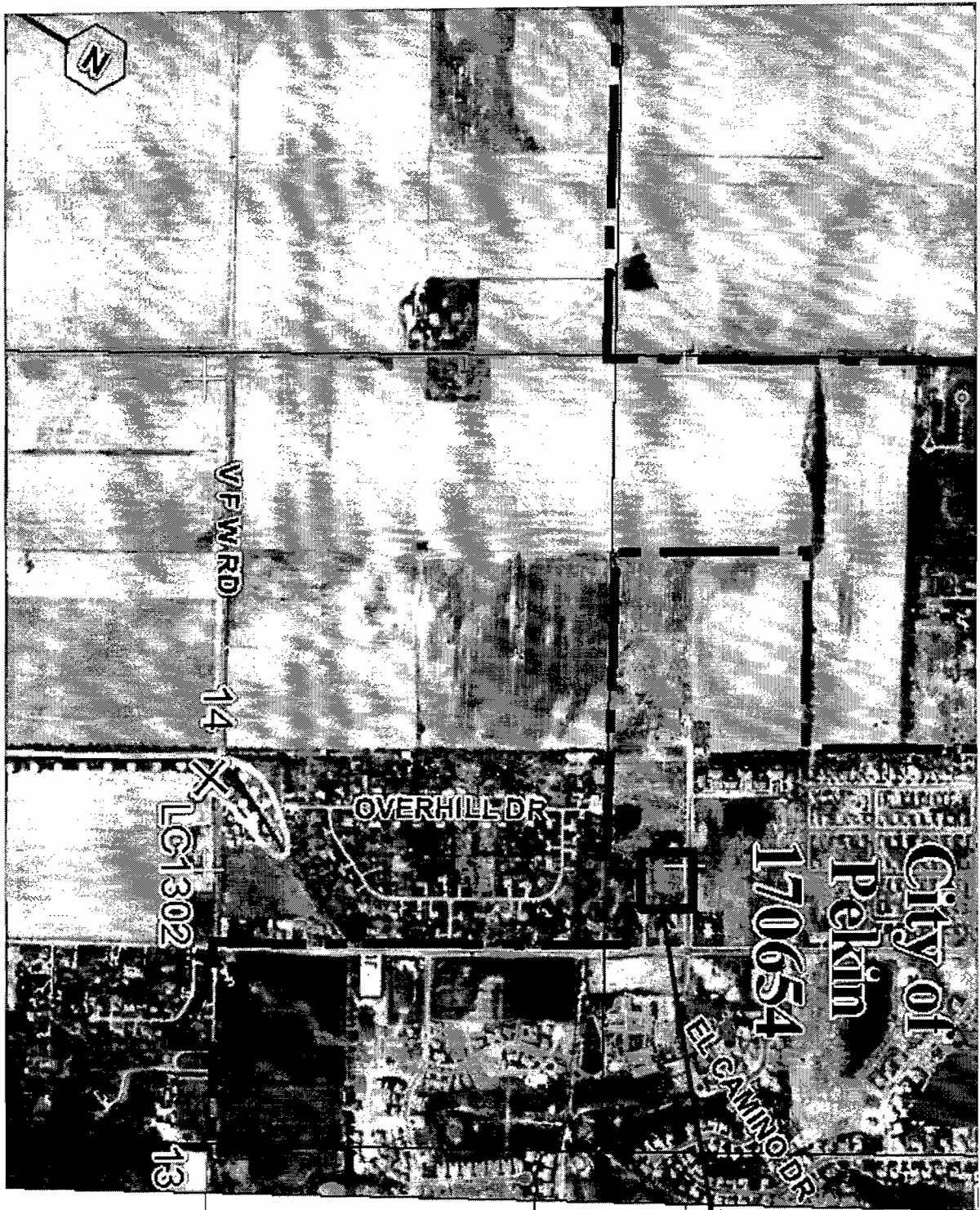
By: _____

Title: _____

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

Flood Plain Requirements

The proposed site for the establishment (relocation) of Fresenius Medical Care Pekin complies with the requirements of Illinois Executive Order #2005-5. The site is not located in a flood plain as can be seen on the FEMA flood plain map on the following page.



JOINS PANEL 0200

4491000M N

Identified Site on El Camino Drive

NOTES TO USERS

This map was prepared under the direction of the Illinois State Water Survey, Urbana, Illinois. It is the property of the State of Illinois and is loaned to you for your use only. It should not be used for any other purpose without the express written permission of the Surveyor General, Springfield, Illinois.

