



November 10, 2016

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

**RECEIVED**

NOV 14 2016

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**Re: Modification, Project #16-029, Fresenius Medical Care Ross  
Dialysis - Englewood**

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 3 Site Ownership
- Page 5 Narrative
- Page 6 Project Costs and Sources of Funds
- Page 7 Completion Date
- Page 8 Cost Space Requirements
- Page 16 Availability of Funds
- Page 24-29b Attachment 2 – Site Owner - Letter of Intent for Leased Space
- Page 32 Attachment 5 - Flood Plain Determination
- Page 33 Attachment 6 - Historic Determination
- Page 34 Attachment 7 – Itemized Costs
- Page 36 Attachment 9 - Cost Space Requirements
- Page 67 Attachment 14 - Size
- Page 107-111b Attachment 36 – Letter of Intent for Leased Space
- Page 113 Attachment 39 - Economic Feasibility

Since the public hearing requirements will be applicable to this modification, a check for \$2,000 was submitted on October 11, 2016. Please notify me of any additional information or fees required.

Sincerely,

Lori Wright  
Senior CON Specialist  
Phone 630-960-6807

cc: Clare Ranalli

**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>Fresenius Medical Care Ross Dialysis - Englewood</i>			
Street Address: <i>6226-6236 S. Sangamon Street</i>			
City and Zip Code: <i>Chicago 60621</i>			
County:	<i>Cook</i>	Health Service Area	Health Planning Area:

**Applicant Identification**

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

Exact Legal Name: <i>Ross Dialysis – Englewood, LLC d/b/a Fresenius Medical Care Ross Dialysis – Englewood</i>	
Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Name of Registered Agent: <i>CT Systems</i>	
Name of Chief Executive Officer: <i>Ron Kuerbitz</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 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 organized and the name and address of each partner specifying whether each  
 is a general or limited partner.

**APPEND DOCUMENTATION AS ATTACHMENTS 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>3500 Lacey Road, Suite 900, Downers Grove, IL 60515</i>
Telephone Number: <i>630-960-6807</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>630-960-6812</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>McDermott, Will &amp; Emery</i>
Address: <i>227 W. Monroe Street, Suite 4700, Chicago, IL 60606</i>
Telephone Number: <i>312-984-3365</i>
E-mail Address: <i>cranalli@mwe.com</i>
Fax Number: <i>312-984-7500</i>

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>Weitzman Realty Associate, LLC</i>
Address of Site Owner: <i>4007 S. Wabash Avenue, Chicago, IL 60653</i>
Street Address or Legal Description of Site: <i>6226-6236 S. Sangamon Street, Chicago, IL 60621</i> <i>(PIN 20-17-428-029, 030, 031, 032, 033, &amp; 034)</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.
<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: <i>Ross Dialysis - Englewood, LLC d/b/a Fresenius Medical Care Ross Dialysis - Englewood</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
<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 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.**

## 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.

*Ross Dialysis - Englewood, LLC proposes to discontinue its 16-station Fresenius Medical Care Ross Dialysis - Englewood ESRD facility located at 6333 S. Green Street, Chicago in HSA 6. A 24-station replacement facility will be established at 6226-6236 S. Sangamon Street, Chicago, also in the Englewood neighborhood and 2 minutes from the current facility. The 90 current patients are expected to transfer to the new site upon opening. The Englewood neighborhood is a Federally Designated Medically Underserved Area.*

*According to the May 2016 Board station inventory there is a determined need for an additional 54 stations in HSA 6.*

*This project is "substantive" under Planning Board rule 1110.40 as it entails the discontinuation of a health care facility and the establishment of a replacement facility (relocation) along with the addition of 8 ESRD stations.*

**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.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
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	1,348,375	316,408	1,664,783
Contingencies	129,605	30,413	160,018
Architectural/Engineering Fees	146,124	34,276	180,400
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	435,000	185,000	620,000
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	4,413,649	910,815	5,324,464
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>	<b>6,472,753</b>	<b>1,476,912</b>	<b>7,949,665</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NON-CLINICAL</b>	<b>TOTAL</b>
Cash and Securities	2,059,104	566,097	2,625,201
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)	4,413,649	910,815	5,324,464
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>	<b>6,472,753</b>	<b>1,476,912</b>	<b>7,949,665</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Related Project Costs**

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

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

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

**(Discontinuation/Relocation)**

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 \$ 212,428.

