

**ORIGINAL**

16-041

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

## SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

OCT 07 2016

This Section must be completed for all projects.

HEALTH FACILITIES &  
SERVICES REVIEW BOARD**Facility/Project Identification**

Facility Name: Taylorville Dialysis		
Street Address: 901 West Spesser Street		
City and Zip Code: Taylorville, Illinois 62568		
County: Christian	Health Service Area: 3	Health Planning Area: 3

**Applicant /Co-Applicant Identification**

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

Exact Legal Name: DaVita Inc.
Address: 2000 16 <sup>th</sup> Street, Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Kent Thiry
CEO Address: 2000 16 <sup>th</sup> Street, Denver, CO 80202
Telephone Number: (303) 405-2100

**Type of Ownership of Applicant/Co-Applicant**

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

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which 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.

**Primary Contact**

[Person to receive ALL correspondence or inquiries]

Name: Tim Tincknell
Title: Administrator
Company Name: DaVita Inc.
Address: 1600 West 13 <sup>th</sup> Street, Suite 3, Chicago, IL 60608
Telephone Number: 312-243-9286
E-mail Address: timothy.tincknell@davita.com
Fax Number: 866-586-3214

**Additional Contact**

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

Name: Cindy Emley
Title: Regional Operation, Director, Region 2
Company Name: DaVita Inc.
Address: 2930 South Montvale Dr. Suite A, Springfield, IL 62704
Telephone Number: (217) 547-1229
E-mail Address: Cindy.Emley@davita.com
Fax Number: (866) 620-0543

**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: Taylorville Dialysis		
Street Address: 901 West Spesser Street		
City and Zip Code: Taylorville, Illinois 62568		
County: Christian	Health Service Area: 3	Health Planning Area: 3

**Applicant /Co-Applicant Identification**

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

Exact Legal Name: DVA Renal Healthcare, Inc.
Address: 2000 16 <sup>th</sup> Street, Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Kent Thiry
CEO Address: 2000 16 <sup>th</sup> Street, Denver, CO 80202
Telephone Number: (303) 405-2100

**Type of Ownership of Applicant/Co-Applicant**

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

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which 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.**

**Primary Contact**

**[Person to receive ALL correspondence or inquiries)**

Name: Tim Tincknell
Title: Administrator
Company Name: DaVita Inc.
Address: 1600 West 13 <sup>th</sup> Street, Suite 3, Chicago, IL 60608
Telephone Number: 312-243-9286
E-mail Address: timothy.tincknell@davita.com
Fax Number: 866-586-3214

**Additional Contact**

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

Name: Cindy Emley
Title: Regional Operation, Director, Region 2
Company Name: DaVita Inc.
Address: 2930 South Montvale Dr. Suite A, Springfield, IL 62704
Telephone Number: (217) 547-1229
E-mail Address: Cindy.Emley@davita.com
Fax Number: (866) 620-0543

**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: Charles Sheets
Title: Attorney
Company Name: Polsinelli P.C.
Address: 161 N. Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number: 312-873-3605
E-mail Address: csheets@polsinelli.com
Fax Number:

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Richmar, LLC
Address of Site Owner: 959 W Spresser St, Box 562, Taylorville, IL 62568
Street Address or Legal Description of Site: 901 West Spresser Street, Taylorville, Illinois 62568 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: DVA Renal Healthcare, Inc.
Address: 2000 16 <sup>th</sup> Street, Denver, CO 80202
<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"> <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.**

**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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://www.illinoisfloodmaps.org). **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #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-5, 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)]

Part 1110 Classification:

- Substantive  
 Non-substantive

**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.

DaVita, Inc. and DVA Renal Healthcare, Inc., (collectively, the "Applicants" or "DaVita") seek authority from the Illinois Health Facilities and Services Review Board (the "State Board") for a 2 station expansion and modernization (reconfiguration of the existing space) of its existing 10-station dialysis facility located at 901 West Spresser Street, Taylorville, Illinois 62568.

This project has been classified as non-substantive because it does not involve: an imminent threat to the structural integrity of the building housing the dialysis facility; an imminent threat to the safe operation and functioning of the mechanical, electrical or comparable systems of the building housing the dialysis facility; the establishment of a health care facility; the replacement of a health care facility; the establishment of a category of service; or the discontinuation of a category of service.

**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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$215,003		\$215,003
Contingencies	\$20,000		\$20,000
Architectural/Engineering Fees	\$20,400		\$20,400
Consulting and Other Fees	\$9,500		\$9,500
Movable or Other Equipment (not in construction contracts)	\$68,445		\$68,445
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$165,947		\$165,947
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$499,295</b>		<b>\$499,295</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$333,348		\$333,348
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$165,947		\$165,947
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$499,295</b>		<b>\$499,295</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Related Project Costs**

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

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service		
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, provide the dollar amount of all <b>non-capitalized</b> operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ _____ 0 _____.		

**Project Status and Completion Schedules**

<b>For facilities in which prior permits have been issued please provide the permit numbers.</b>	
Indicate the stage of the project's architectural drawings:	
<input type="checkbox"/> None or not applicable	<input type="checkbox"/> Preliminary
<input checked="" type="checkbox"/> Schematics	<input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>July 31, 2018</u>	
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):	
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.	
<input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies	
<input checked="" type="checkbox"/> Project obligation will occur after permit issuance.	
<b>APPEND DOCUMENTATION AS ATTACHMENT-B, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**State Agency Submittals**

Are the following submittals up to date as applicable:
<input type="checkbox"/> Cancer Registry <b>NOT APPLICABLE</b>
<input type="checkbox"/> APORS <b>NOT APPLICABLE</b>
<input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
<input checked="" type="checkbox"/> All reports regarding outstanding permits
<b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b>

**Cost Space Requirements**

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>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

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

**Facility Bed Capacity and Utilization NOT APPLICABLE**

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

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

**CERTIFICATION**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

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

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

*Arturo Siga*

SIGNATURE

Arturo Siga

PRINTED NAME

Assistant Secretary

PRINTED TITLE

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

Signature of Notary

Seal

*See Attached*

*Michael D. Staffieri*

SIGNATURE

Michael D. Staffieri

PRINTED NAME

Chief Operating Officer – Kidney Care

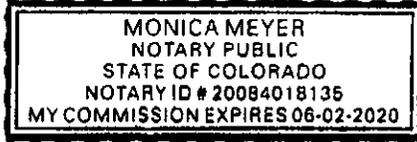
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 9<sup>th</sup> day of September 2016

Signature of Notary

Seal

*Monica Meyer*



\*Insert EXACT legal name of the applicant

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

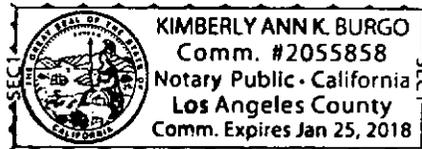
personally appeared \*\*\* Arturo Sida \*\*\*

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*Kimberly Ann K. Burgo*  
Signature



**OPTIONAL INFORMATION**

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

**DESCRIPTION OF ATTACHED DOCUMENT**

Title or Type of Document: Ltr. to K.Olson (Taylorville Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: \_\_\_\_\_

Other Information: \_\_\_\_\_

**CAPACITY(IES) CLAIMED BY SIGNER(S)**

Signer's Name(s):

- Individual
- Corporate Officer Assistant Secretary

(Title(s))

- Partner
- Attorney-in-Fact
- Trustee
- Guardian/Conservator
- Other: \_\_\_\_\_

**SIGNER IS REPRESENTING:** Name of Person or Entity DaVita Inc.

**CERTIFICATION**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

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

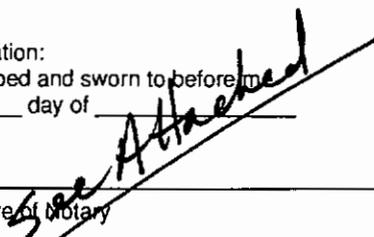
This Application for Permit is filed on the behalf of DVA Renal Healthcare, Inc.\* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of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

  
 \_\_\_\_\_  
 SIGNATURE

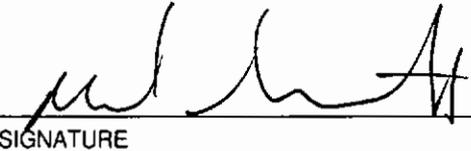
Arturo Sida  
 \_\_\_\_\_  
 PRINTED NAME

Assistant Secretary  
 \_\_\_\_\_  
 PRINTED TITLE

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

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

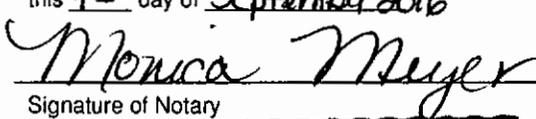
Seal

  
 \_\_\_\_\_  
 SIGNATURE

Michael D. Staffieri  
 \_\_\_\_\_  
 PRINTED NAME

Chief Operating Officer- Kidney Care  
 \_\_\_\_\_  
 PRINTED TITLE

Notarization:  
 Subscribed and sworn to before me  
 this 9<sup>th</sup> day of September 2016

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

Seal

MONICA MEYER  
 NOTARY PUBLIC  
 STATE OF COLORADO  
 NOTARY ID # 2008401B135  
 MY COMMISSION EXPIRES 06-02-2020

\*Insert EXACT legal name of the applicant

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

personally appeared \*\*\* Arturo Sida \*\*\*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.  
*Kimberly Ann K. Burgo*  
Signature



**OPTIONAL INFORMATION**

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

**DESCRIPTION OF ATTACHED DOCUMENT**

Title or Type of Document: Ltr. to K.Olson (Taylorville Dialysis)  
Document Date: September 12, 2016 Number of Pages: 1 (one)  
Signer(s) if Different Than Above: \_\_\_\_\_  
Other Information: \_\_\_\_\_

**CAPACITY(IES) CLAIMED BY SIGNER(S)**

Signer's Name(s): \_\_\_\_\_  
 Individual  
 Corporate Officer Assistant Secretary  
(Title(s)) \_\_\_\_\_  
 Partner  
 Attorney-in-Fact  
 Trustee  
 Guardian/Conservator  
 Other: \_\_\_\_\_

**SIGNER IS REPRESENTING:** Name of Person or Entity DVA Renal Healthcare, Inc.

### SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

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

#### Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

##### BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

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

##### PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

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

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

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

**ALTERNATIVES**

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

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
  - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
  - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
  - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

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

**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
  - c. The project involves the conversion of existing space that results in excess square footage.

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

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

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

**PROJECT SERVICES UTILIZATION:**

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

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

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

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

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

**UNFINISHED OR SHELL SPACE:**

Provide the following information:

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

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

**ASSURANCES:**

Submit the following:

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

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

**SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA**

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

**G. Criterion 1110.1430 - In-Center Hemodialysis**

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

Category of Service	# Existing Stations	# Proposed Stations
<input checked="" type="checkbox"/> In-Center Hemodialysis	10	12

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X

--	--	--	--

**APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

4. Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1110.130 - "Discontinuation" and subsection 1110.1430(i) - "Relocation of Facilities".

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:

\$333,348		a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
		1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
		2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____		b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____		c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
\$165,947 (Lease FMV)		d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
		1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
		2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
		3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
		4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
		5)	For any option to lease, a copy of the option, including all terms and conditions.
_____		e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____		f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____		g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<b>\$499,295</b>		<b>TOTAL FUNDS AVAILABLE</b>	

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

**IX. 1120.130 - Financial Viability**

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

**Financial Viability Waiver**

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

**2. Variance**

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

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

**X. 1120.140 - Economic Feasibility**

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

**A. Reasonableness of Financing Arrangements**

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

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

**B. Conditions of Debt Financing**

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

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

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

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE											
Department (list below)	A	B	C		D		E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)			
Contingency											
<b>TOTALS</b>											

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

**D. Projected Operating Costs**

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

**E. Total Effect of the Project on Capital Costs**

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

**APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**XI. Safety Net Impact Statement**

**SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:**

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

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

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

**A table in the following format must be provided as part of Attachment 43.**

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**XII. Charity Care Information**

Charity Care information **MUST** be furnished for **ALL** projects.

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

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

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**Section I, Identification, General Information, and Certification**  
**Applicants**

Certificates of Good Standing for DaVita Inc. and DVA Renal Healthcare, Inc. (collectively, the "Applicants" or "DaVita") are attached at Attachment - 1. DVA Renal Healthcare, Inc. is the operator of Taylorville Dialysis. Taylorville Dialysis is a trade name of DVA Renal Healthcare, Inc. and is not separately organized. As the person with final control over the operator, DaVita Inc. is named as an applicant for this certificate of need ("CON") application. DaVita Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita Inc. from the state of its incorporation, Delaware, is attached.

# Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DAVITA INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE EIGHTH DAY OF SEPTEMBER, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DAVITA INC." WAS INCORPORATED ON THE FOURTH DAY OF APRIL, A.D. 1994.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



2391269 8300

SR# 20165704525

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 202957561

Date: 09-08-16

Attachment - 1



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

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

DVA RENAL HEALTHCARE, INC., INCORPORATED IN TENNESSEE AND LICENSED TO TRANACT BUSINESS IN THIS STATE ON MARCH 23, 2000, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANACT BUSINESS IN THE STATE OF ILLINOIS.



**In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 7TH day of JULY A.D. 2016 .**

*Jesse White*

SECRETARY OF STATE

Authentication #: 1618901250 verifiable until 07/07/2017

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

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

A copy of the lease for the existing facility for Taylorville Dialysis is attached at Attachment – 2.

**FIRST AMENDMENT TO LEASE AGREEMENT**

**THIS FIRST AMENDMENT TO LEASE AGREEMENT** (the "First Amendment") is effective as of the last execution date hereof (the "Effective Date") and is made by and between RICHMAR, LLC, an Illinois limited liability company ("Lessor") and DVA RENAL HEALTHCARE, INC., a Tennessee corporation registered to do business in the State of Illinois ("Lessee") with reference to the following recitals:

**RECITALS:**

**WHEREAS**, Lessor and Lessee entered into that certain Lease Agreement commencing on January 1, 2008 (the "Lease") concerning approximately four thousand eight hundred (4,800) rentable square feet of premises located at 901 West Spresser Street, Taylorville, Illinois 62568 (the "Premises"); and

**WHEREAS**, the current term of the Lease is set to expire on December 31, 2012, and in accordance with Section 4 of the Lease, Lessee has provided written notice to Lessor of its exercise of its first option to renew the term of the Lease; and

**WHEREAS**, Lessor and Lessee now desire to amend the Lease in certain respects, including but not limited to extending the Term, as stated below.

**AGREEMENT:**

**NOW, THEREFORE**, in consideration of the promises, covenants, and agreements hereof and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Lease.

1. **Term.** Notwithstanding anything to the contrary in the Lease, pursuant to Section 4 of the Lease, the Lease is hereby renewed for an eight (8) year period, commencing January 1, 2013 and ending December 31, 2021 (the "First Extended Term"). The parties agree that one (1) additional five (5) year renewal period remains exercisable by Tenant pursuant to the terms set forth in Section 4 of the Lease.

2. **Rent.** The Rent during the Extended Term shall be:

Extended Term Years:	Rent per square foot	Monthly Rent	Annual Rent
Year 1	\$7.64	\$3,056.00	\$36,672.00
Year 2	7.71	3,084.00	37,008.00
Year 3	7.79	3,116.00	37,392.00
Year 4	7.87	3,148.00	37,776.00
Year 5	7.95	3,180.00	38,160.00
Year 6	8.03	3,212.00	38,544.00
Year 7	8.11	3,244.00	38,928.00
Year 8	8.19	3,276.00	39,312.00

2017  
2018  
2019  
2020  
2021

3. Lessee Improvement Allowance. Lessor shall provide Lessee with a Lessee Improvement allowance in the amount of Seven Thousand Five Hundred Dollars (\$7,500.00) (the "Allowance") for use by Lessee to make interior improvements in the Premises. Said Allowance shall be payable to Lessee within ten (10) days of Lessee's submission to Lessor of copies of invoices for Lessee's interior improvements in the Premises. Lessee shall contract for the installation of the Lessee Improvements with a contractor of its choice.

4. Notices. All notices to Lessee shall be sent to the following addresses until notice of change of address shall be given as set forth in the Lease:

c/o DaVita Inc.  
Attn: Real Estate Legal  
2000 16th Street  
Denver, CO 80202

With a copy to: rlegal@davita.com  
Subject: Taylorville, IL (Facility # 3321)

5. Right of First Option on Adjacent Premises. The parties acknowledge and agree that Lessee continues to have a right of first option on rentable space adjacent to the Premises as set forth in Section 23 of the Lease.

6. Amendments to Lease. The Lease is further amended as follows:

a. The first sentence of Section 6. of the Lease is hereby deleted in its entirety and replaced with the following:

"Lessee may occupy and use the Premises during the Term for purposes of the operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, pharmaceutical distribution, general medical offices, clinical laboratory, including all incidental, related, and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Lessee (the "Permitted Use"), or for any other lawful purpose(s)."

b. Section 40.1 of the Lease is hereby amended to add the following sentence at the end of said section:

"Lessor and Lessee hereby agree that the Rent and any increases in the Rent reflect fair market value and do not take into account the volume or value of referrals or business that may otherwise be generated between the parties for which payment may be made in whole or in part under Medicare, Medicaid or other Federal health care programs."

c. Clause (b) in Subsection 40.5(b) of the Lease is hereby amended to read: "(b) Lessee's Proportionate Share does not exceed Lessee's pro-rata share of expenses for the Premises and the common areas based on the total rentable square feet of the Building;"

d. In order to correct a typographical error, Subsection 40.6(c) of the Lease is hereby deleted in its entirety and replaced with the following:

“(c) Business Terms. To Lessor’s knowledge: (a) the Premises do not exceed that which is reasonable and necessary for the legitimate business of Lessee; (b) Lessee’s Proportionate Share does not exceed Lessee’s pro-rata share of expenses for the Premises and common areas based upon the total rentable square feet of the Building; and (c) the rental charges: (i) are set in advance, (ii) are consistent with fair market value, (iii) do not take into account the volume or value of any referrals or other business generated between the parties, nor do they include any additional charges attributable to the proximity or convenience of Lessee as a potential referral source, and (iv) would be commercially reasonable even if no referrals were made between Lessee and Lessor or their respective affiliates.”

e. Section 40.7 of the Lease is hereby deleted in its entirety.

f. The following Sections 42 and 43 are hereby added to the Lease:

“42. Protected Health Information.

(a) Lessor acknowledges and agrees that from time to time during the Term, Lessor, its representatives or assigns may be exposed to, or have access to, Protected Health Information (“PHI”), as defined by Health Insurance Portability and Accountability Act of 1996, 45 CFR Parts 160 and 164 (“HIPAA”). Lessor agrees that it will not use or disclose PHI for any purpose unless required by a court of competent jurisdiction or by any governmental authority in accordance with the requirements of HIPAA and all other applicable medical privacy laws.

(b) Lessor shall preserve any “Confidential Information” of or pertaining to Lessee and shall not, without first obtaining Lessee’s prior written consent, disclose to any person or organization, or use for its own benefit, any Confidential Information of or pertaining to Lessee during and after the Lease Term, unless such Confidential Information is required to be disclosed by a court of competent jurisdiction or by any governmental authority. As used herein, the term “Confidential Information” shall mean any business, financial, personal or technical information relating to the business or other activities of Lessee that Lessor obtains in connection with this Lease.