The map was prepared from the most recent data available at the time of its preparation. It is not intended to be used as a legal document. It is not a substitute for a survey. It is not to be used for any purpose for which it was not intended. It is not to be used for any purpose for which it was not intended. It is not to be used for any purpose for which it was not intended.

PANEL INDEX

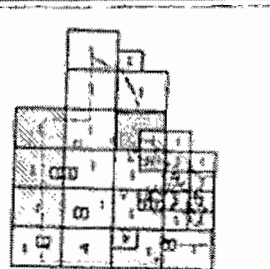
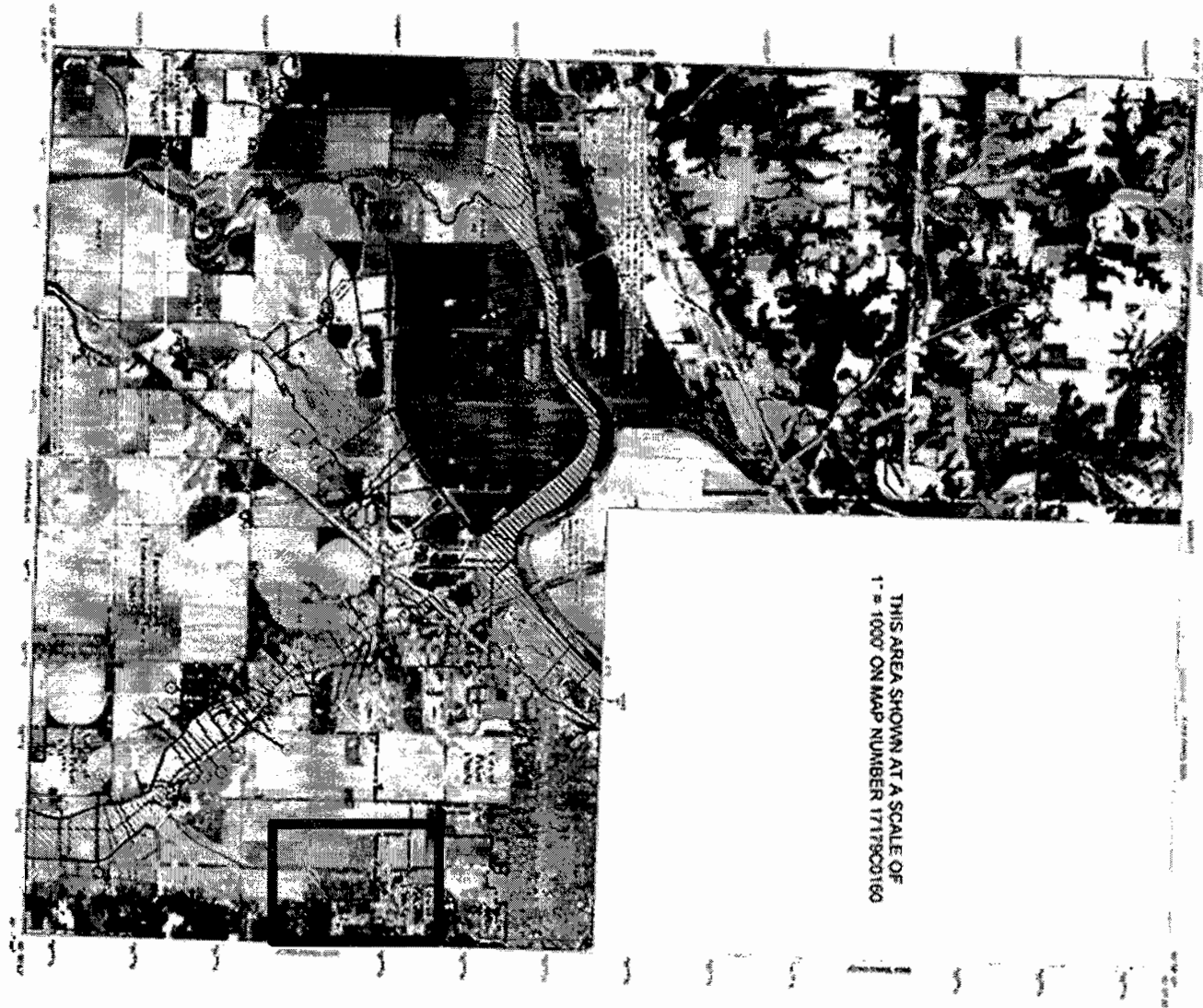