**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): December 31, 2018

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.  
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies  
 Project obligation 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**

Are the following submittals up to date as applicable:

- Cancer Registry  
 APORS  
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted  
 All reports regarding outstanding permits

**Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.**

### Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **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	\$6,472,753		8,050		8,050		
Total Clinical	\$6,472,753		8,050		8,050		
<b>NON REVIEWABLE</b>							
Non-Clinical (Administrative, Mechanical, Staff, Waiting Room Areas)	\$1,476,912		1,889		1,889		
Total Non-clinical	\$1,476,912		1,889		1,889		
<b>TOTAL</b>	<b>\$7,949,665</b>		<b>9,939</b>		<b>9,939</b>		

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>2,625,201</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"> <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>
<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>5,324,464</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"> <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>
<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>
<b><u>\$7,949,665</u></b>	<b>TOTAL FUNDS AVAILABLE</b>

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

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>Weitzman Realty Associate, LLC</i>
Address of Site Owner: <i>4007 S. Wabash Avenue, Chicago, IL 60653</i>
Street Address or Legal Description of Site: <i>6226-6236 S. Sangamon Street, Chicago, IL 60621</i> <i>(PIN 20-17-428-029, 030, 031, 032, 033, &amp; 034)</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.
<b>APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>



Cushman & Wakefield of  
 Illinois, Inc.  
 200 S. Wacker Drive  
 Suite 2800  
 Chicago, IL 60606  
 (312) 470-1800 Tel  
 (312) 470-3800 Fax  
 www.cushwake.com

November 8, 2016

Howard J. Powers II  
 General Counsel  
 Weitzman Realty Associate, L.L.C.  
 4007 S. Wabash Ave.  
 Chicago, IL 60653

RE: 6226 - 6236 S. Sangamon St  
 Chicago, IL.

Dear Howard,

FRESENIUS KIDNEY CARE, a wholly owned subsidiary of FRESENIUS MEDICAL CARE Holdings, Inc. is pleased to present the following Request for Proposal to lease space from your company.

- LANDLORD:** Weitzman Realty Associate, LLC or its affiliates or assignees.
- TENANT:** Fresenius Kidney Care or its affiliates.
- LOCATION:** 6226 - 6236 S. Sangamon St., Chicago, IL  
 PINs are: 20-17-428-029, 030, 031, 032, 033, and 034.
- INITIAL SPACE REQUIREMENTS:** Approximately 9,939 sq.ft.
- PRIMARY TERM:** An initial lease term of 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.
- DELIVERY OF PREMISES:** Landlord shall deliver the Premises to FRESENIUS KIDNEY CARE 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 90% of market rent. Tenant shall provide six months (6) sixty (60) days' prior written notification of its desire to exercise the option.
- RENTAL RATE:** 28.50 Net.

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.

**ESCALATION:** 1.7%.

**SHELL CONSTRUCTION:** Landlord shall deliver a shell condition based on FKC IN CENTER BUILDING SHELL EXHIBIT A.

**RENT ABATEMENT:** N/A.

**USE:** FRESENIUS KIDNEY CARE 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. FRESENIUS KIDNEY CARE may operate on the Premises, at FRESENIUS KIDNEY CARE's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

**CONTRACTOR FOR TENANT IMPROVEMENTS:** FRESENIUS KIDNEY CARE will hire a contractor and/or subcontractors of their choosing to complete their tenant improvements utilizing the tenant allowance. FRESENIUS KIDNEY CARE 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. Tenant will need 4 months to complete its interior improvements.

**DELIVERIES:** FRESENIUS KIDNEY CARE requires delivery access to the Premises 24 hours per day, 7 days per week.

**EMERGENCY GENERATOR:** FRESENIUS KIDNEY CARE 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:** FRESENIUS KIDNEY CARE 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 Tenant's responsibility.