43. Cooperation with Lessee's Cost Reporting Responsibilities. Lessor’s full cooperation with applicable authorities in connection with cost reporting is essential for Lessee’s continued operation of its business. Therefore, Lessor agrees to provide to Lessee, within thirty (30) days of Lessee’s request, any and all information that is reasonably necessary for Lessee to fulfill its cost reporting requirements to such applicable authorities.”

7. Approval by DaVita Inc. as to Form. The parties acknowledge and agree that this First Amendment shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form hereof.

8. Miscellaneous. The Recitals set forth above are incorporated into the body of this First Amendment. Capitalized terms not otherwise defined herein have the same meanings as are set forth in the Lease. Except as modified by this First Amendment, all terms and conditions of the Lease shall remain in full force and effect. Lessor and Lessee ratify and confirm all of the terms and conditions of the Lease, as modified by this First Amendment. The laws of the State of Illinois shall govern the

validity, performance, and enforcement of the Lease, as amended by this First Amendment, without regard to such State's conflict-of-law principles. In the event of any inconsistency between the terms and conditions of this First Amendment and the Lease, the terms and conditions of this First Amendment shall prevail. If any term, covenant, or condition of this First Amendment or the Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Lease, as amended by this First Amendment, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of the Lease, as amended by this First Amendment, shall be valid and be enforced to the fullest extent permitted by law. The parties represent that they each have full authority to enter into this First Amendment. This First Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, personal representatives, guarantors, executors, successors, and assigns. This First Amendment may be executed in any number of counterparts via facsimile or electronic transmission or otherwise, each of which shall be deemed an original.

*[SIGNATURE PAGE FOLLOWS.]*

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the days and year set forth below.

LESSOR:

RICHMAR, LLC,  
an Illinois limited liability company

By: Donald L. Marsano  
Name: DONALD L. MARSANO  
Title: President

Date: 12/3/12

LESSEE:

DVA RENAL HEALTHCARE, INC.,  
a Tennessee corporation

By: Cheryl Cady  
Name: CHERYL CADY  
Title: DIVISIONAL VICE PRESIDENT

Date: 11-12-12

FOR LESSEE'S INTERNAL PURPOSES ONLY:

**APPROVED BY DAVITA INC. AS TO FORM ONLY:**

By: \_\_\_\_\_  
Name: Marcie Marcus Danisch  
Title: Group General Counsel

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the days and year set forth below.

LESSOR:

RICHMAR, I.L.C.  
an Illinois limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

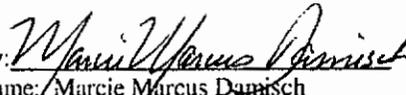
LESSEE:

DVA RENAL HEALTHCARE, INC.,  
a Tennessee corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FOR LESSEE'S INTERNAL PURPOSES ONLY:

**APPROVED BY DAVITA INC. AS TO FORM ONLY:**

By:   
Name: Marcie Marcus Damisch  
Title: Group General Counsel

**LEASE AGREEMENT**

**BY AND BETWEEN**

**RICHMAR, LLC ("LESSOR")**

**AND**

**DVA RENAL HEALTHCARE, INC. ("LESSEE")**

Dated: June 15, 2007

## TABLE OF CONTENTS

1. TERM
2. RENT
3. INTENTIONALLY OMITTED
4. RENEWALS
5. CONDITIONS OF PREMISES
6. USE OF PREMISES
7. ASSIGNMENT/SUBLETTING
8. OPERATING EXPENSES AND UTILITIES
9. ALTERATIONS/SIGNAGE
10. ENVIRONMENTAL
11. DAMAGE TO PREMISES BY FIRE OR CASUALTY
12. EMINENT DOMAIN
13. RIGHT OF ENTRY BY LESSOR
14. INDEMNITY
15. DEFAULT AND REMEDIES
16. INSURANCE
17. SUBROGATION
18. REPAIRS AND MAINTENANCE
19. BROKERS
20. EMERGENCY
21. TITLE AND PARKING
22. COMPLIANCE WITH LAWS
23. RIGHT OF FIRST OPTION ON ADJACENT PREMISES
24. LESSEE TO SUBORDINATE
25. QUIET ENJOYMENT
26. MEMORANDUM OF LEASE

- 
27. NOTICES
  28. ESTOPPEL CERTIFICATE
  29. HOLDING OVER
  30. BINDING EFFECT
  31. COMPLETE AGREEMENT
  32. SEVERABILITY
  33. APPLICABLE LAW
  34. FORCE MAJEURE
  35. AMENDMENT
  36. LESSEE IMPROVEMENTS
  37. INTENTIONALLY OMITTED
  38. LESSOR'S SALE OF THE BUILDING
  39. LESSEE'S ROOF RIGHTS
  40. REGULATORY COMPLIANCE
  41. APPROVAL BY DAVITA INC.

**THIS LEASE AGREEMENT**, made and entered into this 15<sup>th</sup> day of June, 2007, by and between **RICHMAR, LLC** (hereinafter called "Lessor"), and **DVA RENAL HEALTHCARE, INC.** (hereinafter called the "Lessee").

WITNESSETH:

**WHEREAS**, the said Lessor desires to demise, lease and rent unto the Lessee, and the said Lessee desires to rent and lease from Lessor space located at 901 West Spresser Street, Taylorville, Illinois, as described on Exhibit A (the "Building"), together with all improvements thereon and appurtenant rights thereto including, without limitation, parking areas, easements, declarations and rights of way. The "Premises" (as defined below) is more fully described on the floor plan attached hereto as Exhibit B; and

**WHEREAS**, the Building contains approximately Forty-Five Thousand (45,000) rentable square feet and the leased premises shall consist of approximately Four Thousand Eight Hundred (4,800) rentable square feet (collectively, the "Premises"), and includes without limitation, all heating, venting, air conditioning, mechanical, electrical, elevator and plumbing systems, roofs, walls, foundations, fixtures, an overhead dock door, and that certain number of non-exclusive parking spaces per square foot of the Premises, including handicap-striped spaces, as may be required by applicable laws.

**NOW, THEREFORE**, for and in consideration of the mutual covenants, promises and agreements herein contained, the Lessor does hereby demise, lease and rent unto the said Lessee and the Lessee does hereby rent and lease from the Lessor the Premises, under and pursuant to the following terms and conditions:

1. Term. This Lease shall be effective upon full execution and delivery (the "Effective Date"). The term of the Lease shall commence on January 1, 2008 (the "Commencement Date") and shall expire sixty (60) months following said Commencement Date (as the same may be extended the "Termination Date"), unless renewed as hereinafter provided (the "Term"). Each twelve (12) month period beginning on the Commencement Date or any anniversary thereof shall hereinafter be called a "Lease Year."

2. Rent. Beginning on the Commencement Date, Lessee agrees to pay rent ("Rent") Based upon the following Rent schedule:

January 1, 2008 – December 31, 2008:	\$6.25/sq. ft.;	\$2,500 per month
January 1, 2009 – December 31, 2009:	\$6.81/sq. ft.;	\$2,725 per month
January 1, 2010 – December 31, 2010:	\$7.06/sq. ft.;	\$2,825 per month
January 1, 2011 – December 31, 2011:	\$7.31/sq. ft.;	\$2,925 per month
January 1, 2012 – December 31, 2012:	\$7.56/sq. ft.;	\$3,025 per month

Beginning on the Commencement Date, Lessee shall pay Rent in the amount of \$2,500.00 per month in advance on the first day of each calendar month, such monthly installment to be

prorated for any partial calendar month in which the Commencement Date or Termination Date shall occur.

Actual square footage for the Premises will be determined by space planning and programming with all measurements computed in accordance with BOMA method of floor measurement. Lessee may elect to have the space measured prior to the Commencement Date.

Except as otherwise provided in this Lease, it is the intention of the parties that the Lessor shall receive the rents, additional rents, and all sums payable by the Lessee under this Lease free of all taxes, expenses, charges, damages and deductions of any nature whatsoever (except as otherwise provided hereinafter) and the Lessee covenants and agrees to pay all sums (including rent taxes) which except for this Lease would have been chargeable against the Premises and payable by the Lessor. The Lessee shall, however, be under no obligation to pay principal or interest on any mortgage on the fee of the Premises, any franchise or income tax payable by the Lessor or any other tax is imposed upon or measured by Lessor's income or profits, or any gift, inheritance, transfer, estate, or succession tax by reason of any present or future law which may be enacted during the Term of this Lease.

3. Intentionally Omitted.

4. Renewals. Lessee shall have the right and option to renew this Lease for two (2) additional periods of five (5) years each, next immediately ensuing after the expiration of the initial Term of this Lease and the subsequent renewal periods by notifying Lessor in writing not less than one hundred eighty (180) days before the expiration of the immediately preceding initial Term or subsequent renewal Term of this Lease of the Lessee's intention to exercise its option to renew, but Lessee shall have no option to extend this Lease beyond two (2) renewal periods of five (5) years each after the initial Term. In the event Lessee fails to provide a renewal notice within such one hundred eighty (180) day period, Lessor shall notify Lessee in writing within ninety (90) days prior to expiration of the then existing Term of Lessee's option to extend the Lease. Lessee shall then have a thirty (30) day period to exercise its right of renewal. In the event that Lessee so elects to extend this Lease, then, for such extended period of the Term, all of the terms, covenants and conditions of this Lease shall continue to be, and shall be, in full force and effect during such extended period of the Term hereof, except for the Rent. The Rent for each extended period shall be as mutually agreed upon by Lessor and Lessee not less than sixty (60) days prior to the expiration of the then current Term hereof. If Lessor and Lessee are unable to mutually agree on the new Rent for such extended period then, within fifty (50) days prior to the expiration of the then current Term of this Lease, each of Lessor and Lessee shall select a duly qualified real estate appraiser. The Rent shall be 90% of the annual fair market rental value (the "FMRV") of the Premises (after taking into consideration 100% of the rental inducements then given to new tenants in comparable buildings in the Taylorville, Illinois area) as determined by the two (2) appraisers selected by Lessee and Lessor as of the date which is forty (40) days before the date of the expiration of the then existing Term of this Lease. The appraisers shall issue their reports within ten (10) days. If the higher of the two (2) appraisals is less than or equal to one hundred ten percent (110%) of the lower, FMRV shall be the average of the two; if not, the two (2) appraisers shall then mutually select the third (3rd) appraiser within ten (10) days. The third

(3rd) appraiser so selected shall determine which of the two (2) appraisers' determination is closest to FMRV within ten (10) days and such determination shall be deemed to be the FMRV. Lessor shall pay the cost of the appraisal by the appraiser selected by Lessor. Lessee shall pay the cost of the appraisal by the appraiser selected by Lessee. Lessor and Lessee shall equally bear the cost of the third appraisal.

5. Condition of Premises. Lessee agrees that the Premises are being leased in "AS-IS" and "WHERE-IS" condition.

6. Use of Premises. Lessee may occupy and use the Premises during the Term for purposes of the operation of a dialysis facility and related medical and business offices or for any other lawful purpose(s). Lessee may operate during such days and hours as Lessee may determine, without the imposition of minimum or maximum hours of operation by Lessor and Lessee shall have access to the Premises, and may operate, up to 24 hours per day, seven (7) days per week, 365 days per year.

Lessor represents and warrants that the Premises may be used by Lessee as a dialysis facility and related medical and business offices under applicable laws, ordinances, rules and regulations ("Laws") including, without limitation, zoning Laws.

Lessor agrees that it will not lease or permit the leasing of any premises owned or controlled by Lessor for operation of a renal dialysis facility within a radius of five (5) miles of the Premises.

In the event at any time after the Commencement Date of this Lease the use of the Premises as a dialysis facility becomes illegal by reason of acts not within Lessee's control, notwithstanding any other permitted uses, the Lessee may terminate this Lease and thereafter neither party shall have any obligations hereunder after the date of termination.

7. Assignment/Subletting. The Lessee shall not assign this Lease, or sublet the Premises, or any part thereof, without Lessor's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed. Prior to any sublease or assignment, Lessee shall first notify Lessor in writing of its election to sublease all or a portion of the Premises or to assign this Lease or any interest thereunder. At any time within thirty (30) days after service of said notice, Lessor shall notify Lessee that it consents or refuses to consent to the sublease or assignment. A failure by Lessor to respond within such thirty (30) day period shall be deemed to be a consent.

Lessor shall not have the right to recapture any sublease or assignment space. Any denial of such sublease or assignment by Lessor as hereinabove provided must be predicated upon a "commercially reasonable basis" for such denial. Lessee shall retain any net profits paid in connection with a sublease or assignment in excess of Lessee's Rent obligations hereunder, which profits shall be calculated after deducting all costs incurred by Lessee in connection with the space subject to the transfer, which shall include, but not be limited to, legal fees, rental

abatement, vacancy period, allowances, tenant improvements, leasing commissions and the time to sublease and remodel the Premises.

Any assignment or subletting shall not release Lessee of its liability under this Lease nor permit any subsequent assignment, subletting or other prohibited act, unless specifically provided in such consent.

Notwithstanding the foregoing, no consent of Lessor is required for Lessee to assign or otherwise transfer (by operation of law or otherwise) this Lease or any of its rights hereunder:

(a) to any person, corporation, partnership or other entity which acquires all or substantially all of the business or assets of Lessee or stock in Lessee; or (b) to any person, corporation, partnership or other entity which controls, is controlled by or is under common control with Lessee or Lessee's parent company, DaVita Inc.; or (c) to any affiliate (within the meaning of such term as set forth in Rule 501 of Regulation D under the Federal Securities Act of 1933) of Lessee. Lessee and Lessee's transferee or assignee shall provide notice of any transfer or assignment described in (a), (b), or (c) hereof not less than fifteen (15) days prior to the effective date of such transfer or assignment unless prohibited by law and then, if so prohibited by law, within twenty (20) days after the date of such transfer or assignment.

No such assignment or other transfer, in whole or in part, of any Lessee's rights or obligations under this Lease shall be or operate as a release of Lessee hereunder and Lessee shall remain responsible for performing Lessee's obligations hereunder should Lessee's assignee or transferee fail to perform any such obligations.

Lessor hereby consents to a collateral assignment or mortgage of this Lease by Lessee to Lessee's lender, provided, however, Lessee shall be and remain liable for the performance of this Lease.

8. Operating Expenses and Utilities.

(a) Lessee shall pay "Lessee's Proportionate Share" (as defined herein) of all common area maintenance charges for the Building ("CAM Charges") and insurance premiums for the Building ("Insurance"), in advance, in equal monthly installments at the time of the payment of Base Rent, based on Lessor's estimate of the CAM Charges and Insurance for the calendar year in question (which estimate may be revised by Lessor from time to time). For reference purposes, CAM Charges and Insurance are collectively referred to as the "Operating Expenses" for the Building and Premises. Promptly after the actual Operating Expenses for a calendar year are determined by Lessor, Lessor shall provide Lessee with a statement of such actual Operating Expenses for such calendar year and Lessee, within 30 days, shall pay to Lessor any deficiency, which obligation shall survive the expiration or termination of this Lease. If such statement shows an overpayment by Lessee, then any surplus paid by Lessee shall be credited to Lessee's next monthly installment of Operating Expenses or, if this Lease has expired or been

terminated for reasons other than Lessee's breach or default, be paid to Lessee within 30 days of the end of the Term. Lessor represents that the Building rentable area has been determined without reference to whether such area is actually leased or occupied. Lessee, at its sole cost and expense, shall have the right to audit the books and records of Lessor regarding Operating Expenses. In the event the statement delivered to Lessee pursuant to this Section reveals a discrepancy greater than ten percent (10%) of what Lessee's audit reveals, Lessor shall promptly refund Lessee any difference and shall reimburse Lessee the reasonable costs incurred in such audit.

"Lessee's Proportionate Share" is the quotient obtained by dividing the rentable area of the Premises by the Building rentable area. Lessee's Proportionate Share as of the Commencement Date will be 10.67%. Lessee's Proportionate Share shall be adjusted in the event the Building rentable area increases at any time. Lessor represents that the Building rentable area has been determined without reference to whether such area is actually leased or occupied.

(b) Lessee's Proportionate Share of initial Operating Expenses is estimated at \$.20 per square foot per annum. Thereafter, the "Controllable Operating Expenses" portion of Lessee's Operating Expenses shall not increase by more than three percent (3%) over the previous Lease Year "Controllable Operating Expenses", on a non-cumulative basis. "Controllable Operating Expenses" shall mean only those items included in Operating Expenses where the cost or expense thereof shall be within the reasonable ability of Lessor to control [specifically excluded from Controllable Operating Expenses, without limitation, are the costs and expenses of Insurance and utilities for the Building.]

(c) The Lessee shall pay for all utilities and other services necessary in the operation of the Premises, including but not be limited to, gas, fuel oil, electrical, telephone and other utility charges. The Premises shall be separately metered for all utilities, including gas, water and electricity.

(d) The Lessee may contest the amount or validity of any imposition described in this Section 8 by appropriate proceedings. However, the Lessee shall promptly pay such imposition unless such proceedings shall operate to prevent or stay the collection of the imposition so contested. The Lessor, at the Lessee's sole expense, shall join in any such contestation proceedings if any Law shall so require.

(e) All sums (other than the Rent) which may be due and payable under this Lease shall be deemed to be additional rent hereunder and in the event that Rent shall be prorated or shall abate pursuant to the terms of this Lease then such additional rent shall be prorated or abate to the same extent and in the same manner, unless otherwise specifically provided for in this Lease.

(f) The Lessor appoints the Lessee the attorney-in-fact of the Lessor for the purpose of making all payments to be made by the Lessee pursuant to any of the provisions of this Lease to persons other than the Lessor. In case any person to whom any sum is directly payable by the

Lessee under any of the provisions of this Lease shall refuse to accept payment of such sum from the Lessee, the Lessee shall thereupon give written notice of such fact to the Lessor and shall pay such sum directly to the Lessor, who shall thereupon pay such sum to such person.

(g) Notwithstanding the foregoing, the term "Operating Expenses" does not include the following:

(i) depreciation of the Building, and all equipment, fixtures, improvements and facilities used in connection therewith;

(ii) interest on and amortization of debt;

(iii) the cost of leasehold improvements, including redecorating or otherwise improving, painting, decorating or redecorating space or vacant space for other lessees of the Building, except in connection with general maintenance of the Building;

(iv) cost of any "tap fees" or any sewer or water connection fees for the benefit of any lessees in the Building;

(v) fees and expenses (including legal and brokerage fees, advertising, marketing and promotional costs) paid by Lessor in connection with the lease of any space within the Building, including subleasing and assignments; fees and expenses for procuring new lessees for the Building; any flowers, gifts, balloons, etc. provided to any entity whatsoever, including, but not limited to, Lessee, other lessees, employees, vendors, contractors, prospective lessees and agents;

(vi) any validated parking for any entity;

(vii) all costs incurred by Lessor in connection with any negotiations or disputes and/or litigation with individual lessees or occupants within the Building or prospective lessees of the Building;

(viii) costs for which other lessees are being charged, unrelated to Operating Expense charges;

(ix) expenses or costs incurred by Lessor relating to any violation by Lessor or any other lessee of the terms and conditions of any lease covering the Building;

(x) telecommunication costs associated with the Building passed through to lessees should be reviewed to determine if any lessee is bearing a share of costs which should be charged to a volume high user.