FIG. 1. PANEL INDEX



THIS AREA SHOWN AT A SCALE OF
1" = 1000' ON MAP NUMBER 17179C0160

LEGEND

- 1. FLOOD PLAIN
- 2. FLOOD PLAIN
- 3. FLOOD PLAIN
- 4. FLOOD PLAIN
- 5. FLOOD PLAIN
- 6. FLOOD PLAIN
- 7. FLOOD PLAIN
- 8. FLOOD PLAIN
- 9. FLOOD PLAIN
- 10. FLOOD PLAIN

FIRM

ILLINOIS STATE WATER SURVEY
URBANA, ILLINOIS
FIRM NUMBER
17179C0160
DATE
1960



Illinois Historic Preservation Agency

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Tazewell County

PLEASE REFER TO:

IHPA LOG #017090612

Pekin

1300 Block of El Camino Drive

IHF SRB

New construction, Fresenius Medical Care dialysis clinic

September 13, 2012

Lori Wright

Fresenius Medical Services

One Westbrook Corporate Center, Suite 1000

Westchester, IL 60154

Dear Ms. Wright:

The Illinois Historic Preservation Agency is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

SUMMARY OF PROJECT COSTS

Modernization Contracts

General Conditions	43,000
Temp Facilities, Controls, Cleaning, Waste Management	2,500
Concrete	12,300
Masonry	14,000
Metal Fabrications	7,200
Carpentry	80,000
Thermal, Moisture & Fire Protection	17,000
Doors, Frames, Hardware, Glass & Glazing	66,000
Walls, Ceilings, Floors, Painting	145,000
Specialities	11,000
Casework, FI Mats & Window Treatments	5,700
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	309,100
Wiring, Fire Alarm System, Lighting	186,200
Miscellaneous Construction Costs	39,400
Total	938,400

Contingencies

Contingencies **\$93,228**

Architectural/Engineering

Architecture/Engineering Fees **\$103,000**

Movable or Other Equipment

Dialysis Chairs	\$18,000
Misc. Clinical Equipment	15,000
Clinical Furniture & Equipment	21,000
Office Equipment & Other Furniture	30,000
Water Treatment	100,000
TVs & Accessories	50,000
Telephones	12,000
Generator	30,000
Facility Automation	17,000
Other miscellaneous	3,000
Total	\$296,000

Fair Market Value Leased Space & Equipment

FMV Leased Space (7,000 GSF)	\$1,285,200
FMV Leased Dialysis Machines	161,100
FMV Leased Computers	6,000
Total	\$1,452,300

Cost Space Requirements

Provide in the following format, the department/area GSF and cost. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
In-Center Hemodialysis	2,882,928		6,800		6,800		
Total Clinical	2,882,928		6,800		6,800		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL	2,882,928		6,800		6,800		
APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Alternatives

1) All Alternatives

Fresenius Medical Care has exhausted nearly all possible alternatives to this project and now agrees with suggestions from DaVita and Dr. Usman that we relocate the Pekin facility and add stations to meet the need in the Pekin area and meet Board rules.

A. Proposing a project of greater or lesser scope and cost.

Three alternatives were considered that would entail a lesser scope and cost than the project proposed in this application, however they were determined not to be feasible options.

- The alternative of doing nothing is not feasible. The lease at the current site will expire December 31, 2014, therefore we eventually will have to vacate. Due to historic and continued high utilization at the Pekin clinic additional space is needed to expand and none is available onsite.
- The alternative of relocating only the 9 stations and not adding the 2 extra stations would not address the high utilization and needed access for future patients. The cost for this would only be about \$45,000 less than the current project.

B. Pursuing a joint venture or similar arrangement with one or more providers of 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.

This facility is not currently a joint venture and it does not make sense to enter into a joint venture only for the purposes of relocating. Whether or not it is a joint venture does not address the need for additional stations. The preferred Fresenius model of ownership is for our facilities to be wholly owned, however we do enter into joint ventures on occasion.

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

This alternative is currently being acted upon. There are many patients who are now driving excessive distances from rural Tazewell County to Peoria for treatment. These patients have been voicing their difficulties in doing so and have requested additional stations in the Pekin area. There is no cost to this alternative except to the patient in travel hardships and transportation costs.