**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. FRESENIUS KIDNEY CARE shall require that 10% of the parking be designated handicapped spaces plus one ambulance space (cost to designate parking spaces to be at Landlord's sole cost and expense). FMC will need at least 45 parking stalls.

**BUILDING CODES:** FRESENIUS KIDNEY CARE 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.

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**CORPORATE  
IDENTIFICATION:**

Tenant shall have signage rights in accordance with local code.

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

Please indicate the amount, on a per square foot basis, of the Common Area Expenses associated with the premises. Tenant shall be responsible for all Real Estate Taxes and Operating Expenses, Insurance on its propionate share of the leased premises associated with the building.

**ASSIGNMENT/  
SUBLETTING:**

FRESENIUS KIDNEY CARE 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 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,

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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 accepted.

**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 FRESENIUS KIDNEY CARE's dialysis clinic

**FLOOD PLAIN:**

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

**CAPITALIZATION TEST:**

Landlord will complete the attached Accounting Classification Form to ensure FRESENIUS KIDNEY CARE is not entering into a capitalized lease arrangement.

**SNDA:**

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 five (5) mile radius to any other provider of hemodialysis services.

**ENVIRONMENTAL:**

Landlord will provide all environmental soil tests to tenant.

**DRAFT LEASE:**

FRESENIUS KIDNEY CARE requires the use of its Standard Form Lease.

**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. Financials will be provided to the Landlord.

**CONFIDENTIAL:**

The material contained herein is confidential. It is intended for use of Landlord and Tenant solely in determining whether they desire to enter

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into a Lease, and it is not to be copied or discussed with any other person.

**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 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.

**CON Approval:**

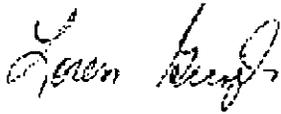
The lease shall be contingent upon Tenant's award of a Certificate of Need by the Illinois Health Facilities Planning Commission. Estimated approval month is March 2017.

You may email the proposal to [loren.guzik@cushwake.com](mailto: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,

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.

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 9<sup>th</sup> day of November, 2016

By:   
Title: Regional Vice President

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 2016

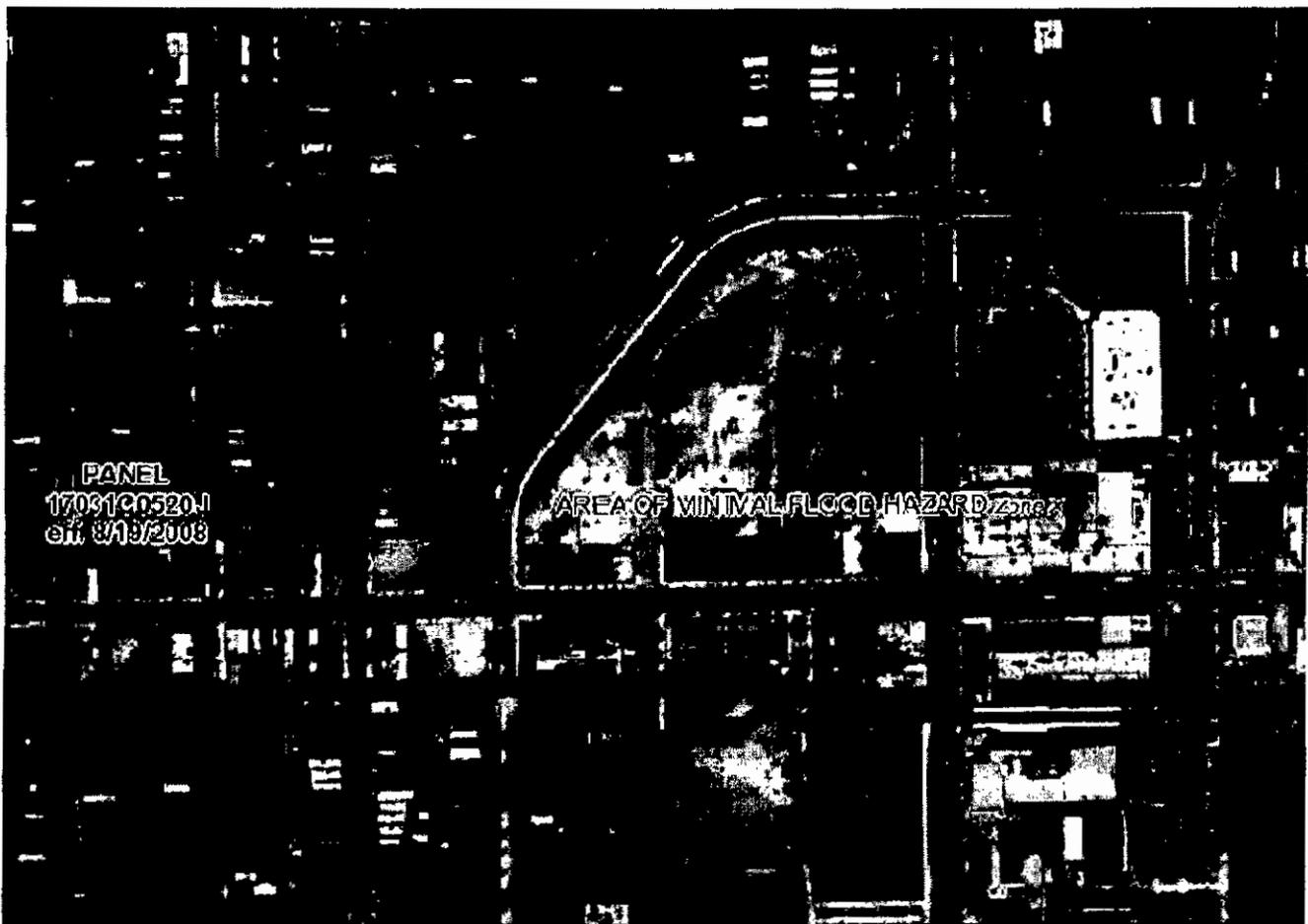
By:

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 relocation of Fresenius Medical Care Ross Dialysis - Englewood complies with the requirements of Illinois Executive Order #2005-5. The site, 6226-6236 S. Sangamon Street in Chicago, is not located in a flood plain.





November 9, 2016

Rachel Leibowitz, Ph.D.  
Deputy State Historic Preservation Officer  
Preservation Services Division Manager  
Illinois Historic Preservation Agency  
1 Old State Capitol Plaza  
Springfield, Illinois 62701

Dear Ms. Leibowitz:

Fresenius Medical Care Ross Dialysis-Englewood, LLC is seeking a Certificate of Need permit to relocate its Ross Dialysis-Englewood dialysis facility from 6333 S. Green Street, Chicago to 6226-6236 S. Sangamon Street, Chicago. The site is currently vacant land and the facility will be in leased space to be built by the developer.

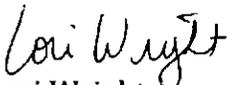
In accordance with the Illinois Health Facilities Planning Board requirements for the Certificate of Need, I am requesting a letter of determination concerning the applicability of the Historic Preservation Act to this Project.

Attached you will find the following:

- Aerial Map of site
- Tax Parcel Map
- Street View

Please let me know as soon as possible if you require any additional information. Thank you for your assistance in this matter.

Sincerely,

  
Lori Wright  
Senior CON Specialist

Phone 630-960-6807  
Email lori.wright@fmc-na.com

## SUMMARY OF PROJECT COSTS

<b>Modernization</b>	
General Conditions	83,240
Temp Facilities, Controls, Cleaning, Waste Management	4,160
Concrete	21,310
Masonry	25,300
Metal Fabrications	12,500
Carpentry	146,330
Thermal, Moisture & Fire Protection	29,628
Doors, Frames, Hardware, Glass & Glazing	114,040
Walls, Ceilings, Floors, Painting	268,860
Specialities	20,800
Casework, Fl Mats & Window Treatments	9,999
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	532,730
Wiring, Fire Alarm System, Lighting	320,970
Miscellaneous Construction Costs	74,916
<b>Total</b>	<b>1,664,783</b>
<b>Contingencies</b>	<b>\$160,018</b>
<b>Architecture/Engineering Fees</b>	<b>\$180,400</b>
<b>Moveable or Other Equipment</b>	
Dialysis Chairs	60,000
Clinical Furniture & Equipment	35,000
Office Equipment & Other Furniture	45,000
Water Treatment	210,000
TVs & Accessories	80,000
Telephones	30,000
Generator	110,000
Facility Automation	30,000
Other miscellaneous	20,000
<b>Total</b>	<b>620,000</b>
<b>Fair Market Value of Leased Space and Equipment</b>	
FMV Leased Space ( 9,939 GSF)	4,793,764
FMV Leased Dialysis Machines	515,700
FMV Leased Office Equipment	15,000
	<b>\$5,324,464</b>
<b>Grand Total*</b>	<b>\$7,949,665</b>