(xi) the cost of any work or service performed for any lessee in the Building (other than Lessee) to a materially greater extent or in a materially more favorable manner than that furnished generally to lessees (including Lessee) in the Building;

(xii) the cost of any repair or replacement which would be required to be capitalized under generally accepted accounting principles, including without limitation the cost of renting any equipment or materials, which cost would be so capitalized if the equipment or materials were purchased, not rented;

(xiii) the costs and expenses of any item included in Operating Expenses to the extent that Lessor is actually reimbursed for such cost by an insurance company, a condemning authority, another lessee or any other party;

(xiv) payments of ground rents and related sums pursuant to a ground lease in favor of a ground lessor;

(xv) wages, salaries or other compensation paid to any employees at or above the grade of Building manager;

(xvi) wages, salaries or other compensation paid for clerks or attendants in concessions or newsstands operated by Lessor or an affiliate of Lessor;

(xvii) Lessor's general overhead and administrative expenses which are not chargeable to Operating Expenses of the Building or the equipment, fixtures and facilities used in connection with the Building, in accordance with generally accepted accounting principles, including salaries and expenses of Lessor's executive officers;

(xviii) the cost of correcting defects (latent or otherwise) in the construction of the Building or in the Building equipment, except that conditions (other than construction defects) resulting from ordinary wear and tear shall not be considered defects for purposes hereof;

(xix) the cost of installing, operating and maintaining any specialty service (e.g., observatory, broadcasting facility, luncheon club, retail stores, newsstands or recreational club);

(xx) any expenses incurred by Lessor for the use of any portions of the Building to accommodate events, including but not limited to shows, promotions, kiosks, displays, filming, photography, private events or parties, ceremonies and advertising beyond the normal expenses otherwise attributable solely to Building services, such as lighting and HVAC to such public portions of the Building in normal operations during standard Building hours of operation.

(xxi) any costs representing an amount paid to an entity related to Lessor which is in excess of the amount which would have been paid absent such relationship;

(xxii) any entertainment, dining, or travel expenses of Lessor for any purpose;

(xxiii) payments of principal, interest, loan fees, penalties, attorney's fees and other costs relating to any mortgage or any loans that Lessor may have incurred or will incur in the future relating to the ownership, operating and maintenances of the Building;

(xxiv) costs related to maintaining Lessor's existence, either as a corporation, partnership, or other entity;

(xxv) costs incurred in financing or refinancing of the Building;

(xxvi) any expenses for repairs or maintenance to the extent covered by warranties or service contracts;

(xxvii) any type of utility service which is separately metered to or separately charged or paid by Lessee or any other lessee in the Building, including, without limitation, water and sewer charges, charges for fuel oil or gas, and the cost of electricity, air conditioning, heat or ventilation;

(xxviii) the cost of any environmental remediation for which Lessor is responsible under Section 10 of this Lease;

(xxix) if the Premises are located on the ground floor of the Building, any costs related to elevators in the Building, including without limitation costs of operating, repairing, maintaining and insuring the same;

(xxx) all ad valorem taxes paid by Lessee or other lessees in the Building for (i) personal property and (ii) on the value of the leasehold improvements in the Premises, or the Building of other lessees in the Building (in this connection it is agreed that Lessee shall be responsible for the payment of ad valorem taxes on Lessee's own leasehold improvements);

(xxxi) all items and services for which Lessee pays third parties;

(xxxii) the cost of any item which is an expense or cost to the Lessor in connection with Lessor's work to prepare the space for occupancy by Lessee including any allowances or credits granted to Lessee in lieu of a payment by Lessor; and

any item which is included in the Operating Expenses which, but for this provision, would be included twice.

9. Alterations/Signage. Lessee shall not make any alterations, or additions or leasehold improvements to the Premises ("Alterations") without Lessor's prior written consent in each and every instance, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, Lessee shall have the right to make non-structural Alterations to the Premises which do not exceed in cost Fifty Thousand Dollars (\$50,000.00) in the aggregate during each Lease Year without Lessor's consent. All Alterations which may be made by the Lessee shall be the property of the Lessee and Lessee shall be entitled to remove from the leased Premises during the Term all Alterations, tenant improvements and any and all furniture,

removable trade fixtures, equipment and personal property ("Fixtures") installed or located on or in the leased Premises provided that the Lessee repair any and all damages done by the removal of the foregoing. All Alterations and tenant improvements which Lessee does not elect to remove at the expiration of the Term shall be surrendered with the Premises at the termination of this Lease.

Lessee shall have the right to affix to Lessee's standard signage, in accordance with the rules and regulations of the Building, including a sign on the exterior of the Building or a monument sign. All such signs shall comply with all applicable zoning Laws and shall be subject to City of Taylorville, Illinois permits and Lessor's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed.

To the maximum extent permitted by applicable Laws, Lessor hereby waives any rights which Lessor may have, as to any of Lessee's furniture, fixtures, equipment, personal property, tenant improvements and Alterations, in the nature of a Lessor's lien, security interest or otherwise and further waives the right to enforce any such lien or security interest.

10. Environmental. Lessee shall not cause or permit any hazardous or toxic substances, materials or waste, including, without limitation, medical waste and asbestos ("Hazardous Substances") to be used, generated, stored or disposed of in, on or under, or transported to or from the Premises unless such Hazardous Substances are reasonably necessary for Lessee's business conducted in the Premises; provided, however, Lessee shall at all times and in all material respects comply with all local, state, and federal laws, ordinances, rules, regulations and orders, whether now in existence or hereafter adopted relating to Hazardous Substances or otherwise pertaining to the environment (the "Environmental Laws") and further provided that Lessee shall periodically cause to be removed from the Premises such Hazardous Substances placed thereon by Lessee or Lessee's agents, servants, employees, guests, invitees and/or independent contractors in accordance with good business practices, such removal to be performed by persons or entities duly qualified to handle and dispose of Hazardous Substances. Without limiting the generality of the foregoing, Lessor acknowledges that the following Hazardous Substances, among others, are required for Lessee's business operations: bleach, cidex, hibiclona, metrocide, hydrogen peroxide, and formaldehyde. Upon the expiration or earlier termination of this Lease, Lessee shall cause all Hazardous Substances placed on the Premises by Lessee to be removed, at Lessee's cost and expense, from the Premises and disposed of in strict accordance with the Environmental Laws.

Lessee shall indemnify, defend (by counsel reasonably acceptable to Lessor), protect, and hold Lessor harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence after the Commencement Date in, on, under, or about the Premises of any Hazardous Substances caused by Lessee or its agents, servants, employees, guests, invitees and/or independent contractors; (b) any discharge or release by Lessee or its agents, servants, employees, guests, invitees and/or independent contractors after the Commencement Date in or

from the Premises of any Hazardous Substances; (c) Lessee's use, storage, transportation, generation, disposal, release or discharge after the Commencement Date of Hazardous Substances, to, in, on, under, about or from the Premises; or (d) Lessee's failure after the Commencement Date to comply with any Environmental Law.

Lessor shall indemnify, defend (by counsel reasonably accepted to Lessee), protect, and hold Lessee harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence prior to the Commencement Date in, on, under, or about the Premises of any Hazardous Substances; (b) any discharge or release prior to the Commencement Date in or from the Premises of any Hazardous Substances; (c) the use, storage, transportation, generation, disposal, release or discharge of Hazardous Substances by Lessor or Lessor's prior lessee(s) prior to the Commencement Date, to, in, on, under, about or from the Premises; (d) Lessor's failure prior to the Commencement Date to comply with any Environmental Law; or (e) any Hazardous Substances to the extent not due to any act or omission of Lessee or its agents, servants, employees, guests, invitees and/or independent contractors. Lessor agrees to remediate at Lessor's expense immediately upon receipt of notice from Lessee any condition described in (a) through (e) of the previous sentence.

Lessor represents and warrants to Lessee that as of the Commencement Date and to the best of Lessor's knowledge there are no Hazardous Substances on the Premises, including asbestos. Lessor has received no notice from any governmental or private entity relating to Hazardous Substances on the Premises. Lessee shall promptly deliver to Lessor copies of all notices made by Lessee to, or received by Lessee from, any state, county, municipal or other agency having authority to enforce any environmental law ("Enforcement Agency") or from the United States Occupational Safety and Health Administration concerning environmental matters or Hazardous Substances at the Premises. Lessor shall promptly deliver to Lessee copies of all notices received by Lessor from any Enforcement Agency or from the United States Occupational Safety and Health Administration concerning environmental matters or Hazardous Substances at the Premises.

11. Damage to Premises by Fire or Casualty. In the event the Premises shall be damaged by fire or other casualty during the Term of this Lease, whereby the same shall be rendered untenable, then

(a) if the damage to the Premises is so substantial ("Substantial Damage") that either: (1) the repair, restoration or rehabilitation of the Substantial Damage cannot reasonably be expected to be substantially completed within one hundred eighty (180) days from the date of such Substantial Damage or (2) so much of the Premises is destroyed or rendered untenable by such fire or other casualty as to make use of the Premises as a dialysis facility operating at least 75% of the certified dialysis stations operating prior to the fire or casualty impracticable, then Lessee may elect to terminate this Lease by giving written notice to Lessor within thirty (30) days of the date of such fire or casualty, or

(b) if not so terminated, Lessor shall proceed with all due diligence to repair, restore or rehabilitate the Premises, to substantially their former condition immediately prior to such damage or destruction, at Lessor's expense, in which latter event this Lease shall not terminate.

If the Premises are rendered untenable by fire or other casualty, there shall be an abatement of Rent due the Lessor by the Lessee for the period of time during which the Premises are untenable. If the restoration is not substantially completed within two hundred ten (210) days of such damage, it shall be optional with Lessee to terminate this Lease by written notice to Lessor. In the event of any termination of this Lease, Rent shall be paid only to the date of such fire or casualty.

In the event that the Premises are partially but not substantially damaged by fire or other casualty, then Lessor shall immediately proceed with all due diligence to repair and restore the Premises and the Rent shall abate in proportion to the untenability of the Premises during the period of restoration.

Notwithstanding the foregoing provisions of this Section 11, in the event that insurance proceeds applicable to Alterations constructed by Lessee at its expense are made available to Lessee, Lessee shall be responsible for restoring such Alterations; provided, however, that the Rent abatement provided for shall continue during such period of restoration so long as Lessee is diligently pursuing the completion of such restoration. In the event that Lessor does not restore the Premises, Lessee may retain all insurance proceeds applicable to Alterations constructed by Lessee at its expense. Lessor shall be responsible for restoring improvements constructed by Lessor in all events and Lessee shall be responsible for restoring improvements constructed by Lessee in all events.

12. Eminent Domain. If the Premises shall be taken or condemned for any public or quasi-public use or purpose, the Term of this Lease shall end upon, and not before, the date of the taking of possession by the condemning authority, and without apportionment of the award. Lessee hereby assigns to Lessor, Lessee's interest in such award, if any, except for any portion of the award which compensates Lessee for its relocation expenses or Lessee's Alterations or tenant improvements. Rent shall be apportioned as of the date of such termination. If there is a taking or condemnation of a Substantial Part of the Premises (as defined below) or access to or from any street adjacent to the Premises is changed or restricted by any public authority, then Lessee shall have the right to terminate this Lease by giving Lessor not less than thirty (30) days written notice prior to the date of cancellation designated in the notice but in any event not later than sixty (60) days of the date Lessee is notified by Lessor of such taking or condemnation or change or restriction of access, in which event Rent shall be apportioned as of the date of such termination. A taking or condemnation of a Substantial Part of the Premises is defined as such a taking or condemnation as renders impracticable the use of the Premises as a dialysis facility operating at least 75% of the certified dialysis stations operating prior to such taking or condemnation. No money or other consideration shall be payable by Lessor to Lessee or Lessee to Lessor for the right of cancellation, and Lessee shall have no right to share in the condemnation award or in any judgment for damages caused by such taking or the change or

restriction of access except to the extent any such award attributes value to Lessee's Alterations, tenant improvements or relocation expenses. Lessor represents that, as of the date hereof, it has no knowledge of any taking or condemnation, actual or threatened, regarding the Premises or access to or from any street adjacent to the Premises. In the event of any taking or condemnation involving the Premises or access to or from any street adjacent to the Premises which does not result in the termination of this Lease, Lessor shall restore the Premises to substantially the condition prior to such taking with all due diligence and Rent shall abate in proportion to the untenability of the Premises during the period of restoration and, to the extent appropriate, for the remainder of the Term.

13. Right of Entry by Lessor. The Lessor, or any of its agents, shall have the right to enter said Premises during all reasonable hours and upon at least twenty-four (24) hours prior notice (except in cases of emergency), to examine the same or to exhibit said Premises, and to put or keep upon the doors or windows thereof a notice "FOR RENT" at any time within sixty (60) days before the expiration of this Lease.

Any work done by Lessor to Premises shall be performed during hours that Lessee is not open for business (except in emergencies) unless Lessee, in the exercise of its reasonable discretion otherwise agrees. Any restoration work or alteration work at the Premises which is necessitated by or results from Lessor's entry, including, without limitation, any work necessary to conceal any element whose presence is permitted hereunder, shall be performed by Lessor at its expense or, at Lessee's election, by Lessee on Lessor's behalf and at Lessor's sole cost and expense. Lessor shall be liable for all loss, damage, or injury to persons or property and shall indemnify and hold Lessee harmless from all claims, losses, costs, expenses and liability, including reasonable attorney's fees resulting from Lessor's entry except to the extent caused by the negligent or intentional act of Lessee or its contractors, agents, employees or licensees. If Lessor's entry into the Premises pursuant to this Lease interferes with the conduct by Lessee of its business to such an extent that Lessee, in the exercise of its reasonable business judgment, must close the Premises for business for two (2) or more business days, then Rent and Operating Expenses shall totally abate for each day or portion thereof that such interference continues.

14. Indemnity. Lessee agrees to indemnify Lessor and save Lessor harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the leased Premises caused or brought about by the act or neglect of the Lessee, its agents, servants or employees. Lessor agrees to indemnify Lessee and save Lessee harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the leased Premises caused or brought about by the act or neglect of the Lessor, its agents, servants or employees. The indemnities set forth in this Section 14 shall survive the expiration of the term of this Lease.

15. Default and Remedies.

(a) Lessee Default and Lessor Remedies. In the event that the Lessee defaults in the payment of Rent hereunder and such Rent remains due and unpaid for ten (10) days following

written notice of such default from Lessor to Lessee, or should the Lessee default in the performance of any other provisions of this Lease and such default is not cured within thirty (30) days following written notice from Lessor specifying such default (unless such default is not reasonably capable of being cured within such thirty (30) day period and Lessee is diligently prosecuting such cure to completion) or should the Lessee be adjudged bankrupt, or should the Lessee make an assignment for the benefit of its creditors, or should a receiver be appointed for the said Lessee and such receiver is not dismissed within sixty (60) days of his appointment, then, in any of these events, the Lessor, at its option, may terminate this Lease by written notice to Lessee. Upon and after termination of this Lease, Lessor shall make a commercially reasonable effort to relet the Premises or any part thereof to any person, firm or corporation other than Lessee for such rent, for such time and upon such terms as Lessor in Lessor's reasonable discretion shall determine. If the consideration collected by Lessor upon any such reletting is not sufficient to pay monthly the full amount of the Rent and additional rent reserved in this Lease and all other monies to be paid by Lessee, Lessee shall pay to Lessor the amount of each monthly deficiency upon demand.

Whether or not this Lease is terminated by Lessor or by any provision of law or court decree, Lessee shall have no obligation to pay any Rent until the date it would otherwise have become due in the absence of any event of default. Lessor agrees that it shall have no right to accelerate (i.e. declare the same immediately due and payable) any Rent which would have become due in the future ("Future Rent"); provided, however, that upon termination of this Lease by Lessor, Lessee shall pay Lessor for the unamortized costs of leasing commissions and tenant improvements. In the event Lessor terminates this Lease, Lessee's liability for Future Rent (as well as any damages specifically in lieu of or representing such Future Rent) shall cease except to the extent and manner provided otherwise in this Lease.

(b) Lessor Default and Lessee Remedies. Subject to the terms and provisions hereinbelow, and in addition to any other remedy expressly available to Lessee pursuant to this Lease or at law or in equity, should Lessor fail to perform any term or covenant under this Lease (each and any such failure being herein sometimes referred to as a "Lessor Default") and if any such Lessor Default shall not be cured and shall accordingly be continuing thirty (30) days following written notice by Lessee to Lessor of such Lessor Default (unless such default is not reasonably capable of being cured within such thirty (30) day period and Lessor is diligently prosecuting such cure to completion), then Lessee shall have the option (at Lessee's sole discretion) of (i) terminating this Lease, (ii) abating or withholding Rent, or (iii) remedying such Lessor Default and, in connection therewith, incurring expenses for the account of Lessor, and any and all such sums expended or obligations incurred by Lessee in connection therewith shall be paid by Lessor to Lessee upon demand, and if Lessor fails to immediately reimburse and pay same to Lessee, Lessee may, in addition to any other right or remedy that Lessee may have under this Lease, deduct such amount (together with interest thereon at the maximum rate permitted by applicable law from the date of any such expenditure by Lessee until the date of repayment thereof by Lessor to Lessee) from subsequent installments of Rent and other charges (if any) that from time to time thereafter may become due and payable by Lessee to Lessor hereunder. Any such abatement or deduction shall not constitute a Lessee Default unless Lessee shall fail to pay the amount of such abatement or deduction to Lessor within thirty (30) days after final

adjudication that such amount is owing to Lessor. Notwithstanding the foregoing, in all events Lessee shall have the right to remedy any Lessor Default without prior notice in the event of an emergency (so long as Lessee gives notice within a reasonable period of time thereafter) and invoice Lessor and abate Rent (if necessary) in the manner set forth in the preceding sentences of this Section 15.

16. Insurance.

a) Lessor's Insurance. During the Term of the Lease, Lessor shall procure and maintain in full force and effect with respect to the Building (i) a policy or policies of property insurance (including, to the extent required, sprinkler leakage, vandalism and malicious mischief coverage, and any other endorsements required by the holder of any fee or leasehold mortgage and earthquake, terrorism and flood insurance to the extent Lessor reasonably deems prudent and/or to the extent required by any mortgagee); and (ii) a policy of commercial liability insurance insuring Lessor's activities with respect to the Premises and the Building for loss, damage or liability for personal injury or death of any person or loss or damage to property occurring in, upon or about the Premises or the Building.

(b) Lessee's Insurance. Lessee covenants and agrees to keep Lessee Improvements (as defined in Section 36 hereof) and Lessee's contents in the Premises insured for full replacement value against loss by fire and casualty, under an all risk policy with extended coverage endorsements. In addition thereto, Lessee shall obtain and keep in force with respect to the Premises comprehensive general liability insurance in a minimum amount of \$1,000,000.00 per claim and \$3,000,000.00 in the aggregate for both bodily injury and property damage. In no event shall Lessee's insurance provide coverage or indemnity to Lessor for any claim, loss, suit, action or other legal proceeding in which Lessor, its agents or designees bear responsibility for the claim, loss, suit, action or other legal proceeding. Rather, it is the intent of this section to provide general liability coverage to Lessor when it is made a party to a claim, loss, suit, action or other legal proceeding for which it bears no responsibility. In the event that both Lessor and Lessee bear responsibility for the claim, loss, suit, action or other legal proceeding, then each party will look to their own insurance for coverage.

Lessee may carry any insurance required by this Lease under a blanket policy or under a program of self-insurance.

Each policy shall provide that the insurer shall give to Lessor twenty (20) days written notice prior to any cancellation of the policy. Lessee shall deliver to Lessor certificates of insurance evidencing the coverages required herein.