Fresenius proposed a clinic in North Pekin to meet the patient's needs, however was turned down in part due to excess capacity.

The alternative of providing additional capacity to alleviate high utilization by relocating the current Pekin clinic and adding two stations is unanimous. It addresses the access and need issue, meets Board requirements and correlates with the inventory station need at this time. The cost of this project is \$2,882,928

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Maintain Status Quo	\$0	Pekin area would lose complete access to dialysis services as facility reaches capacity.	Quality would remain similar if patients had to travel out of area to other Fresenius facilities for treatment.	Patients would experience excessive transportation costs and difficulties driving to Peoria.
Relocate only the 9 current stations	\$2,882,928	Pekin area would lose complete access to dialysis services as facility reaches capacity.	Patient clinical quality would remain above standards	Continued excessive transportation costs and difficulties driving to Peoria. Fresenius would spend money to relocate and not gain any additional access for patients.
Joint Venture	\$2,882,928	No effect on Access	No effect	Fresenius would maintain control of the facility and costs/revenues would be shared 40/60.
Relocate the 9 station Pekin facility and add two stations to address need	\$2,882,928	Improved access with 1 st floor access and increased space for patients and staff. Access to additional treatment times	Patient clinical quality would remain above standards Patient satisfaction would improve with easier access and additional treatment time choices	The cost of relocation is necessary to keep dialysis services accessible in the Pekin area and is a cost only to Fresenius Medical Care.

3. Empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. RCG Pekin has had above standard quality outcomes.

- 99% of patients had a URR \geq 65%
- 97% of patients had a Kt/V \geq 1.2

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD IN-CENTER HEMODIALYSIS	6,800 (11 Stations)	360-520 DGSF	98 DGSF Per Station	No

As seen in the chart above, the State Standard for ESRD is between 360-520 DGSF per station. This project is being accomplished in leased space with the interior to be built out by the applicant therefore the standard being applied is expressed in departmental gross square feet. The proposed 6,800 DGSF amounts to 618 DGSF per station and is over the State standard. However, the additional space is needed for a home dialysis department, administrative offices future expansion and for nocturnal dialysis which requires additional space for a hospital type bed.



Cushman & Wakefield of
 Illinois, Inc.
 455 N. Cityfront Plaza Drive
 Suite 2800
 Chicago, IL 60611-5555
 (312) 470-1800 Tel
 (312) 470-3800 Fax
 www.cushwake.com

September 13, 2012

Chad Middendorf
 10531 Timberwood Circle, Suite D
 Louisville, KY 40223

RE: **Dialysis Centers of America – Illinois, Inc.**
Letter of Intent – Pekin, IL

Dear Chad,

Cushman & Wakefield has been exclusively authorized by Dialysis Centers of America-Illinois Inc., a wholly owned subsidiary of Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America (“FMCNA”) to present the following letter of intent to lease space from your company.

FMCNA is the world’s leading provider of dialysis products and services. The company manages in excess of 3,500 kidney dialysis clinics and 50 billing centers and regional offices throughout North America.

LANDLORD: Pekin 1.0 LLC
 10531 Timberwood Circle, Suite D
 Louisville, KY 4022

TENANT: Dialysis Centers of America-Illinois Inc.

LOCATION: Lot 1 El Camino & 14th Street
 Pekin, IL 61554
 (Subject to change when property is subdivided)

PIN: 10101114000

INITIAL SPACE REQUIREMENTS: Approximately 6,800 contiguous usable square feet.

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. may have the need and therefore must have the option to increase or decrease the area by up to ten percent (10%) until approval of final construction drawings.

PRIMARY TERM: An initial lease term of fifteen (15) years. The Lease and rent would commence on the date that the facility starts treating patients. For purposes of establishing an actual occupancy date, both parties will execute an amendment after occupancy has occurred, setting forth dates for purposes of calculations, notices, or other events in the Lease that may be tied to a commencement date.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

DELIVERY OF PREMISES:

Landlord shall deliver the Premises to DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. for completion of the Tenant Improvements upon substantial completion of the shell.

OPTIONS TO RENEW:

Three (3), five (5) year options to renew the Lease. Option rental rates shall be based upon the lower of Fair Market Value or the increase in the Consumer Price Index over the previous five years, capped at 2.5% per year. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall provide sixty (60) days' prior written notification of its desire to exercise the option.