\*Total cost is higher although GSF is lower due to the fact that the first site was an existing building with a 10 year lease and this will be a ground up building with a 15 year lease. Most of the cost increase relates to the additional 5 years of the lease reported.

Itemized Costs  
ATTACHMENT - 7

**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
<b>REVIEWABLE</b>							
In-Center Hemodialysis	\$6,472,753		8,050		8,050		
Total Clinical	\$6,472,753		8,050		8,050		
<b>NON REVIEWABLE</b>							
Non-Clinical (Administrative, Mechanical, Staff, Waiting Room Areas)	\$1,476,912		1,889		1,889		
Total Non-clinical	\$1,476,912		1,889		1,889		
<b>TOTAL</b>	<b>\$7,949,665</b>		<b>9,939</b>		<b>9,939</b>		

**Criterion 1110.234, Size of Project**

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD 450-650 BGSF Per Station</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD IN-CENTER HEMODIALYSIS	8,050 (24 Stations)	10,800 – 15,060 BGSF	None	Yes
Non-clinical	1,889	N/A	N/A	N/A

As seen in the chart above, the State Standard for ESRD is between 450 - 650 BGSF per station or 10,800 – 15,060 BGSF. The proposed 8,050 BGSF for the in-center hemodialysis space meets the State standard.



Cushman & Wakefield of  
 Illinois, Inc.  
 200 S. Wacker Drive  
 Suite 2800  
 Chicago, IL 60606  
 (312) 470-1800 Tel  
 (312) 470-3800 Fax  
 www.cushwake.com

November 8, 2016

Howard J. Powers II  
 General Counsel  
 Weitzman Realty Associate, L.L.C.  
 4007 S. Wabash Ave.  
 Chicago, IL 60653

RE: 6226 - 6236 S. Sangamon St  
 Chicago, IL.

Dear Howard,

FRESENIUS KIDNEY CARE, a wholly owned subsidiary of FRESENIUS MEDICAL CARE Holdings, Inc. is pleased to present the following Request for Proposal to lease space from your company.

- LANDLORD:** Weitzman Realty Associate, LLC or its affiliates or assignees.
- TENANT:** Fresenius Kidney Care or its affiliates.
- LOCATION:** 6226 - 6236 S. Sangamon St., Chicago, IL  
 PINs are: 20-17-428-029, 030, 031, 032, 033, and 034.
- INITIAL SPACE REQUIREMENTS:** Approximately 9,939 sq.ft.
- PRIMARY TERM:** An initial lease term of 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.
- DELIVERY OF PREMISES:** Landlord shall deliver the Premises to FRESENIUS KIDNEY CARE 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 90% of market rent. Tenant shall provide six months (6) sixty (60) days' prior written notification of its desire to exercise the option.
- RENTAL RATE:** 28.50 Net.

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**ESCALATION:** 1.7%.

**SHELL CONSTRUCTION:** Landlord shall deliver a shell condition based on FKC IN CENTER BUILDING SHELL EXHIBIT A.

**RENT ABATEMENT:** N/A.

**USE:** FRESENIUS KIDNEY CARE 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. FRESENIUS KIDNEY CARE may operate on the Premises, at FRESENIUS KIDNEY CARE's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

**CONTRACTOR FOR TENANT IMPROVEMENTS:** FRESENIUS KIDNEY CARE will hire a contractor and/or subcontractors of their choosing to complete their tenant improvements utilizing the tenant allowance. FRESENIUS KIDNEY CARE 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. Tenant will need 4 months to complete its interior improvements.