17. Subrogation. Each of the parties hereto hereby releases the other and the other's partners, agents and employees, to the extent of each party's property insurance coverage, from any and all liability for any loss or damage which may be inflicted upon the property of such party even if such loss or damage shall be brought about by the fault or negligence of the other party, its partners, agents or employees; provided, however, that this release shall be effective only with respect to loss or damage occurring during such time as the appropriate policy of

insurance shall contain a clause to the effect that this release shall not affect said policy or the right of the insured to recover thereunder. If any policy does not permit such a waiver, and if the party to benefit therefrom requests that such a waiver be obtained, the other party agrees to obtain an endorsement to its insurance policies permitting such waiver of subrogation if it is commercially available and if such policies do not provide therefor. If an additional premium is charged for such waiver, the party benefiting therefrom, if it desires to have the waiver, agrees to pay to the other the amount of such additional premium promptly upon being billed therefor.

18. Repairs and Maintenance. Lessor, at its sole cost and expense, shall maintain and keep in good order and repair and make any necessary replacements to the roof, roof membrane, roof covering, concrete slab, footings, foundation, structural components, exterior walls, exterior doors and windows, flooring (except for floor covering), exterior plumbing, heating, ventilation, cooling and electrical systems of the Building. If Lessor shall not commence such repairs within the fifteen (15) days following written notice from Lessee that such repairs are necessary then Lessee may, at its option, cause such Lessor's repairs to be made and shall furnish Lessor with a statement of the cost of such repairs upon substantial completion thereof. Lessor shall reimburse Lessee for the cost of such repairs plus a service charge to cover Lessee's expenses in an amount equal to 10% of the cost of such repairs within ten (10) days of the date of the statement from Lessee setting forth the amount due, provided, however, should Lessor fail to reimburse Lessee with said ten (10) day period, then Lessee may, at its option, offset such amount against subsequent rent due under this Lease.

Except for Lessor's obligations set forth above and except for any damage caused by the acts of negligence by Lessor or its agents within the Premises, Lessee agrees to maintain said Premises in the same condition, order and repair as they are at the commencement of said Term, excepting only reasonable wear and tear arising from the use thereof and damage by fire or other casualty.

19. Brokers. Lessor and Lessee each represent to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except for USI Real Estate Brokerage Services Inc., representing Lessee ("Lessee's Broker"). Lessor shall pay Lessee's Broker a brokerage commission pursuant to a separate agreement. In the event Lessor does not timely pay Lessee's Broker such brokerage commission, Lessee may offset the amount of such brokerage commission against Rent due Lessor.

20. Emergency. If Lessor is unable or unwilling to take action which it is obligated to take hereunder where an emergency has occurred with respect to the Premises, then Lessee may take such action as is reasonably necessary to protect the Premises and persons or property in the Premises and Lessor shall, within fifteen (15) days after written notice thereof from Lessee reimburse Lessee for its reasonable out-of-pocket expenses incurred in curing such emergency; provided, however, should Lessor fail to reimburse Lessee within said fifteen (15) day period, then Lessee may, at its option, offset such amount against subsequent rent due under this Lease.

21. Title and Parking. Lessor hereby represents that Lessor is the owner in fee simple of the Premises, including the Building and all improvements thereon free from any liens or

encumbrances other than Permitted Encumbrances set forth on Exhibit C hereto and has the right and authority to enter into this Lease. Lessor further represents that Lessor and those signatories executing this Lease on behalf of Lessor have full power and authority to execute this Lease.

Lessor agrees that Lessor will not make any material modifications to the Building or Premises (including, without limitation, the parking areas, driveways and walks) without Lessee's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Without limiting the generality of the foregoing, the Premises shall at all times have a minimum parking ratio, including handicap-striped parking spaces as may be required by applicable Laws. All parking spaces shall have such dimensions and be in such a configuration as is required by applicable Laws.

22. Compliance with Laws. Both parties hereby agree to comply with all applicable federal, state and local laws, ordinances, rules and regulations ("Laws") throughout the Term of the Lease. Lessor represents and warrants to Lessee that as of the Commencement Date the Premises, the Building, and the parking areas are in compliance with all Laws, including, without limitation, applicable zoning laws, ordinances, rules and regulations and with applicable instruments affecting title to the Premises. Lessor further represents that it has received no notices or communications from any public authority having jurisdiction alleging violation of any Laws relating to the Premises or the Building or improvements thereon and has received no notices alleging violation of any title instrument. Without limiting the generality of the foregoing, Lessor represents that (i) the use of the Premises and the Building and improvements thereon for purposes of operation of a dialysis clinic and related medical and business offices is permitted by and will not violate applicable Laws and does not constitute a "non-conforming use" thereunder and (ii) the Premises, the Building, and the parking areas comply with all applicable Laws relating to handicapped accessibility, including, without limitation, the Americans with Disabilities Act.

If at any time or from time to time any Alterations, including, without limitation, structural Alterations, are required in order for the Premises to comply with any generally applicable Laws from time to time applicable to the Premises, Lessor shall immediately make such Alterations at its sole cost and expense. If at any time or from time to time any Alterations, including, without limitation, structural Alterations, are required in order for the Premises to comply with any Laws specifically applicable to the Premises due to Lessee's use as a dialysis facility, Lessee shall immediately make such Alterations at its sole cost and expense.

Lessor represents and warrants to Lessee that Lessor is not a "referring physician" or a "referral source" as to Lessee for services paid for by Medicare or a state health care program, as the terms are defined under any federal or state health care anti-referral or anti-kickback, regulation, interpretation or opinion ("Referral Source"). Lessor covenants, during the term of this Lease, it will not knowingly (i) take any action that would cause it to become a Referral Source as to Lessee, or (ii) sell, exchange or transfer the Premises to any individual or entity who is a Referral Source as to Lessee

23. Right of First Option on Adjacent Premises. Subject to any pre-existing option rights of other tenants in the Building, if rentable space (if any) adjacent to the Premises becomes available during the initial Term or any renewal period of this Lease, Lessor shall first notify Lessee in writing of Lessee's option to accept or decline the right to enter into a lease with Lessor on such adjacent rentable space in the Building. At any time within sixty (60) days after service of said notice, Lessee shall notify Lessor that it will exercise or not exercise its option to lease the adjacent space. A failure by Lessee to respond within such sixty (60) day period shall be deemed to be a rejection of the option to lease the adjacent space.

24. Lessee to Subordinate. Lessee shall, upon request of the holder of a mortgage or deed of trust in the nature of a mortgage, which holder is a commercial or institutional lender ("Mortgagee") subordinate any interest which it has by virtue of this Lease, and any extensions and renewals thereof to any mortgages or deeds of trust placed upon the Premises by Lessor, if and only if such Mortgagee shall execute, deliver and record in the appropriate registry of deeds a recognition and non-disturbance agreement in form and content generally used in commercial loan transactions and approved by Lessee, such approval not to be unreasonably withheld. Such Agreements shall provide by their terms that notwithstanding any foreclosure of such mortgage or deeds of trust Lessee may continue to occupy the Premises during the Term of this Lease or any extensions or renewals thereof under the same terms, conditions and provisions of this Lease unless Lessee shall be in default beyond any applicable grace periods provided for herein. Lessor shall at or prior to the Commencement Date, secure from Lessor's present mortgagee of the Premises a non-disturbance agreement in a form reasonably acceptable to Lessee. Lessor shall also secure from any future mortgagee or lienholders of Lessor non-disturbance agreements during the initial Term or any renewal periods, if exercised.

25. Quiet Enjoyment. Lessee, upon paying the Rent, additional rent and other sums due under this Lease, and subject to all of the terms and covenants of this Lease, on Lessee's part to be kept, observed, and performed, shall quietly have and enjoy the Premises during the Term of this Lease. Lessor agrees that Lessee shall have continuous, peaceful, uninterrupted and exclusive possession and quiet enjoyment of the Premises during the Term of this Lease.

26. Memorandum of Lease. Lessor agrees to enter into and record a memorandum or notice of this Lease reasonably satisfactory to Lessee. Lessee shall be responsible for the preparation thereof and the cost of recording the same.

27. Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be either (i) sent by registered or certified mail, return receipt requested, postage prepaid or (ii) delivered, by hand, or (iii) sent by overnight courier such as Federal Express. All notices to Lessor should be addressed to Lessor at 308 N. Madison, Taylorville, Illinois 62568, Attention: Don Marsango; Telephone: (217) 287-7312 or at such other place as Lessor may from time to time designate in written notice to Lessee. All notices to Lessee shall be addressed to Lessee c/o DaVita Inc., 601 Hawaii Street, El Segundo, California 90245, Attention: General Counsel, Telephone: (310) 536-2400, Facsimile: (310) 536-2679, or to any such other place as Lessee may from time to time designate in written

notice to Lessor. All notices, demands and requests which shall be served upon Lessor and Lessee in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder.

28. Estoppel Certificate. Each of Lessor and Lessee agrees at any time and from time to time upon not less than fifteen (15) business days' prior written request by the other to execute, acknowledge and deliver to the other a statement in writing certifying that (a) this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), (b) the dates to which the Rent and other charges have been paid in advance, if any, and (c) all of the defaults of Lessor or Lessee hereunder, if any, (and if there are no defaults a statement to that effect) and any other information reasonably requested, it being intended that any such statement delivered pursuant to this Section 28 may be relied upon by any prospective purchaser of the Premises or any mortgagee or assignee of any mortgage upon the fee or leasehold of the Premises or by any prospective assignee of this Lease or sublessee of the whole or any portion of the Premises and/or by other party interested in the Premises or any part thereof.

29. Holding Over. In the event Lessee remains in possession of the Premises after the expiration of the term of this Lease, or any extensions hereof without the written consent of Lessor, Lessee shall then be obligated to pay Rent at the then current rate (including all adjustments) and all other sums then payable hereunder prorated on a daily basis for each day that Lessor is kept out of possession of the Premises.

30. Binding Effect. All covenants, agreements, stipulations, provisions, conditions and obligations herein expressed and set forth shall extend to, bind and inure to the benefit of, as the case may require, the successors and assigns of Lessor and Lessee respectively, as fully as if such words were written wherever reference to Lessor or Lessee occurs in this Lease

31. Complete Agreement. Any stipulations, representations, promises or agreements, oral or written, made prior to or contemporaneously with this agreement shall have no legal or equitable consequences and the only agreement made and binding upon the parties with respect to the leasing of the Premises is contained herein, and it is the complete and total integration of the intent and understanding of Lessor and Lessee with respect to the leasing of the Premises.

32. Severability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

33. Applicable Law. The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease, without regard to such State's conflict-of-law principles.

34. Force Majeure. If either party hereto shall be delayed or hindered in or prevented from the performance of any obligation required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of terrorism, military or usurped power, sabotage, unusually severe weather, fire or other casualty or other reason (but excluding inadequacy of insurance proceeds, financial inability or the lack of suitable financing) of a like nature beyond the reasonable control of the party delayed in performing its obligations under this Lease ("Force Majeure Event"), the time for performance of such obligation shall be extended for the period of the delay.

35. Amendment. This Lease and the exhibits attached hereto and forming a part hercof set forth all the covenants, promises, agreements, conditions and understandings between Lessor and Lessee concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

36. Lessee Improvements. Lessee shall construct its tenant improvements to the Premises (the "Lessee Improvements"). Lessee shall contract for the installation of the Lessee Improvements with a contractor of choice. Lessor and Lessee shall mutually approve the plans and specifications of the Lessee Improvements prior to the commencement of work. Lessor shall not charge Lessee any fee or other charges for the supervision and/or overhead associated with the construction of the Lessee Improvements. Notwithstanding the foregoing, Lessee Improvements shall not include the work involved with bringing electrical and water utilities to the Premises and for the separate metering for said utilities.

37. Intentionally Omitted.

38. Lessor's Sale of the Building. Lessor may, at any time, without the prior consent of Lessee, contract to and/or perform any of the following transactions with respect to an interest in Lessor, the Lease, the Premises, the realty underlying the Premises, and/or any portion of or interest in the realty or improvements in the Center owned or hereafter acquired by Lessor: sale, purchase, exchange, transfer, assignment, lease, conveyance (collectively referred to herein as "Sale"); and/or encumbrance, pledge, mortgage, deed of trust, hypothecation or sale and leaseback transaction (collectively referred to herein as "Mortgage"). From and after a Sale, Lessor shall be released from all liability to Lessee and Lessee's successors and assigns arising from this Lease because of any act, occurrence or omission of Lessor occurring after such Sale, and Lessee shall look solely to Lessor's successor in connection with the same; provided however, that Lessor shall not be released from liability to Lessee and Lessee's successors and assigns from this Lease because of any act, occurrence or omission of Lessor occurring prior to such Sale, unless such liability is expressly assumed by Lessor's successor-in-interest in this Center and Premises. Within a commercially reasonable time period prior to the effective date of a Sale, Lessor shall notify Lessee whether Lessor's successor-in-interest and assignee to this Lease would or would not be a Referral Source as described in Section 22 above.

39. Lessee's Roof Rights. If the Building does not have cable television service, then Lessee shall have the right to place a satellite dish on the roof at no additional fee.

40. Regulatory Compliance. In the event Lessor, or Lessor's successors or assigns become a Referral Source as described in Section 22 above, this Section 40 shall apply but shall have no effect until such time:

40.1 Referral Source. Lessor and Lessee hereby acknowledge and agree that it is not a purpose of this Lease or any of the transactions contemplated herein to exert influence in any manner over the reason or judgment of any party with respect to the referral of patients or business of any nature whatsoever. It is the intent of the parties hereto that any referrals made directly or indirectly by Lessor to Lessee's business, shall be based upon the medical judgment and discretion of a patient's physician while acting in the best interests of the patient.

40.2 Termination Due to Legislative or Administrative Changes. In the event that there shall be a change in applicable health care law or the interpretation thereof, including, without limitation, Medicare or Medicaid, statutes, regulations, or general instructions, (or the application thereof), the adoption of new legislation or regulations applicable to this Lease, the implementation of a change in payment methodology in any material third party payor reimbursement system, or the initiation of an enforcement action with respect to any applicable health care law, any of which affects the continuing legality of this Lease, then either party may, by notice, propose an amendment to conform this Lease to applicable laws. If notice of such proposed change is given and the parties hereto are unable to agree within ninety (90) days upon an amendment, then either party may terminate this Lease by ten (10) days' advance written notice to the other party, unless a sooner termination is required under applicable law or circumstances.

40.3 Exclusions. During the term of this Lease, Lessor shall notify Lessee of any exclusion of Lessor or its affiliates from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b (f), for the provision of items or services for which payment may be made under such federal health care programs ("Exclusion") within two (2) business days of learning of any such Exclusion or any basis therefor. Lessee shall have the right to immediately terminate this Lease and any and all other agreements between Lessor and its affiliates on the one hand and Lessee and its affiliates on the other hand, upon learning of any Exclusion or any reasonable basis therefor against the other, its affiliates and/or any employee, contractor or agent engaged by any of them to provide items or services.

40.4 Medicare Access to Books and Records. In the event, and only in the event, that Section 952 of P.L. 96-499 (42 U.S.C. Section 1395x(v)(1)(D)) is applicable to this Lease, Lessee and Lessor agree as follows: (i) until the expiration of four years after the termination of this Lease, Lessor shall make available, upon written request by the Secretary of the federal Department of Health and Human Services or upon request by the Comptroller General of the United States, or any of their duly authorized representatives, this Lease, and books, documents and records of Lessor that are necessary to certify the nature and extent of the costs incurred pursuant to this Lease; (ii) if Lessor carries out any of the duties of this Lease or other contract

between the parties through a subcontract, with a value or cost of \$10,000 or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of the federal Department of Health and Human Services or upon request to the Comptroller General of the United States, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of the costs incurred pursuant to such subcontract; and (iii) Lessor shall notify Lessee immediately of the nature and scope of any request for access to books and records described above and shall provide copies of any books, records or documents to Lessee prior to the provision of same to any governmental agent to give Lessee an opportunity to lawfully oppose such production of documents if Lessee believes such opposition is warranted. In addition, Lessor shall indemnify and hold Lessee harmless from any liability arising out of any refusal by Lessor to grant access to books and records as required above. Nothing herein shall be deemed to be a waiver of any applicable privilege (such as attorney client privilege) by Lessee.

40.5. Representations and Warranties of Lessee. Lessee represents and warrants to Lessor as follows:

(a) Non-Exclusion. Neither Lessee nor any of its affiliates are excluded from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b (f), for the provision of items or services for which payment may be made under such federal health care programs; and

(b) Business Terms. To Lessee's knowledge: (a) the Premises do not exceed that which is reasonable and necessary for the legitimate business of the Lessee; (b) Lessee's Proportionate Share does not exceed the Lessee's pro-rata share of expenses for the space based upon the total space anticipated to be used by Lessee; and (c) the rental charges: (i) are set in advance, (ii) are consistent with fair market value, (iii) do not take into account the volume or value of any referrals or other business generated between the parties, nor do they include any additional charges attributable to the proximity or convenience of Lessor as a potential referral source; and (iv) would be commercially reasonable even if no referrals were made between the Lessee and Lessor or their respective affiliates.

40.6. Representations and Warranties of Lessor. Lessor represents and warrants to Lessee as follows:

(a) Non-Exclusion. Neither Lessor nor any of its affiliates (i) are excluded from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b (f), for the provision of items or services for which payment may be made under such federal health care programs; or (ii) have arranged or contracted (by employment or otherwise) with any employee, contractor or agent that Lessor or its affiliates know or should know are excluded from participation in any federal health care program;

(b) Advisory Opinion. Lessor shall not, directly or indirectly, request or cause an Advisory Opinion to be requested regarding or relating to the legality of this Lease or the

transactions contemplated hereunder or substantially similar circumstances from any governmental body, including without limitation the U.S. Department of Health and Human Services Office of Inspector General or the Health Care Financing Administration without the prior written concurrence of Lessee, whether pursuant to this Section or otherwise. All submissions of any nature in connection with an Advisory Opinion request shall be approved in writing by Lessee prior to submission; and

(c) Business Terms. To Lessor's knowledge: (a) the Premises do not exceed that which is reasonable and necessary for the legitimate business of the Lessee; (b) Lessor's share of taxes, utilities and operating expenses do not exceed the Lessor's pro-rata share of such expenses for the space based upon the total space anticipated to be used by Lessor; and (c) the rental charges: (i) are set in advance, (ii) are consistent with fair market value, (iii) do not take into account the volume or value of any referrals or other business generated between the parties, nor do they include any additional charges attributable to the proximity or convenience of Lessee as a potential referral source, and (iv) would be commercially reasonable even if no referrals were made between the Lessee and Lessor or their respective affiliates.

#### 40.7 Corporate Integrity Agreement.

(a) Lessor acknowledges that Lessee is under a Corporate Integrity Agreement with the Office of the Inspector General of the Federal Department of Health and Human Services (the "CIA"), and that such CIA imposes various reporting and operational compliance related obligations on Lessee. To the extent not otherwise set forth herein, Lessor agrees to cooperate with Lessee in compliance with the requirements of such CIA, as such requirements may apply to Lessor's performance pursuant to this Agreement.

(b) Lessor hereby certifies that Lessor will (i) comply with Lessee's Compliance Plan, including the training related to the Anti-Kickback Statute as it pertains to Lessor, and (ii) comply with Lessee's Compliance Critical Concepts and policies and procedures related to compliance with the Anti-Kickback Statute, a copy of each of which has been provided to Lessor hereunder, and in each case solely as applicable to performance of Services under this Agreement.

(c) Lessor certifies that it will comply with Lessee's Compliance Plan and with the terms of the Anti-Kickback Statute in all matters involving Lessee.