RENTAL RATE:

\$18.00 per usable square foot

ESCALATION:

10% increase in years 6 and 11.

TENANT ALLOWANCE:

Please see Building Shell Exhibit. *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

CONCESSIONS:

A rent free period of 3 months upon commencement.

USE:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. may operate on the Premises, at DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC.'s option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

DEMISED PREMISES

SHELL:

Landlord is responsible for delivery a shell building in conformance with DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC.'s specifications attached as *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

CONTRACTOR FOR TENANT IMPROVEMENTS:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. will hire a contractor and/or subcontractors of their choosing to complete their tenant improvements utilizing the tenant allowance. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall be responsible for the implementation and management of the tenant improvement construction and will not be responsible to pay for Landlord's project manager, if any.

HVAC:

Landlord will provide HVAC service to the space to meet DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC.'s requirements as outlined in Exhibit A. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires HVAC service 24 hours per day, 7 days per week. *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

DELIVERIES:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires delivery access to the Premises 24 hours per day, 7 days per week.

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EMERGENCY GENERATOR:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall have the right, at its cost, to install an emergency generator to service the Premises in a location to be mutually agreed upon between the parties.

**SPACE PLANNING/
ARCHITECTURAL AND
MECHANICAL DRAWINGS:**

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. will provide all space planning and architectural and mechanical drawings required to build out the tenant improvements, including construction drawings stamped by a licensed architect and submitted for approvals and permits. All building permits shall be the DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. 's responsibility.

**PRELIMINARY
IMPROVEMENT PLAN:**

At this time, please provide AutoCAD files that include one-eight inch scale architectural drawings of the proposed demised premises and detailed building specifications.

PARKING:

Landlord will provide a parking ratio of 5 per 1,000 RSF with as many of those spaces as possible to be directly in front of the building for patient use. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. shall require that 10% of the parking (**specify number**) be designated handicapped spaces plus one ambulance space (cost to designate parking spaces to be at Landlord's sole cost and expense).

BUILDING CODES:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires that the site, shell and all interior structures constructed or provided by the Landlord to meet all local, State, and Federal building code requirements, including all provisions of ADA.

**CORPORATE
IDENTIFICATION:**

Tenant shall have signage rights in accordance with local code.

**COMMON AREA EXPENSES
AND REAL ESTATE TAXES:**

Tenant shall be responsible for all Real Estate Taxes and Operating Expenses associate with the building.

**ASSIGNMENT/
SUBLETTING:**

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires the right to assign or sublet all or a portion of the demised premises to any subsidiary or affiliate without Landlord's consent. Any other assignment or subletting will be subject to Landlord's prior consent, which shall not be unreasonably withheld or delayed.

MAINTENANCE:

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the exterior portions and structural portions of the Building to keep the building weather and water tight and structurally sound including, without limitation: foundations, structure, load bearing walls, exterior walls, doors and windows, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, footings as well as any elevators, water mains, gas and sewer lines, sidewalks, private roadways, landscape, parking

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areas, common areas, and loading docks, if any, on or appurtenant to the Building or the Premises.

With respect to the parking and other exterior areas of the Building and subject to reasonable reimbursement by Tenant, Landlord shall perform the following, pursuant to good and accepted business practices throughout the term: repainting the exterior surfaces of the building when necessary, repairing, resurfacing, repaving, re-striping, and resealing, of the parking areas; repair of all curbing, sidewalks and directional markers; removal of snow and ice; landscaping; and provision of adequate lighting during all hours of darkness that Tenant shall be open for business.

Tenant shall maintain and keep the interior of the Premises in good repair, free of refuse and rubbish and shall return the same at the expiration or termination of the Lease in as good condition as received by Tenant, ordinary wear and tear, and damage or destruction by fire, flood, storm, civil commotion or other unavoidable causes excepted. Tenant shall be responsible for maintenance and repair of Tenant's equipment in the Premises.

UTILITIES:

Tenant shall pay all charges for water, electricity, gas, telephone and other utility services furnished to the Premises. 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. Landlord agrees to bring water, electricity, gas and sanitary sewer to the Premises in sizes and to the location specified by Tenant and pay for the cost of meters to meter their use. Landlord shall pay for all impact fees and tapping fees associated with such utilities.