**DELIVERIES:** FRESENIUS KIDNEY CARE requires delivery access to the Premises 24 hours per day, 7 days per week.

**EMERGENCY GENERATOR:** FRESENIUS KIDNEY CARE 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:** FRESENIUS KIDNEY CARE 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 Tenant's responsibility.

**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. FRESENIUS KIDNEY CARE shall require that 10% of the parking be designated handicapped spaces plus one ambulance space (cost to designate parking spaces to be at Landlord's sole cost and expense). FMC will need at least 45 parking stalls.

**BUILDING CODES:** FRESENIUS KIDNEY CARE 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.

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**CORPORATE  
IDENTIFICATION:**

Tenant shall have signage rights in accordance with local code.

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

Please indicate the amount, on a per square foot basis, of the Common Area Expenses associated with the premises. Tenant shall be responsible for all Real Estate Taxes and Operating Expenses, Insurance on its propionate share of the leased premises associated with the building.

**ASSIGNMENT/  
SUBLETTING:**

FRESENIUS KIDNEY CARE 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 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,

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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 accepted.

**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 FRESenius KIDNEY CARE's dialysis clinic

**FLOOD PLAIN:**

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

**CAPITALIZATION TEST:**

Landlord will complete the attached Accounting Classification Form to ensure FRESenius KIDNEY CARE is not entering into a capitalized lease arrangement.

**SNDA:**

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 five (5) mile radius to any other provider of hemodialysis services.

**ENVIRONMENTAL:**

Landlord will provide all environmental soil tests to tenant.

**DRAFT LEASE:**

FRESenius KIDNEY CARE requires the use of its Standard Form Lease.

**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. Financials will be provided to the Landlord.

**CONFIDENTIAL:**

The material contained herein is confidential. It is intended for use of Landlord and Tenant solely in determining whether they desire to enter

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into a Lease, and it is not to be copied or discussed with any other person.

**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 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.

**CON Approval:**

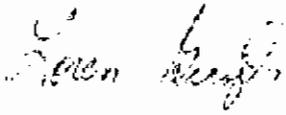
The lease shall be contingent upon Tenant's award of a Certificate of Need by the Illinois Health Facilities Planning Commission. Estimated approval month is March 2017.

You may email the proposal to [loren.guzik@cushwake.com](mailto: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,

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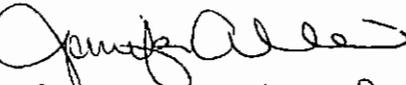
Sincerely,



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 4<sup>th</sup> day of November, 2016

By:   
Title: Regional Vice President

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 2016

By:

Title:

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**Criterion 1120.310 (c) Reasonableness of Project and Related Costs**

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).

<b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b>									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod. Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		167.50			8,050			1,348,375	1,348,375
Contingency		16.10			8,050			129,605	129,605
<b>Total Clinical</b>		<b>183.60</b>			<b>8,050</b>			<b>1,477,980</b>	<b>1,477,980</b>
Non Clinical		167.50			1,889			316,408	316,408
Contingency		16.10			1,889			30,413	30,413
<b>Total Non</b>		<b>183.60</b>			<b>1,889</b>			<b>346,821</b>	<b>346,821</b>
<b>TOTALS</b>		<b>\$183.60</b>			<b>9,939</b>			<b>1,824,801</b>	<b>1,824,801</b>

\* Include the percentage (%) of space for circulation

**Criterion 1120.310 (d) – Projected Operating Costs**

**Year 2018**

Estimated Personnel Expense:	\$1,058,000
Estimated Medical Supplies:	\$228,275
Estimated Other Supplies (Exc. Dep/Amort):	\$1,299,500
	<u>\$2,585,775</u>
Estimated Annual Treatments:	11,500
Cost Per Treatment:	\$224.85
Estimated Personnel Expense:	\$1,058,000

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

**Year 2018**

Depreciation/Amortization:	\$240,000
Interest	\$0
Capital Costs:	<u>\$240,000</u>
Treatments:	11,500
Capital Cost per Treatment	\$20.87