(d) Lessor and Lessee certify that the agreement is not intended to generate referrals for services or supplies for which payment may be made in whole or in part under any Federal health care program.

(e) If this Lease is terminated for any reason within one (1) year following the Commencement Date, then Lessor and Lessee will not enter into any similar agreement with each other for the Premises before the first anniversary of the Commencement Date.

41. Approval by DaVita Inc. ("DaVita") as to Form. The parties acknowledge and agree that this Lease shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form hereof.

IN TESTIMONY WHEREOF, the Lessor and Lessee have caused this Lease to be executed as a sealed instrument, as of the day and year first above written.

LESSOR:

**RICHMAR, LLC**

By: Don Macsaaga  
Name: Don Macsaaga  
Title: owner

LESSEE:

**DVA RENAL HEALTHCARE, INC.**

By: Cheryl Cody  
Name: Cheryl Cody  
Title: Divisional Vice President

*FOR LESSEE'S INTERNAL PURPOSES ONLY:*

APPROVAL BY DAVITA INC. AS TO FORM ONLY

By: Steve Lieb  
Steve Lieb, Group General Counsel

**EXHIBIT A**

**LEGAL DESCRIPTION**

Palmer

Parcel 1:

Beginning at the southwest corner of Section 22, T. 13 N., R. 2 West of the 3<sup>rd</sup> P.M. measure East 400 Feet; thence North 300 Feet; thence 400 West Feet, thence South 300 Feet to the place of beginning, being a part of Lots 34 and 35 of Trustees' Subdivision of Anderson Park, Except that part described as follows: From the southwest corner of Lot 34, being also the southwest corner of the SW  $\frac{1}{4}$  of said Section 22, measure North 0 degrees East 73.76 Feet along the west line of Lot 34, thence North 90 degrees East 21.20 Feet to the true point of beginning on the east right of way line of Cheney Street; thence South 63 degrees 20 minutes 44 seconds East 52.92 Feet to a point on the north right of way line of Federal Aid Urban Route 7877 (Spresser Street); thence North 90 degrees West 47.74 Feet along the north right of way line of Spresser Street to the intersection with the east right of way line of Cheney Street; thence North 1 degree 08 minutes 52 seconds West 23.76 Feet along the east right of way line of Cheney Street to the point of beginning, being a part of the Southwest Quarter (fwl/4) of Section 22, T. 13 N., R. 2 West of the 3<sup>rd</sup> P.M., Except the coal and other minerals and the right to mine and remove the same, in Christian County, Illinois.

Yeakley

Parcel 3:

A tract of land situated within the Southwest Quarter of the Southwest Quarter of Section 22, in T. 13 N., R. 2 West of the 3<sup>rd</sup> P.M.; said tract being that portion of Lot 35 of Trustee's Subdivision of Anderson Park which is bounded on the west by a line parallel to 300 feet east of the east line of Lot 34 of said Trustee's Subdivision of Anderson Park on the east by a line parallel to and 480 feet east of the east line of Lot 34; on the north by a line which is coincident with a line produced from the northeast corner of said Lot 34 to the point upon the east line of said SW  $\frac{1}{4}$  SW  $\frac{1}{4}$  said Section 22, 300 feet north of the southeast corner of said SW  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of said Section 22, and on the south by the northerly right of way line of State Bond Issue Hard Road No. 48; except the coal and other minerals underlying the surface of said land and the right to mine and remove the same in Christian County, Illinois.

**EXHIBIT B**

**PREMISES FLOOR PLAN**

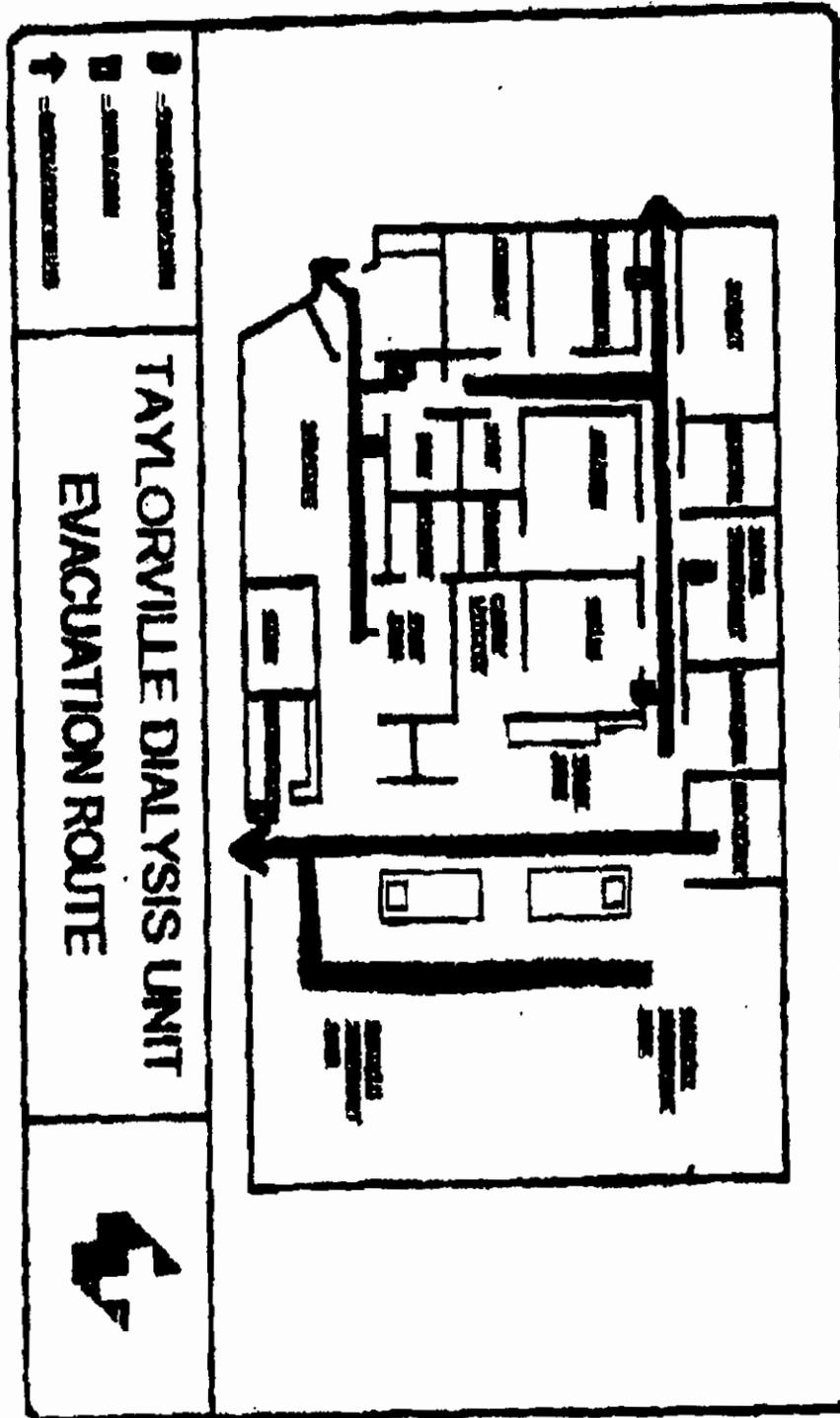
**(attached)**

05/21/2007  
05/18/2007

15:48  
16:07

US1 OAK BROOK, IL + 17137511717

NO. 377 082  
NO. 569 082



05/21/2007

TAYLORVILLE DIALYSIS

EVACUATION ROUTE

05/18/2007 16:07

Attachment - 2

**EXHIBIT C**

**PERMITTED ENCUMBRANCES**

**None**

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

The Illinois Certificate of Good Standing for DVA Renal Healthcare, Inc. is attached at Attachment – 3.

File Number

6097-191-9



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

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

DVA RENAL HEALTHCARE, INC., INCORPORATED IN TENNESSEE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 23, 2000, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1618901250 verifiable until 07/07/2017  
Authenticate at: <http://www.cyberdriveillinois.com>

**In Testimony Whereof, I hereto set**  
*my hand and cause to be affixed the Great Seal of*  
*the State of Illinois, this 7<sup>TH</sup>*  
*day of JULY A.D. 2016 .*

*Jesse White*

SECRETARY OF STATE

**Section I, Identification, General Information, and Certification**  
**Organizational Relationships**

The organizational chart for DaVita Inc., DVA Renal Healthcare, Inc., and Taylorville Dialysis is attached at Attachment – 4.

Taylorville Dialysis Organizational Chart

DaVita Inc

DVA Renal  
Healthcare Inc

Taylorville  
Dialysis

**Section I, Identification, General Information, and Certification**  
**Flood Plain Requirements**

The dialysis facility complies with the requirements of Illinois Executive Order #2005-5. The dialysis facility is located at 901 West Spresser Street, Taylorville, Illinois 62568, as shown in the documentation from the FEMA Flood Map Service Center attached at Attachment - 5. The interactive map for Panel 0275D and Map Number 17021C0275D reveals that this area is not included in the flood plain.



MAP SCALE 1" = 2000'



**NATIONAL FLOOD INSURANCE PROGRAM**

PANEL 0275D

**FIRM**  
FLOOD INSURANCE RATE MAP  
CHRISTIAN COUNTY,  
ILLINOIS  
AND INCORPORATED AREAS

PANEL 275 OF 575

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

COMMUNITY	NUMBER	PANEL	SUFFIX
CHRISTIAN COUNTY	170026	0275	D
TAYLORVILLE, CITY OF	170036	0275	D

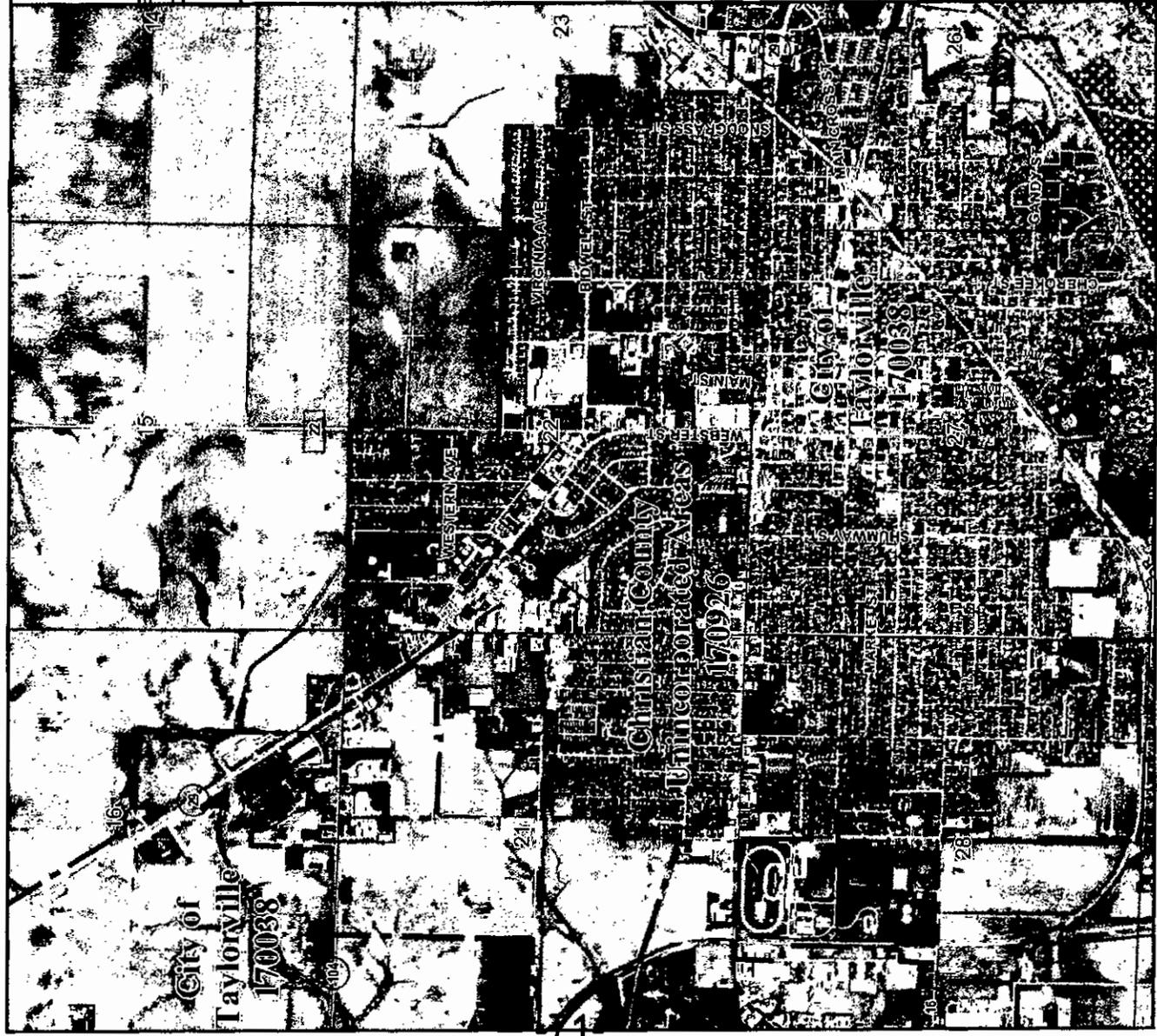
Notes to User: The Map Number shown below should be used for all correspondence regarding this map. This map should not be used on insurance applications for the subject community.



MAP NUMBER  
17021C0275D  
EFFECTIVE DATE  
JUNE 16, 2011

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at [www.msc.fema.gov](http://www.msc.fema.gov)



**Section I, Identification, General Information, and Certification**  
**Historic Resources Preservation Act Requirements**

The Historic Preservation Act determination from the Illinois Historic Preservation Agency is attached at Attachment - 6.



**Illinois Historic  
Preservation Agency**

FAX (217) 524-7525

1 Old State Capitol Plaza • Springfield, Illinois 62701-1507 • (217) 782-4836 • TTY (217) 524-7128

Christian County

Taylorville

CON - Interior Rehabilitation for Expansion from 10-Station to 12-Station Dialysis Facility

901 W. Spresser St.

IHPA Log #008091916

September 29, 2016

Timothy Tincknell

DaVita Healthcare Partners, Inc.

1600 W. 13th St., Suite 3

Chicago, IL 60608

Dear Mr. Tincknell:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact David Halpin, Cultural Resources Manager, at 217/785-4998.

Sincerely,

Rachel Leibowitz, Ph.D.

Deputy State Historic

Preservation Officer

**Section I, Identification, General Information, and Certification  
Project Costs and Sources of Funds**

**Table 1120.110**

<b>Project Cost</b>	<b>Clinical</b>	<b>Non-Clinical</b>	<b>Total</b>
Modernization Contracts	\$215,003		\$215,003
Contingencies	\$20,000		\$20,000
Architectural/Engineering Fees	\$20,400		\$20,400
Consulting and Other Fees	\$9,500		\$9,500
<b>Moveable and Other Equipment</b>			
Communications	\$17,000		\$17,000
Water Treatment	\$14,000		\$14,000
Bio-Medical Equipment	\$6,500		\$6,500
Clinical Equipment	\$28,000		\$28,000
Clinical Furniture/Fixtures	\$2,445		\$2,445
Lounge	\$0		\$0
Storage	\$0		\$0
Business Office	\$0		\$0
General	\$0		\$0
Signage	\$500		\$500
<b>Total Moveable and Other Equipment</b>	<b>\$68,445</b>		<b>\$68,445</b>
Fair Market Value of Leased Space	\$165,947		\$165,947
<b>Total Project Costs</b>	<b>\$499,295</b>		<b>\$499,295</b>

**Section I, Identification, General Information, and Certification**  
**Project Status and Completion Schedules**

The Applicants anticipate project completion within **18** months of project approval.

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

<b>DaVita Current Projects</b>			
<b>Project Number</b>	<b>Name</b>	<b>Project Type</b>	<b>Completion Date</b>
14-042	Tinley Park Dialysis	Establishment	10/31/2016
15-003	Vermillion County Dialysis	Establishment	4/30/2017
15-004	Machesney Park Dialysis	Establishment	4/30/2017
15-020	Calumet City Dialysis	Establishment	7/31/2017
15-025	South Holland Dialysis	Relocation	10/31/2017
15-032	Morris Dialysis	Relocation	4/30/2017
15-033	Lincoln Park Dialysis	Relocation	4/30/2017
15-035	Montgomery County Dialysis	Establishment	4/30/2017
15-048	Park Manor Dialysis	Establishment	02/28/2018
15-049	Huntley Dialysis	Establishment	02/28/2018
15-052	Sauget Dialysis	Expansion	08/31/2017
15-054	Washington Heights Dialysis	Establishment	09/30/2017
16-004	O'Fallon Dialysis	Establishment	09/30/2017
16-009	Collinsville Dialysis	Establishment	11/30/2017
16-015	Forest City Rockford	Establishment	06/30/2018
16-016	Jerseyville Dialysis	Expansion	06/30/2017
16-023	Irving Park Dialysis	Establishment	08/31/2018

**Section I, Identification, General Information, and Certification**  
**Cost Space Requirements**

<b>Cost Space Table</b>							
<b>Dept. / Area</b>	<b>Cost</b>	<b>Gross Square Feet</b>		<b>Amount of Proposed Total Gross Square Feet That Is:</b>			
		<b>Existing</b>	<b>Proposed</b>	<b>New Const.</b>	<b>Modernized</b>	<b>As Is</b>	<b>Vacated Space</b>
<b>CLINICAL</b>							
ESRD	\$499,295	4,800			4,800		
<b>Total Clinical</b>	<b>\$499,295</b>	<b>4,800</b>			<b>4,800</b>		
<b>NON REVIEWABLE</b>							
<b>NON-CLINICAL</b>							
<b>Total Non-Reviewable</b>							
<b>TOTAL</b>	<b>\$499,295</b>	<b>4,800</b>			<b>4,800</b>		

The proposed project involves reconfiguration/modernization of the existing 4,800 GSF facility to accommodate the 12 dialysis stations.

**Section III, Project Purpose, Background and Alternatives – Information Requirements**  
**Criterion 1110.230(a), Project Purpose, Background and Alternatives**

The Applicants are fit, willing and able, and have the qualifications, background and character to adequately provide a proper standard of health care services for the community. This project is for the modernization (reconfiguration of the existing space) and 2 station expansion of Taylorville Dialysis, an existing 10-station in-center hemodialysis facility located at 901 West Spresser Street, Taylorville, Illinois 62568.

DaVita Inc. is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2015 Community Care report, some of which is outlined below, details DaVita's commitment to quality, patient centric focus and community outreach and was previously included in the application for Proj. No. 16-023.

**Quality**

Based upon January 2016 data from the Centers for Medicare and Medicaid Services, DaVita is the clinical leader in the Quality Incentive Program ("QIP") for the third straight year. Nationwide, 98.6 percent of DaVita centers met QIP standards, significantly outperforming other large dialysis providers. Further, DaVita ranked first in four clinical measures in the end stage renal disease ("ESRD") QIP program. QIP is part of Medicare's ESRD program aimed at improving the quality of care provided to Medicare patients. It was designed as the nation's first pay-for-performance quality incentive program.

On October 8, 2015, the Centers for Medicare and Medicaid Services ("CMS") released data on dialysis performance as part of its five star ratings program. For the second year in a row, DaVita outperformed its competitors. As referenced in the report, DaVita led the industry in quality. Of the 586 dialysis facilities awarded five stars, DaVita owned 202 (or 34 percent).