SURRENDER:

At any time prior to the expiration or earlier termination of the Lease, Tenant may remove any or all the alterations, additions or installations, installed by or on behalf of Tenant, in such a manner as will not substantially injure the Premises. Tenant agrees to restore the portion of the Premises affected by Tenant's removal of such alterations, additions or installations to the same condition as existed prior to the making of such alterations, additions, or installations. Upon the expiration or earlier termination of the Lease, Tenant shall turn over the Premises to Landlord in good condition, ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion, or other unavoidable cause excepted. All alterations, additions, or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

**ZONING AND
RESTRICTIVE COVENANTS:**

Landlord confirms that the current property zoning is acceptable for the proposed use as an outpatient kidney dialysis clinic. There are no restrictive covenants imposed by the development, owner, and/or municipality that would in any way limit or restrict the operation of DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. 's dialysis clinic

FLOOD PLAIN:

Landlord confirms that the property and premises is not in a Flood Plain.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

CAPITALIZATION TEST:

Landlord will complete the attached Accounting Classification Form to ensure DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. is not entering into a capitalized lease arrangement.

FINANCING:

Landlord will provide a non-disturbance agreement.

EXCLUSIVITY

Landlord will not, during the term of the Lease and any option terms, lease space in a 5 mile radius to any other provider of hemodialysis services.

ENVIRONMENTAL:

Landlord confirms that there is no asbestos present in the building and that there are no contaminants or environmental hazards in or on the property. A Phase One Environmental Study has been conducted and has been made available for DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. 's review. Landlord also confirms that no other tenants or their activities present issues as to the generation of hazardous materials.

DRAFT LEASE:

DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. requires the use of its Standard Form Lease, which is attached.

BROKERAGE FEE:

Cushman & Wakefield of Illinois, is the exclusive real estate services provider to FMCNA, its subsidiaries and affiliates. The Landlord will pay a market commission to Cushman & Wakefield of Illinois. The real estate commission shall be payable 50% upon lease execution and 50% upon occupancy. DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. and FMCNA shall retain the right to offset rent for failure to pay the real estate commission.

LEASE EXECUTION:

Both parties agree that they will make best efforts to reach a fully executed lease document within thirty days of the execution of this letter of intent.

LEASE SECURITY:

Fresenius Medical Holdings Corp shall fully guarantee the lease.

CONFIDENTIAL:

The material contained herein is confidential. It is intended for use of Landlord and Tenant solely in determining whether they desire to enter into a Lease, and it is not to be copied or discussed with any other person.

EXCLUSIVE NEGOTIATING PERIOD:

The parties agree that they will negotiate on an exclusive basis for a period of thirty (30) days from the execution of this document.

NON-BINDING NATURE:

This proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive Lease agreement has been fully executed and delivered by the parties. The parties agree that this proposal is not intended to create any agreement or

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obligation by either party to negotiate a definitive Lease agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive, fully executed agreement, and without any liability to the other party, either party may (i) propose different terms from those summarized herein, (ii) enter into negotiations with other parties and/or (iii) unilaterally terminate all negotiations with the other party hereto.

If you are in agreement with these terms, please execute the document below and return a copy for our records.

You may email the proposal to loren.guzik@cushwake.com. Thank you for your time and cooperation in this matter, should you have any questions please call me at 312.470.1897.

Sincerely,



Loren Guzik
Senior Director
Office Group
Phone: 312-470-1897
Fax: 312-470-3800
e-mail: loren_guzik@cushwake.com

CC: Mr. Bill Popken

AGREED AND ACCEPTED this ____ day of _____, 2012

By: _____ Chad Middendorf _____

Title: _____ General Manager _____

AGREED AND ACCEPTED this ____ day of _____, 2012

By: _____

Title: _____

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Criterion 1120.310 (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		\$138.00			6,800			938,400	938,400
Contingency		13.71			6,800			93,228	93,228
TOTALS		151.71			6,800			1,031,628	1,031,628

* Include the percentage (%) of space for circulation

Criterion 1120.310 (d) – Projected Operating Costs

Year 2015

Salaries	\$714,962
Benefits	178,741
Supplies	<u>168,480</u>
Total	\$1,062,483

Annual Treatments	8,237
Cost Per treatment	\$128.99

Criterion 1120.310 (e) – Total Effect of the Project on Capital Costs

Year 2015

Depreciation/Amortization	\$115,784
Interest	0
CAPITAL COSTS	<u>\$115,784</u>

Treatments:	8,237
Capital Cost per treatment	\$14.06