On October 7, 2015, CMS announced DaVita won bids to operate ESRD seamless care organizations ("ESCO") in Phoenix, Miami and Philadelphia. ESCOs are shared savings programs, similar to accountable care organizations, where the dialysis providers share financial risks of treating Medicare beneficiaries with kidney failure. ESCOs encourage dialysis providers to take responsibility for the quality and cost of care for a specific population of patients, which includes managing comorbidities and patient medications.

In an effort to allow ESRD provider to assume full clinical and economic accountability, DaVita announced its support for the Dialysis PATIENT Demonstration Act (H.R. 5506/S. 3090). The Dialysis PATIENT Demonstration Act would allow ESRD providers to coordinate care both inside and outside the dialysis facility. The model empowers patients, emphasizes leadership, and facilitates innovation.

On June 17 2016, CAPG awarded Healthcare Partners, DaVita's medical group division, multiple honors. CAPG awarded HealthCare Partners California and The Everest Clinic in Washington its Standards of Excellence™ Elite Award. Colorado Springs Health Partners received a Standards of Excellence™ Exemplary Award. Standards of Excellence™ awards are achieved by surpassing rigorous, peer-defined benchmarks in survey categories: Care Management Practices, Information Technology, Accountability and Transparency, Patient-Centered Care, Group Support of Advanced Primary Care, and Administrative and Financial Capability.

In August 2016, DaVita Hospital Services, the first inpatient kidney care service to receive Ambulatory Health Care Accreditation from the Joint Commission, was re-accredited for three years. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. For the past three years, DaVita identified key areas for improvement, created training presentations and documents, provided WebEx training sessions and coordinated 156 hospital site visits for The Joint Commission Surveyors and DaVita

teammates. Accreditation allows DaVita to monitor and evaluate the safety of kidney care and apheresis therapies against ambulatory industry standards. The accreditation allows for increased focus on enhancing the quality and safety of patient care; improved clinical outcomes and performance metrics, risk management and survey preparedness. Having set standards in place can further allow DaVita to measure performance and become better aligned with its hospital partners.

On June 16, 2016, DaVita announced its partnership with Renal Physicians Association ("RPA") and the American Board of Internal Medicine ("ABIM") to allow DaVita-affiliated nephrologists to earn Maintenance of Certification ("MOC") credits for participating in dialysis unit quality improvement activities. MOC certification highlights nephrologists' knowledge and skill level for patients looking for high quality care.

### **Improving Patient Care**

DaVita has taken on many initiatives to improve the lives of patients suffering from chronic kidney disease ("CKD") and ESRD. These programs include the Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Information on these programs was previously included in the application for Proj. No. 16-009.

There are over 26 million patients with CKD and that number is expected to rise. Current data reveals troubling trends, which help explain the growing need for dialysis services:

- Between 1988-1994 and 2007-2012, the overall prevalence estimate for CKD rose from 12.0 to 13.6 percent. The largest relative increase, from 25.4 to 39.5 percent, was seen in those with cardiovascular disease.<sup>1</sup>
- Many studies have shown that diabetes, hypertension, cardiovascular disease, higher body mass index, and advancing age are associated with the increasing prevalence of CKD.<sup>2</sup>
- Nearly six times the number of new patients began treatment for ESRD in 2012 (approximately 115,000) versus 1980 (approximately 20,000).<sup>3</sup>
- Nearly eleven times more patients are now being treated for ESRD than in 1980 (approximately 637,000 versus approximately 60,000).<sup>4</sup>
- U.S. patients newly diagnosed with ESRD were 1 in 2,800 in 2011 versus 1 in 11,000 in 1980.<sup>5</sup>
- U.S. patients treated for ESRD were 1 in 526 in 2011 versus 1 in 3,400 in 1980.<sup>6</sup>

---

<sup>1</sup> US Renal Data System, USRDS 2014 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 15 (2014).

<sup>2</sup> Id.

<sup>3</sup> Id. at 79

<sup>4</sup> Id.

<sup>5</sup> US Renal Data System, USRDS 2013 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 160 (2013).

<sup>6</sup> Id.

- Increasing prevalence in the diagnosis of diabetes and hypertension, the two major causes of CKD; 44% of new ESRD cases have a primary diagnosis of diabetes; 28% have a primary diagnosis of hypertension.<sup>7</sup>
- Nephrology care prior to ESRD continues to be a concern. Since the 2005 introduction of the new Medical Evidence form (2728), with fields addressing pre-ESRD care, there has been little progress made in this area (pre-ESRD data, however, should be interpreted with caution because of the potential for misreporting). Forty-one percent of new ESRD patients in 2012, for example, had not seen a nephrologist prior to beginning therapy. And among these patients, 49 percent of those on hemodialysis began therapy with a catheter, compared to 21 percent of those who had received a year or more of nephrology care. Among those with a year or more of pre-ESRD nephrologist care, 54 percent began therapy with a fistula – five times higher than the rate among non-referred patients.<sup>8</sup>

To improve access to kidney care services, DaVita and Northwell Health have joint ventured to serve thousands of patients in Queens and Long Island with integrated kidney care. The joint venture will provide kidney care services in a multi-phased approach, including:

- Physician education and support
- Chronic kidney disease education
- Network of outpatient centers
- Hospital services
- Vascular access
- Integrated care
- Clinical research
- Transplant services

The joint venture will encourage more in-home treatment at centers operated by DaVita and Northwell Health.

DaVita's Kidney Smart program helps to improve intervention and education for pre-ESRD patients. Approximately 69% of CKD Medicare patients have never been evaluated by a nephrologist.<sup>9</sup> Timely CKD care is imperative for patient morbidity and mortality. Adverse outcomes of CKD can often be prevented or delayed through early detection and treatment. Several studies have shown that early detection, intervention and care of CKD may improve patient outcomes and reduce ESRD:

---

<sup>7</sup> Id at 161.

<sup>8</sup> US Renal Data System, *USRDS 2014 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States*, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 107 (2014).

<sup>9</sup> Id at 4.

- Reduced GFR is an independent risk factor for morbidity and mortality. A reduction in the rate of decline in kidney function upon nephrologists' referrals has been associated with prolonged survival of CKD patients,
- Late referral to a nephrologist has been correlated with lower survival during the first 90 days of dialysis, and
- Timely referral of CKD patients to a multidisciplinary clinical team may improve outcomes and reduce cost.

A care plan for patients with CKD includes strategies to slow the loss of kidney function, manage comorbidities, and prevent or treat cardiovascular disease and other complications of CKD, as well as ease the transition to kidney replacement therapy. Through the Kidney Smart program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. DaVita's Kidney Smart program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

DaVita's IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. Through IMPACT, DaVita's physician partners and clinical team have had proven positive results in addressing the critical issues of the incident dialysis patient. The program has helped improve DaVita's overall gross mortality rate, which has fallen 28% in the last 13 years.

DaVita's CathAway program seeks to reduce the number of patients with central venous catheters ("CVC"). Instead patients receive arteriovenous fistula ("AV fistula") placement. AV fistulas have superior patency, lower complication rates, improved adequacy, lower cost to the healthcare system, and decreased risk of patient mortality compared to CVCs. In July 2003, the Centers for Medicare and Medicaid Services, the End Stage Renal Disease Networks and key providers jointly recommended adoption of a National Vascular Access Improvement Initiative ("NVAII") to increase the appropriate use of AV fistulas for hemodialysis. The CathAway program is designed to comply with NVAII through patient education outlining the benefits for AV fistula placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. DaVita has worked with its physician partners and clinical teammates to reduce catheter rates by 46 percent over the last seven years.

In 2013, DaVita was the first large dialysis provider to implement a comprehensive teammate vaccination order, requiring all teammates who work in or whose jobs require frequent visits to dialysis centers to either be vaccinated against influenza or wear surgical masks in patient-care areas. WipeOut, DaVita's infection surveillance, prevention and response program, aims to help patients live longer and avoid infection-related hospitalizations. DaVita led the industry with more than 90 percent of its dialysis patients immunized for influenza in 2015.

For more than a decade, DaVita has been investing and growing its integrated kidney care capabilities. Through Patient Pathways, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement to reduce the length of hospital inpatient stays and readmissions. Importantly, Patient Pathways is not an intake program. An unbiased onsite liaison, specializing in ESRD patient care, meets with both newly diagnosed and existing ESRD patients to assess their current ESRD care and provides information about insurance, treatment modalities, outpatient care, financial obligations before discharge, and grants available to ESRD patients. Patients choose a provider/center that best meets their needs for insurance, preferred nephrologists, transportation, modality and treatment schedule.

DaVita currently partners with over 350 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. Since its creation in 2007, Patient Pathways has impacted over 130,000 patients. The Patient Pathways program reduced overall readmission rates by 18 percent, reduced average patient stay by a half-day, and reduced acute dialysis treatments per patient by 11 percent. Moreover, patients are better educated and

arrive at the dialysis center more prepared and less stressed. They have a better understanding of their insurance coverage and are more engaged and satisfied with their choice of dialysis facility. As a result, patients have higher attendance rates, are more compliant with their dialysis care, and have fewer avoidable readmissions.

Since 1996, Village Health has innovated to become the country's largest renal National Committee for Quality Assurance accredited disease management program. VillageHealth's Integrated Care Management ("ICM") services partners with patients, providers and care team members to focus on the root causes of unnecessary hospitalizations such as unplanned dialysis starts, infection, fluid overload and medication management.

VillageHealth ICM services for payers and ACOs provide CKD and ESRD population health management delivered by a team of dedicated and highly skilled nurses who support patients both in the field and on the phone. Nurses use VillageHealth's industry-leading renal decision support and risk stratification software to manage a patient's coordinated needs. Improved clinical outcomes and reduced hospital readmission rates have contributed to improved quality of life for patients. As of 2014, VillageHealth ICM has delivered up to a 15 percent reduction in non-dialysis medical costs for ESRD patients, a 15 percent lower year-one mortality rate over a three-year period, and 27 percent fewer hospital readmissions compared to the Medicare benchmark. Applied to DaVita's managed ESRD population, this represents an annual savings of more than \$30 million.

DaVita has long been committed to helping its patients receive a thorough kidney transplant education within 30 days of their first dialysis treatment. Patients are educated about the step-by-step transplant process and requirements, health benefits of a transplant and the transplant center options available to them. The social worker or designee obtains transplant center guidelines and criteria for selection of appropriate candidates and assists transplant candidates with factors that may affect their eligibility, such as severe obesity, adherence to prescribed medicine or therapy, and social/emotional/financial factors related to post-transplant functioning.

In an effort to better serve all kidney patients, DaVita believes in requiring that all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers: dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients.

DaVita Rx, the first and largest licensed, full-service U.S. renal pharmacy, focuses on the unique needs of dialysis patients. Since 2005, DaVita Rx has been helping improve outcomes by delivering medications to dialysis centers or to patients' homes, making it easier for patients to keep up with their drug regimens. DaVita Rx patients have medication adherence rates greater than 80%, almost double that of patients who fill their prescriptions elsewhere, and are correlated with 40% fewer hospitalizations.

### **Awards**

DaVita has been repeatedly recognized for its commitment to its employees (or teammates), particularly its more than 1,700 teammates who are reservists, members of the National Guard, military veterans, and military spouses. Victory Media, publisher of *GI Jobs*® and *Military Spouse* magazine, recently recognized DaVita as the best 2016 Military Friendly Employer in the health care industry and 34<sup>th</sup> among all industries. Companies competed for the elite Military Friendly® Employer title by completing a data-driven survey. Criteria included a benchmark score across key programs and policies, such as the strength of company military recruiting efforts, percentage of new hires with prior military service, retention programs for veterans, and company policies on National Guard and Reserve service. DaVita was also named as a *Civilianjobs.com* Most Valuable Employer (MVE) for Military winner for five consecutive years. The MVE was open to all U.S.-based companies, and winners were selected based

on surveys in which employers outlined their recruiting, training and retention plans that best serve military service members and veterans.

In May 2016, DaVita was certified by WorldBlu as a "Freedom-Centered Workplace." For the ninth consecutive year, DaVita appeared on WorldBlu's list, formerly known as "most democratic" workplaces. WorldBlu surveys organizations' teammates to determine the level of democracy practiced. For the fifth consecutive year, DaVita was recognized as a Top Workplace by *The Denver Post*. DaVita was recognized among *Training* magazine's Top 125 for its whole-person learning approach to training and development programs for the twelfth year in a row. Finally, DaVita has been recognized as one of *Fortune*® magazine's Most Admired Companies in 2016 – for the ninth consecutive year and tenth year overall.

### **Service to the Community**

DaVita is also committed to sustainability and reducing its carbon footprint. In fact, it is the only kidney care company recognized by the Environmental Protection Agency for its sustainability initiatives. In 2010, DaVita opened the first LEED-certified dialysis center in the U.S. *Newsweek Green Rankings* recognized DaVita as a 2015 Top Green Company in the United States, and it has appeared on the list every year since the inception of the program in 2009. Furthermore, DaVita annually saves approximately 8 million pounds of medical waste through dialyzer reuse and it also diverts more than 85% of its waste through composting and recycling programs. It has also undertaken a number of similar initiatives at its offices and has achieved LEED Gold certification for its corporate headquarters. In addition, DaVita was also recognized as an "EPA Green Power Partner" by the U.S. Environmental Protection Agency.

DaVita consistently raises awareness of community needs and makes cash contributions to organizations aimed at improving access to kidney care. DaVita provides significant funding to kidney disease awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. Its own employees, or members of the "DaVita Village," assist in these initiatives. In 2015, more than 550 riders participated in Tour DaVita, DaVita's annual charity bike ride, which raised \$1.2 million to support Bridge of Life. Bridge of Life serves thousands of men, women and children around the world through kidney care, primary care, education and prevention and medically supported camps for kids. DaVita Way of Giving program donated \$2 million in 2015 to locally based charities across the United States. Since 2011, DaVita teammates have donated \$6.8 million to thousands of organizations through DaVita Way of Giving. DaVita teammates and their families and friends have volunteered more than 111,000 hours through 2,500 Village Service Days projects since 2006.

DaVita does not limit its community engagement to the U.S. alone. In 2015, Bridge of Life, the primary program of DaVita Village Trust, an independent 501(c)(3) nonprofit organization, completed more than 32 international medical missions and over 50 domestic missions and CKD screening events. More than 300 DaVita volunteers supported these missions, impacting nearly 17,000 men, women and children in 15 countries.

1. Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health ("IDPH") has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any of the applicants, or against any Illinois health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application
2. A list of health care facilities owned or operated by the Applicants in Illinois is attached at Attachment – 11A. Dialysis facilities are currently not subject to State Licensure in Illinois.
3. Certification that no adverse action has been taken against either of the Applicants or against any health care facilities owned or operated by the Applicants in Illinois within three years preceding the filing of this application is attached at Attachment – 11B.

4. An authorization permitting the Illinois Health Facilities and Services Review Board ("State Board") and IDPH access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11B.

DaVita HealthCare Partners Inc.									
Illinois Facilities									
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number		
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711		
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619		
Arlington Heights Renal Center	17 WEST GOLF ROAD		ARLINGTON HEIGHTS	COOK	IL	60005-3905	14-2628		
Barrington Creek	28160 W. NORTHWEST HIGHWAY		LAKE BARRINGTON	LAKE	IL	60010	14-2736		
Belvidere Dialysis	1755 BELOIT ROAD		BELVIDERE	BOONE	IL	61008			
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608		
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638		
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712		
Buffalo Grove Renal Center	1291 W. DUNDEE ROAD		BUFFALO GROVE	COOK	IL	60089-4009	14-2650		
Calumet City Dialysis	1200 SIBLEY BOULEVARD		CALUMET CITY	COOK	IL	60409			
Carpentersville Dialysis	2203 RANDALL ROAD		CARPENTERSVILLE	KANE	IL	60110-3355	14-2598		
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609		
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635		
Chicago Ridge Dialysis	10511 SOUTH HARLEM AVE		WORTH	COOK	IL	60482			
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640		
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715		
Collinsville Dialysis	101 LANTER COURT	BLDG 2	COLLINSVILLE	MADISON	IL	62234			
Country Hills Dialysis	4215 W 167TH ST		COUNTRY CLUB HILLS	COOK	IL	60478-2017	14-2575		
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716		
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	14-2599		
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651		
Driftwood Dialysis	1808 SOUTH WEST AVE		FREEPORT	STEPHENSON	IL	61032-6712	14-2747		
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701		
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580		
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529		
Evanston Renal Center	1715 CENTRAL STREET		EVANSTON	COOK	IL	60201-1507	14-2511		
Forest City Rockford	4103 W STATE ST		ROCKFORD	WINNEBAGO	IL	61101			
Grand Crossing Dialysis	7319 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60619-1909	14-2728		
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642		
Garfield Kidney Center	3250 WEST FRANKLIN BLVD		CHICAGO	COOK	IL	60624-1509	14-2777		
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537		
Harvey Dialysis	16641 S HALSTED ST		HARVEY	COOK	IL	60426-6174	14-2698		
Hazel Crest Renal Center	3470 WEST 183rd STREET		HAZEL CREST	COOK	IL	60429-2428	14-2622		

**DaVita HealthCare Partners Inc.**

**Illinois Facilities**

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Huntley Dialysis	10350 HALIGUS ROAD		HUNTLEY	MCHENRY	IL	60142	
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Irving Park Dialysis	4343 N ELSTON AVE		CHICAGO	COOK	IL	60641	
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Kenwood Dialysis	4259 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60653	14-2717
Lake County Dialysis Services	565 LAKEVIEW PARKWAY	STE 176	VERNON HILLS	LAKE	IL	60061	14-2552
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lawndale Dialysis	3934 WEST 24TH ST		CHICAGO	COOK	IL	60623	14-2768
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	3157 N LINCOLN AVE		CHICAGO	COOK	IL	60657-3111	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD	MONTGOMERY	IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2838 NORTH KIMBALL AVE		CHICAGO	COOK	IL	60618	14-2534
Loop Renal Center	1101 SOUTH CANAL STREET		CHICAGO	COOK	IL	60607-4901	14-2505
Machesney Park Dialysis	6950 NORTH PERRYVILLE ROAD		MACHESNEY PARK	WINNEBAGO	IL	61115	
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Marengo City Dialysis	910 GREENLEE STREET	STE B	MARENGO	MCHENRY	IL	60152-8200	14-2643
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 DEVELOPMENT DRIVE		CHARLESTON	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST		BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Montgomery County Dialysis	1822 SENATOR MILLER DRIVE		HILLSBORO	MONTGOMERY	IL	62049	
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
O'Fallon Dialysis	1941 FRANK SCOTT PKWY E	STE B	O'FALLON	ST. CLAIR	IL	62269	
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674
Olympia Fields Dialysis Center	45578 LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Palos Park Dialysis	13155 S LaGRANGE ROAD		ORLAND PARK	COOK	IL	60462-1162	14-2732
Park Manor Dialysis	95TH STREET & COLFAX AVENUE		CHICAGO	COOK	IL	60617	

DaVita HealthCare Partners Inc.									
Illinois Facilities									
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number		
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708		
Red Bud Dialysis	LOT 4 IN 1ST ADDITION OF EAST INDUSTRIAL PARK		RED BUD	RANDOLPH	IL	62278	14-2772		
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714		
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647		
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665		
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620		
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561		
Schaumburg Renal Center	1156 S ROSELLE ROAD		SCHAUMBURG	COOK	IL	60193-4072	14-2654		
Shiloh Dialysis	1095 NORTH GREEN MOUNT RD		SHILOH	ST CLAIR	IL	62269	14-2753		
Silver Cross Renal Center - Morris	1551 CREEK DRIVE		MORRIS	GRUNDY	IL	60450	14-2740		
Silver Cross Renal Center - New Lenox	1890 SILVER CROSS BOULEVARD		NEW LENOX	WILL	IL	60451	14-2741		
Silver Cross Renal Center - West	1051 ESSINGTON ROAD		JOLIET	WILL	IL	60435	14-2742		
South Holland Renal Center	16136 SOUTH PARK AVENUE		SOUTH HOLLAND	COOK	IL	60473-1511	14-2544		
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586		
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590		
Springfield South	2930 SOUTH 6th STREET		SPRINGFIELD	SANGAMON	IL	62703	14-2733		
Stoncrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615		
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661		
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718		
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639		
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587		
Tazewell County Dialysis	1021 COURT STREET		PEKIN	TAZEVELL	IL	61554	14-2767		
Timber Creek Dialysis	1001 S ANNIE GLIDDEN ROAD		DEKALB	DEKALB	IL	60115	14-2763		
Tinley Park Dialysis	16767 SOUTH 80TH AVENUE		TINLEY PARK	COOK	IL	60477			
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604		
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693		
Vermilion County Dialysis	22 WEST NEWELL ROAD		DANVILLE	VERMILION	IL	61834			

DaVita HealthCare Partners Inc.									
Illinois Facilities									
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number		
Washington Heights Dialysis	10620 SOUTH HALSTED STREET		CHICAGO	COOK	IL	60628			
Waukegan Renal Center	1616 NORTH GRAND AVENUE	STE C	Waukegan	COOK	IL	60085-3676	14-2577		
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688		
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719		
West Side Dialysis	1600 W 13TH STREET		CHICAGO	COOK	IL	60608	14-2783		
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648		
Woodlawn Dialysis	5060 S STATE ST		CHICAGO	COOK	IL	60609	14-2310		



Kathryn Olson  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 IAC 1130.140 has been taken against any in-center dialysis facility owned or operated by DaVita Inc. or DVA Renal Healthcare, Inc. in the State of Illinois during the three year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board (“HFSRB”) and the Illinois Department of Public Health (“IDPH”) access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

Print Name: Arturo Sida  
Its: Assistant Secretary  
DaVita Inc.  
DVA Renal Healthcare, Inc.

Subscribed and sworn to me  
This \_\_\_ day of \_\_\_\_\_, 2016

*See Attached*

\_\_\_\_\_  
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public,  
(here insert name and title of the officer)

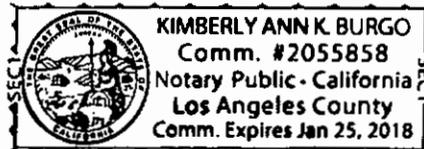
personally appeared \*\*\* Arturo Sida \*\*\*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



**OPTIONAL INFORMATION**

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

**DESCRIPTION OF ATTACHED DOCUMENT**

Title or Type of Document: Ltr. to K.Olson (Taylorville Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: \_\_\_\_\_

Other Information: \_\_\_\_\_

**CAPACITY(IES) CLAIMED BY SIGNER(S)**

Signer's Name(s):

- Individual  
 Corporate Officer Assistant Secretary

(Title(s))

- Partner  
 Attorney-in-Fact  
 Trustee  
 Guardian/Conservator  
 Other: \_\_\_\_\_

**SIGNER IS REPRESENTING:** Name of Person or Entity DaVita Inc. / DVA Renal Healthcare, Inc.

### **Section III, Background, Purpose of the Project, and Alternatives – Information Requirements**

#### **Criterion 1110.230(b) – Background, Purpose of the Project, and Alternatives**

##### **Purpose of the Project**

1. The Applicants propose to add 2 dialysis stations to Taylorville Dialysis to meet the growing need for dialysis services in Taylorville and its surrounding communities. Over the past year, Taylorville has experienced tremendous growth. For the 12-month period from July 1, 2015 to June 30, 2016, patient census at Taylorville Dialysis increased 37.5% (from 32 patients as of July 1, 2015 to 44 patients as of June 30, 2016), and the census was even higher, at 50 patients, as of September 23, 2016. The proposed stations will lower utilization to allow Taylorville Dialysis to operate at an optimal level while accommodating future need for dialysis services in Taylorville and the surrounding area.

The expansion is needed to serve the growing need for dialysis services in the Taylorville community. Without additional stations, Taylorville will be required to operate a 4<sup>th</sup> shift to accommodate patient demand. As a result, patients will receive treatment well past midnight, which is suboptimal and sometimes dangerous for patients and staff. When a fourth shift is operated, the dialysis facility operates nearly around the clock with staff opening the facility around 5:00 a.m. and closing it around midnight. Not only is staffing a fourth shift difficult for clinic personnel, it is also suboptimal for the patients themselves. Finally, a fourth shift increases operating costs by adding staffing and utilities costs.

There are no feasible alternatives for dialysis patients residing in Taylorville and its surrounding communities. No other dialysis facilities are located within 30 minutes of Taylorville Dialysis. Further, residents of Taylorville face more acute transportation access issues than individuals residing in other areas of the State. Central Illinois Public Transit (CIPT) is a demand response, door-to-door public transit service operating in Taylorville and the surrounding communities. While it will transport patients to and from their homes to Taylorville Dialysis, CIPT only operates from 7:00 AM to 5:00 PM Monday through Friday. Accordingly, only patients on the 2<sup>nd</sup> shift on Mondays, Wednesday and Fridays can utilize CIPT for transportation to and from their dialysis treatments. Further, CIPT vans accommodate up to 14 riders with up to 14 different destinations. Patients who have used the service have experienced wait and ride times up to 3 hours. Due to these issues CIPT is not a feasible transportation option for many dialysis patients.

Patients who have difficulty getting their dialysis because of transportation problems miss dialysis treatments, which results in involuntary non-compliance. Non-compliance has significant negative consequences, which includes worsening of anemia and bone disease due to not receiving scheduled intravenous medications during dialysis; fluid overload – shortness of breath from fluid in the lungs may require an emergency room visit and emergency dialysis; cardiac complications, including cardiac arrhythmia, cardiac arrest and death, due to high potassium levels; and cerebrovascular complications, i.e., stroke that could lead to disability and death. Furthermore, skipping dialysis decreases the total delivered dose. Skipping one or more dialysis sessions in a month has been associated with a 16% higher risk of hospitalization and 30% increased mortality risk compared to those who did not miss a dialysis session. Accordingly, the additional stations are needed to maintain access to life sustaining dialysis services for patients in Taylorville and its surrounding communities.

Taylorville Dialysis serves 50 ESRD patients. Dr. Pradeep Mehta is currently treating 76 pre-ESRD patients that reside within approximately 30 minutes of Taylorville Dialysis. Dr. Pradeep Mehta has identified 25 pre-ESRD patients from within approximately 20 minutes of Taylorville Dialysis for this project. See Appendix - 1. Based upon attrition due to patient death, transplant, or return of function, it is projected that 12 of the patients will require dialysis within 12 to 24

months of project completion. Assuming State Board approval of the additional stations, this represents an 86% utilization rate, which exceeds the State's 80% standard.

It is essential the Applicants obtain approval to expand Taylorville Dialysis to maintain access to necessary dialysis services to patients in Taylorville and the surrounding communities.

2. A map of the market area for Taylorville Dialysis is attached at Attachment – 12A. The market area encompasses a 20 mile radius around Taylorville Dialysis. The boundaries of the market area are as follows:

- North approximately 30 minutes normal travel time to Illiopolis
- Northeast approximately 30 minutes normal travel time to Macon
- East approximately 22 minutes normal travel time to Assumption
- Southeast approximately 21 minutes normal travel time to Pana
- South approximately 23 minutes normal travel time to Nokomis
- Southwest approximately 30 minutes normal travel time to Raymond
- West approximately 30 minutes normal travel time to Divernon
- Northwest approximately 25 minutes normal travel time to Rochester

3. Taylorville Dialysis was operating at 83.3% as of September 23, 2016. Over the past year, Taylorville has experienced tremendous growth. For the 12-month period from July 1, 2015 to June 30, 2016, patient census at Taylorville Dialysis increased 37.5% (from 32 patients as of July 1, 2015 to 44 patients as of June 30, 2016), and the census was even higher, at 50 patients, as of September 23, 2016. Further, Dr. Pradeep Mehta is currently treating 76 pre-ESRD patients that reside within approximately 30 minutes of Taylorville Dialysis. Dr. Pradeep Mehta has identified 25 pre-ESRD patients from within approximately 20 minutes of Taylorville for this project. See Appendix - 1. Based upon attrition due to patient death, transplant, or return of function, it is projected that 12 of the patients will require dialysis within 12 to 24 months of project completion. Without the additional stations, utilization at Taylorville dialysis will exceed 100%.

There are no feasible alternatives for dialysis patients residing in Taylorville and its surrounding communities. No other dialysis facilities are located within 30 minutes of Taylorville Dialysis. Further, residents of Taylorville face more acute transportation access issues than individuals residing in other areas of the State. CIPT is a demand response, door-to-door public transit service operating in Taylorville and the surrounding communities. While it will transport patients to and from their homes to Taylorville Dialysis, CIPT only operates from 7:00 AM to 5:00 PM Monday through Friday. Accordingly, only patients on the 2<sup>nd</sup> shift on Mondays, Wednesday and Fridays can utilize CIPT for transportation to and from their dialysis treatments. Further, CIPT vans accommodate up to 14 riders with up to 14 different destinations. Patients who have used the service have experienced wait and ride times up to 3 hours. Due to these issues CIPT is not a feasible transportation option for many dialysis patients. Patients who have problems getting their dialysis because of transportation problems miss dialysis treatments, which results in involuntary non-compliance, which can lead to higher rates of hospitalization and increased mortality. Accordingly, the additional stations are needed to maintain access to life sustaining dialysis services for patients in Taylorville and its surrounding communities.

4. Source Information

US Renal Data System, USRDS 2013 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases (2013).

US Renal Data System, USRDS 2014 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD (2014).

Centers for Disease Control and Prevention (CDC). National Chronic Kidney Disease Fact Sheet: General Information and National Estimates on Chronic Kidney Disease in the United States, 2014. Atlanta, GA: US Department of Health and Human Services, Centers for Disease Control and Prevention; 2014.

Dep't of Health & Human Servs., Office of the Assistant Sec'y for Planning and Evaluation, Health Insurance Marketplaces 2015 Open Enrollment Period: March Enrollment Report (Mar. 10, 2015).

5. As stated, Taylorville Dialysis is currently operating at 83.3% utilization. The expansion project consists of the addition of two stations. The increase in capacity will enable DaVita to more effectively meet projected increases in demand set forth above.
6. The Applicants anticipate the expanded Taylorville Dialysis will have quality outcomes comparable to other DaVita facilities. Additionally, in an effort to better serve all kidney patients, DaVita believes in requiring all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers: dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients.



**Section III, Background, Purpose of the Project, and Alternatives**  
**Criterion 1110.230(c) – Background, Purpose of the Project, and Alternatives**

**Alternatives**

The Applicants considered three options prior to determining to expand Taylorville Dialysis by two stations. The options considered are as follows:

1. Do Nothing/Maintain Status Quo
2. Utilize Other Facilities
3. Expand Taylorville Dialysis

After exploring these options, which are discussed in more detail below, the Applicants decided to expand the existing dialysis facility. A review of each of the options considered and the reasons they were rejected follows.

**Do Nothing/Maintain the Status Quo**

This is not a viable option. Taylorville Dialysis is currently operating at 83.3% capacity and can only accommodate 10 more patients to get to 100% capacity, warranting a 4<sup>th</sup> shift. Operating four shifts per day is not feasible for many reasons. When a fourth shift is operated, the dialysis facility operates nearly around the clock with staff opening the facility around 5:00 a.m. and closing it around midnight. Not only is staffing a fourth shift difficult for clinic personnel, it is also suboptimal for the patients themselves. Further, a fourth shift increases operating costs by adding staffing and utilities costs. Many dialysis patients are elderly or disabled. These patients are faced with additional safety hazards when arriving and departing the facility in the dark. Some of these hazards cannot be avoided in the winter but patients feel more secure when arriving and departing during the day.

Further, there are no feasible alternatives for dialysis patients residing in Taylorville and its surrounding communities. No other dialysis facilities are located within 30 minutes of Taylorville Dialysis. Further, residents of Taylorville face more acute transportation access issues than individuals residing in other areas of the State. CIPT is a demand response, door-to-door public transit service operating in Taylorville and the surrounding communities. While it will transport patients to and from their homes to Taylorville Dialysis, CIPT only operates from 7:00 AM to 5:00 PM Monday through Friday. Accordingly, only patients on the 2<sup>nd</sup> shift on Mondays, Wednesday and Fridays can utilize CIPT for transportation to and from their dialysis treatments. Further, CIPT vans accommodate up to 14 riders with up to 14 different destinations. Patients who have used the service have experienced wait and ride times up to 3 hours. Due to these issues CIPT is not a feasible transportation option for many dialysis patients. Patients who have problems getting their dialysis because of transportation problems miss dialysis treatments, which results in involuntary non-compliance, which can lead to higher rates of hospitalization and increased mortality. Accordingly, the additional stations are needed to maintain access to life sustaining dialysis services for patients in Taylorville and its surrounding communities.

There is no capital cost with this alternative

**Utilize Existing Facilities**

Utilization of existing facilities to accommodate growing need for dialysis is not feasible. No other dialysis facilities are located within 30 minutes of Taylorville Dialysis. Further, residents of Taylorville face more acute transportation access issues than individuals residing in other areas of the State. CIPT is a demand response, door-to-door public transit service operating in Taylorville and the surrounding communities. While it will transport patients to and from their homes to Taylorville

Dialysis, CIPT only operates from 7:00 AM to 5:00 PM Monday through Friday. Accordingly, only patients on the 2<sup>nd</sup> shift on Mondays, Wednesday and Fridays can utilize CIPT for transportation to and from their dialysis treatments. Further, CIPT vans accommodate up to 14 riders with up to 14 different destinations. Patients who have used the service have experienced wait and ride times up to 3 hours. Due to these issues CIPT is not a feasible transportation option for many dialysis patients. Patients who have problems getting their dialysis because of transportation problems miss dialysis treatments, which results in involuntary non-compliance, which can lead to higher rates of hospitalization and increased mortality. Accordingly, the additional stations are needed to maintain access to life sustaining dialysis services for patients in Taylorville and its surrounding communities.

There is no capital cost with this alternative.

#### Expand Taylorville Dialysis

DaVita determined that the most effective and efficient way to serve its patients is to expand Taylorville Dialysis by two stations. Thus, the Applicants selected this option.

The cost associated with this option is \$499,295.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(a), Size of the Project**

The Applicants propose to add 2 stations to an existing 10-station dialysis facility for a total of 12 stations. Pursuant to Section 1110, Appendix B of the State Board's rules, the State standard is 360-520 gross square feet per dialysis station for a total of 4,320 – 6,240 gross square feet for 12 dialysis stations. The total gross square footage of the clinical space of Taylorville Dialysis is 4,800 gross square feet (or 400 GSF per station). Accordingly, the proposed facility meets the State standard per station.

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD	4,800	4,320 – 6,240	N/A	Meets State Standard

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(b), Project Services Utilization**

By the second year of operation, annual utilization at the expanded Taylorville Dialysis shall exceed State Board's utilization standard of 80%. Pursuant to Section 1100.1430 of the State Board's rules, facilities providing in-center hemodialysis should operate their dialysis stations at or above an annual utilization rate of 80%, assuming three patient shifts per day per dialysis station, operating six days per week. Dr. Pradeep Mehta is currently treating 76 pre-ESRD patients that reside within approximately 30 minutes of Taylorville Dialysis. Dr. Pradeep Mehta has identified 25 pre-ESRD patients from within approximately 20 minutes of Taylorville for this project. See Appendix - 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, it is estimated that 12 of these patients will initiate dialysis within 12 to 24 months following project completion.

<b>Table 1110.234(b)</b>					
<b>Utilization</b>					
	<b>Dept./ Service</b>	<b>Historical Utilization (Treatments)</b>	<b>Projected Utilization</b>	<b>State Standard</b>	<b>Met Standard?</b>
2014	ESRD	5,165	N/A	7,488	No
2015	ESRD	5,184	N/A	7,488	Yes
Year 2	ESRD	N/A	9,672	8,986	Yes

The projected utilization for 2016 is 6,186 (based on year-to-date census data through August 31, 2016).

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(c), Unfinished or Shell Space**

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(d), Assurances**

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

**Section VII, Service Specific Review Criteria  
 In-Center Hemodialysis  
 Criterion 1110.1430(c)(2), Planning Area Need**

1. Service to Planning Area Residents

The primary purpose of this project is to ensure the residents of Taylorville and the surrounding communities have access to life sustaining dialysis. As shown in Table 110.1430(c)(2) below Dr. Mehta's practice has referred 9 new patients for dialysis to the existing Taylorville facility during the most recent 18 months. Six (or 66.7%) of the projected patients reside within the Taylorville Dialysis geographic service area ("GSA"). Accordingly this project will serve the residents of the GSA.

<b>Table 110.1430(c)(2) New Patients by Zip Code to Taylorville Dialysis</b>		
<b>Zip Code</b>	<b>City</b>	<b>Patients</b>
62080	Ramsey	1
62544	Macon	1
62557	Pana	1
62565	Shelbyville	1
62568	Taylorville	4
62570	Tovey	1
<b>Total</b>		<b>9</b>

In addition, Dr. Mehta's practice has referred 34 new patients for dialysis to the Springfield Central Dialysis facility during the most recent 18 months, as shown below.

<b>Table 110.1430(c)(2) New Patients by Zip Code to Springfield Central Dialysis</b>		
<b>Zip Code</b>	<b>City</b>	<b>Patients</b>
62561	Riverton	1
62615	Auburn	1
62629	Chatham	2
62642	Greenview	1
62675	Petersburg	2
62684	Sherman	1
62688	Tallula	1
62702	Springfield	14
62703	Springfield	8
62704	Springfield	1
62707	Springfield	2
<b>Total</b>		<b>34</b>

2. Service Demand – Expansion of In-Center Hemodialysis Service

Over the past year, Taylorville has experienced tremendous growth. From July 1, 2015 to June 30, 2016, patient census at Taylorville Dialysis increased 37.5% (from 32 patients as of July 1, 2015 to 44 patients as of June 30, 2016), and the census was even higher, at 50 patients, as of September 23, 2016. The facility currently treats 50 patients and can only accommodate 10 patients before it reaches 100% utilization. As shown in the referral letter at Appendix - 1, Dr. Mehta anticipates a total of 12 patients will initiate dialysis within 24 months following project completion. Assuming State Board approval of the 2 additional stations, this will result in 86% utilization by the end of the second year of operation.

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(f), Staffing**

1. Taylorville Dialysis is staffed in accordance with all State and Medicare staffing requirements.
  - a. Medical Director: Dr. Pradeep Mehta, M.D. serves as the Medical Director for the Taylorville Dialysis. A copy of Dr. Mehta's curriculum vitae is attached at Attachment – 26A.
  - b. As discussed throughout this application, the Applicants seek authority to expand their existing 10-station dialysis facility to a 12-station dialysis facility. Taylorville Dialysis is Medicare certified and fully staffed with a medical director, administrator, registered nurses, patient care technicians, social worker, and registered dietitian.
2. All staff is trained under the direction of Taylorville Dialysis' Governing Body, utilizing DaVita's comprehensive training program. DaVita's training program meets all State and Medicare requirements. The training program includes introduction to the dialysis machine, components of the hemodialysis system, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used. In addition, it includes in-depth theory on the structure and function of the kidneys; including, homeostasis, renal failure, ARF/CRF, uremia, osteodystrophy and anemia, principles of dialysis; components of hemodialysis system; water treatment; dialyzer reprocessing; hemodialysis treatment; fluid management; nutrition; laboratory; adequacy; pharmacology; patient education, and service excellence. A summary of the training program is attached at Attachment – 26B.
3. As set forth in the letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc., attached at Attachment – 26C, Taylorville Dialysis will maintain an open medical staff.

**CURRICULUM VITAE**

**PRADEEP KUMAR MEHTA, M.D.**

**DATE OF BIRTH:** September 25, 1945

**Address:** 3108 Falcon Point (Home)  
Springfield, Illinois 62707  
(217) 546-9091

932 North Rutledge (Work)  
Springfield, Illinois 62702  
(217) 544-5100

**CITIZENSHIP:** U.S.A.

**EDUCATION:**

**Medical School** Grant Medical College  
Amristsar, India  
1962 - 1967 M.B.B.S.

**Specialty  
Training -** Post Graduate Medical Institute  
Chandigarh, India  
Internal Medicine  
January 1968 - December 1970

**U.S. Training -** Resident in Internal Medicine  
Cook County Hospital  
Chicago, Illinois  
July 1973 - June 1975

Nephrology Fellowship  
University of Illinois  
Abraham Lincoln School of Medicine  
Chicago, Illinois  
June 1975 - June 1977

**PROFESSIONAL APPOINTMENTS:**

Registrar in Medicine  
Post Graduate Medical Institute  
Chandigarh, India  
1971 - 1973

Pradeep K. Mehta, M.D.  
Page Two

**PROFESSIONAL APPOINTMENTS (continued):**

Associate in Medicine  
Abraham Lincoln School of Medicine  
University of Illinois  
Chicago, IL  
1975 - 1977

Associate Professor of Medicine, Nephrology  
Abraham Lincoln School of Medicine  
University of Illinois  
Chicago, Illinois  
1977 - 1979

Attending in Nephrology  
Westside Veterans Administration Hospital  
Chicago, Illinois  
1977 - 1979

Director, Hypertension Service  
University of Illinois Hospital  
Chicago, Illinois  
1977 - 1979

Attending Nephrologist  
Memorial Medical Center  
Springfield, Illinois  
1979 - July 1983

Clinical Assistant Professor  
Southern Illinois University School of Medicine  
Springfield, Illinois  
1979 - February 1997

Clinical Associate Professor  
Southern Illinois University School of Medicine  
Springfield, Illinois  
February 1997 - Present

Medical Director  
DaVita Healthcare  
Springfield, Illinois  
1998 - Present

Curriculum Vitae  
Pradeep K. Mehta, M.D.  
Page Three

Partner  
Central Illinois Kidney and Dialysis Assoc., SC  
Springfield, Illinois  
July 1983 - Present

**PROFESSIONAL SOCIETIES MEMBERSHIP:**

American Society of Nephrology  
Indian Society of Nephrology  
International Society of Nephrology

**LICENSURE:**

Illinois 1974

**CERTIFICATION:**

Board Certified, Internal Medicine  
June 1976

Board Certified, Nephrology  
June 1978

Curriculum Vitae  
Pradeep Kumar Mehta, M.D.  
Page Four

#### BIBLIOGRAPHY

##### Paper

1. Mehta, P.K. and Wahi, P.L.: A Study of Ventilatory Pulmonary Function Tests in Young Smokers and Non-Smokers. A Thesis. Submitted to the Post Graduate Medical Institute, Chandigarh, India 1971.
2. Mehta, P. K.; Mamdani, B.H.; Shansky, R. M.; Mahurkar, S.D. and Dunea, G.: Severe Hypertension: Treatment With Minoxidil. JAMA 233:249, 1975
3. Mamdani, B.H.; Mehta, P. K.; Mahurkar, S.D.; Sassoon, H. and Dunea, G.: High Dose Bolus Urography: A Superior Technique in Advanced Renal Failure. JAMA 234:1054, 1975
4. Walter, R.; Smith, C.W.; Mehta, P.K.; Boonjareern, S.; Arruda, JAL and Kurtzman, N.A.: Conformational Considerations of Vasopressin as a Guide to the Development of Biological Probes and Therapeutic Agents. Chapter in Disturbances in Body Fluid Osmolality (Andreoli, Grantham and Rector, eds.); American Physiological Society, Bethesda, Maryland, 1977, pp 1-36.
5. Boonjareern, S.; Mehta, P. K.; Laski, M.E.; Earnest, W.T. and Kurtzman, N.A.: Effect of Furosemide on the Renal Handling of Glucose in the Rat. Amer J. Physiol 1:F438, 1977.
6. Arruda, JAL; Nascimento, L.; Mehta, P. K.; Rademacher, D.R.; Sehy, J.T.; Westenfelder, C. and Kurtzman, N.A.: The Critical Importance of Urinary Concentrating Ability in the Generation of Urinary Carbon Dioxide Tension. J Clin Invest 60:922, 1977.
7. Arruda, JAL; Sabatini, S.; Mehta, P.K.; Sodhi, B. and Baranowski, R.L.: Functional Characterization of Drug-Induced Experimental Papillary Necrosis. Kidney Internat 15:264, 1979
8. Mehta, P.K.; Arruda, JAL; Kurtzman, N.A.; Smith, C.W. and Walter, N.W.: Effect of Neurohypophysal Peptides on Electrolyte Excretion. Min Elect Metab 3:10, 1980.
9. Mehta, P.K.; Arruda, JAL; Sodhi, B. and Kurtzman, N.A.: Interaction of Amiloride and Lithium Chloride on Distal Acidification. J. Lab Clin Med 93: 983, 1979.
10. Arruda, JAL; Roseman, M.K.; Sehy, J.T.; Mehta, P.K. and Kurtzman, N.A.: In vivo and In Vitro Studies of Urinary Acidification. Min Electrolyte Metab 3:123-135, 1980.

Pradeep Kumar Mehta, M.D.  
Page Four

**Bibliography - Papers (cont.)**

11. Wong, L.; Nation, R.L.; Chiou, W.L.; Mehta, P.K.: Plasma Concentrations of Propranolol and 4-Hydroxypropranolol During Chronic Oral Propranolol Therapy. *Br J Clin Pharmacol* 1979, August:8 (2) 163-7.
12. Sabatini, S.; Mehta, P.K.; Hayes, S.; Kurtzman, N.A. and Arruda, JAL: Drug-Induced Papillary Necrosis: Electrolyte Excretion and Nephro-Heterogeneity. *Ame J Physiology*, 1981, July, 241 (1): F 14-22.

**Abstracts and Presentations**

1. Mehta, P.K.; Mamdani, B.H.; Shansky, R.M.; Mahurkar, S.D. and Dunea, G.: Treatment of Severe Hypertension with Minoxidil. *Clin Res* 22:626A, 1974.
2. Mamdani, B.H.; Mehta, P.K.; Sassoon, H.; Mahurkar, S.D. and Dunea, G.: High-Dose Bolus Nephrotomography in Chronic Renal Failure. *Proc Amer Soc Neph* 7:58, 1974.
3. Mehta, P.K.; Mamdani, B.H.; Mahurkar, S.D.; Sassoon, H. and Dunea, G.: Radiological Studies in Acute Renal Failure. *Proc Kidney Found Clin Dialysis Transplant Forum*, November, 1974.
4. Mehta, P.K.; Mamdani, B.H.; Shansky, R.M.; Huang, C.; Mahurkar, S.D. and Dunea, G.: A Double-Blind Study of Minoxidil and Hydralazine *Proc Internat Soc Neph*, 819, 1975. Presented to Internat Soc Neph at Florence, Italy, June, 1975.
5. Boonjaren, S.; Mehta, P.K.; Laski, M.E.; Earnest, W.R. and Kurtzman, N.A.: Failure to Demonstrate the Glucosuric Effect of Furosemide in the Rat. *Clin Res* 24: 394A, 1976.
6. Mehta, P.K.; Smith, C.; Boonjaren, S.; Arruda, JAL.; Walter, R. and Kurtzman N.A.: Renal Effects of Analogues of Vasopressin and Oxytocin. *Clin Res* 24:555A, 1976.
7. Mehta, P.K.; Smith, C.; Boonjaren, S.; Arruda, JAL; Walter, R. and Kurtzman, N.A.: Renal Effects of Analogues of Vasopressin and Oxytocin. *Proc 9<sup>th</sup> Amer Soc Nephro* 9:107A, 1976.
8. Arruda, JAL; Mehta, P.K.; Nascimento, L. and Kurtzman, N.A.: Urine HCO<sub>3</sub> Concentration: A Critical Determinant of Urine pCO<sub>2</sub>. *Clin Res* 25:425A, 1977.
9. Arruda, JAL; Mehta, P.K.; Nascimento, L. and Kurtzman, N.A.: Urine pCO<sub>2</sub> May Not Assess Distal Acidification (DA) in Highly Alkaline Urine. *Clin Res* 25:425A, 1977.

**Curriculum Vitae**  
Pradeep Kumar Mehta, M.D.

Bibliography - Abstracts and Presentations (continued):

10. Arruda, JAL; Roseman, M.K.; Sehy, J.T.; Mehta, P.K. and Kurtzman, N.A.: On the Mechanism of Formation of Urine (U) pCO<sub>2</sub>: Effect of Carbonic Anhydrase (CA) and Tris (T) on Urine-Blood (U-B) pCO<sub>2</sub> Gradient. Clin Res 25:627A, 1977.
11. Mehta, P.K.; Sodhi, B.; Arruda, JAL and Kurtzman, N.A.: Functional Studies in Experimental Medullary Necrosis (MN). Clin Res 25:595A, 1977.
12. Arruda, JAL; Mehta, P.K.; Sodhi, B. and Kurtzman, N.A.: Interaction of Amiloride (A) and LiCl Administration on Distal H<sup>+</sup> Secretion (S). Clin Res 25:592A, 1977.
13. Sabatini, S.; Mehta, P.K.; Baranowski, R.L.; Westenfelder, C.; Arruda, JAL and Kurtzman, N.S.: Role of Medullary Collecting Ducts (MCD) in Electrolyte Transport as Assessed by a Model of Medullary Necrosis. Clin Res 26:475A, 1978.
14. Sabatini, S.; Mehta, P.K.; Julka, N.K.; Westenfelder, C. and Arruda, JAL: Experimental Papillary Necrosis: Functional, Enzymatic and Morphologic Studies. Clin Res 26:692A, 1978.
15. Sabatini, S.; Mehta, P.K.; Julka, N.K.; Westenfelder, C. and Arruda, JAL; Experimental Papillary Necrosis: Functional, Enzymatic and Morphologic Studies. Proc Amer Soc Neph 11:97A, 1978.
16. Sabatini, S.; Mehta, P.K.; Chang, E.S.; Hsieh, J.; Kurtzman, N.A. and Arruda, JAL: The Effects of Early Papillary Necrosis on Deep Nephron Glomerular Filtration. Clin Res 27:669A, 1979.
17. Mehta, P.K.; Mitra, S.; Kienstra, R.A.; Maher, C.C., Jr.; Bilinsky, R.T.: Glycosylated Hemoglobin Measurements in Diabetic and Non-Diabetic Chronic Renal Failure. Clin Res 28:750, 1980.
18. Mitra, S; Maher, C.D. Jr.; Mehta, P.K.; Kienstra, R.A. and Eagleton, L.: Sleep Apnea in Dialysis Patients with Diabetes. Amer Soc of Neph, 1982.
19. Mitra, S.; Maher, C.C., Jr.; Mehta, P.K. and Kienstra, R.A.: Comparative Study of Home Hemodialysis (HHD) and CAPD in ESRD Patients. IXth International Congress of Nephrology, 1984.

**TITLE: BASIC TRAINING PROGRAM OVERVIEW**

---

**Mission**

DaVita's Basic Training Program for Hemodialysis provides the instructional preparation and the tools to enable teammates to deliver quality patient care. Our core values of *service excellence, integrity, team, continuous improvement, accountability, fulfillment and fun* provide the framework for the Program. Compliance with State and Federal Regulations and the inclusion of DaVita's Policies and Procedures (P&P) were instrumental in the development of the program.

**Explanation of Content**

Two education programs for the new nurse or patient care technician (PCT) are detailed in this section. These include the training of new DaVita teammates **without** previous dialysis experience and the training of the new teammates **with** previous dialysis experience. A program description including specific objectives and content requirements is included.

This section is designed to provide a *quick reference* to program content and to provide access to key documents and forms.

The **Table of Contents** is as follows:

- I. Program Overview (TR1-01-01)
- II. Program Description (TR1-01-02)
  - Basic Training Class ICHD Outline (TR1-01-02A)
  - Basic Training Nursing Fundamentals ICHD Class Outline (TR1-01-02B)
- III. Education Enrollment Information (TR1-01-03)
- IV. Education Standards (TR1-01-04)
- V. Verification of Competency
  - New teammate without prior experiencce (TR1-01-05)
  - New teammate with prior experience (TR1-01-06)
  - Medical Director Approval Form (TR1-01-07)
- VI. Evaluation of Education Program
  - Program Evaluation
  - Basic Training Classroom Evaluation (TR1-01-08A)
  - Basic Training Nursing Fundamentals ICHD Classroom Evaluation (TR1-01-08B)
  - Curriculum Evaluation
- VII. Additional Educational Forms
  - New Teammate Weekly Progress Report for the PCT (TR1-01-09)
  - New Teammate Weekly Progress Report for Nurses (TR1-01-10)
  - Training hours tracking form (TR1-01-11)
- VIII. State-specific information/forms (as applicable)

**TITLE: BASIC TRAINING FOR HEMODIALYSIS PROGRAM  
DESCRIPTION**

---

**Introduction to Program**

The Basic Training Program for Hemodialysis is grounded in DaVita's Core Values. These core values include a commitment to providing *service excellence*, promoting *integrity*, practicing a *team* approach, systematically striving for *continuous improvement*, practicing *accountability*, and experiencing *fulfillment and fun*.

The Basic Training Program for Hemodialysis is designed to provide the new teammate with the theoretical background and clinical skills necessary to function as a competent hemodialysis patient care provider.

DaVita hires both non-experienced and experienced teammates. Newly hired teammates must meet all applicable State requirements for education, training, credentialing, competency, standards of practice, certification, and licensure in the State in which he or she is employed. For individuals with experience in the armed forces of the United States, or in the national guard or in a reserve component, DaVita will review the individual's military education and skills training, determine whether any of the military education or skills training is substantially equivalent to the Basic Training curriculum and award credit to the individual for any substantially equivalent military education or skills training.

**A non-experienced teammate** is defined as:

- A newly hired patient care teammate without prior dialysis experience.
- A rehired patient care teammate who left prior to completing the initial training.
- A newly hired or rehired patient care teammate with previous dialysis experience who has not provided at least 3 months of hands on dialysis care to patients within the past 12 months.

**An experienced teammate** is defined as:

- A newly hired or rehired teammate who can show proof of completing a dialysis training program and has provided at least 3 months of hands on dialysis care to patients within the past 12 months.

The curriculum of the Basic Training Program for Hemodialysis is modeled after Federal Law and State Boards of Nursing requirements, the American Nephrology Nurses Association Core Curriculum for Nephrology Nursing, and the Board of Nephrology Examiners Nursing and Technology guidelines. The program also incorporates the policies, procedures, and guidelines of DaVita HealthCare Partners Inc.

**Training Program Manual**  
**Basic Training for Hemodialysis**  
**DaVita HealthCare Partners Inc.**

**TR1-01-02**

“Day in the Life” is DaVita’s learning portal with videos for RNs, LPN/LVNs and patient care technicians. The portal shows common tasks that are done throughout the workday and provides links to policies and procedures and other educational materials associated with these tasks thus increasing their knowledge of all aspects of dialysis. It is designed to be used in conjunction with the “Basic Training Workbook.”

**Program Description**

The education program for the newly hired patient care provider teammate **without prior dialysis experience** is composed of at least (1) 120 hours didactic instruction and a minimum of (2) 240 hours clinical practicum, unless otherwise specified by individual state regulations.

The **didactic phase** consists of instruction including but not limited to lectures, readings, self-study materials, on-line learning activities, specifically designed hemodialysis workbooks for the teammate, demonstrations and observations. This education may be coordinated by the Clinical Services Specialist (CSS), a nurse educator, the administrator, or the preceptor.

Within the clinic setting this training includes

- Principles of dialysis
- Water treatment and dialysate preparation
- Introduction to the dialysis delivery system and its components
- Care of patients with kidney failure, including assessment, data collection and interpersonal skills
- Dialysis procedures and documentation, including initiation, monitoring, and termination of dialysis
- Vascular access care including proper cannulation techniques
- Medication preparation and administration
- Laboratory specimen collection and processing
- Possible complications of dialysis
- Infection control and safety
- Dialyzer reprocessing, if applicable

The program also introduces the new teammate to DaVita Policies and Procedures (P&P), and the Core Curriculum for Dialysis Technicians.

The **didactic phase** also includes classroom training with the CSS or nurse educator. Class builds upon the theory learned in the Workbooks and introduces the students to more advanced topics. These include:

- Acute Kidney Injury vs. Chronic Renal Failure
- Manifestations of Chronic Renal Failure
- Normal Kidney Function vs. Hemodialysis
- Documentation & Flow Sheet Review

Property of DaVita HealthCare Partners Inc.  
Origination Date: 1995  
Revision Date: Aug 2014, Oct 2014, Jul 2015, Sept 2015  
Page 2 of 6

Confidential and Copyrighted ©1995-present

**TR1-01-02**

Attachment - 26B

**Training Program Manual  
Basic Training for Hemodialysis  
DaVita HealthCare Partners Inc.**

**TR1-01-02**

- Patient Self-management
- Motivational Interviewing
- Infection Control
- Data Collection and Assessment
- Water Treatment and Dialyzer Reprocessing
- Fluid Management
- Pharmacology
- Vascular Access
- Renal Nutrition
- Laboratory
- The Hemodialysis Delivery System
- Adequacy of Hemodialysis
- Complications of Hemodialysis
- Importance of P&P
- Role of the Renal Social Worker
- Conflict Resolution
- The DaVita Quality Index

Also included are workshops, role play, and instructional videos. Additional topics are included as per specific state regulations.

A final comprehensive examination score of 80% (unless state requires a higher score) must be obtained to successfully complete this portion of the didactic phase. The *DaVita Basic Training Final Exam* can be administered by the instructor in a classroom setting, or be completed online (DVU2069-EXAM). The new teammate's preceptor will proctor the online exam. DVU2069-EXAM is part of the new teammate's new hire curriculum in the LMS. If the exam is administered in class and the teammate attains a passing score, The LMS curriculum will show that training has been completed.

If a score of less than 80% is attained, the teammate will receive additional appropriate remediation and a second exam will be given. The second exam may be administered by the instructor in a classroom setting, or be completed online. For online completion, if DVU2069-EXAM has not yet been taken in the teammate's curriculum no additional enrollment into the exam is necessary. If the new teammate took DVU2069-EXAM as the initial exam, the CSS or RN Trainer responsible for teaching Basic Training Class will communicate to the teammate's FA to enroll the teammate in the LMS DaVita Basic Training Final Exam (DVU2069-EXAM) and the teammate's preceptor will proctor the exam. If the new teammate receives a score of less than 80% on the second exam, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate. **Note:** FA teammate enrollment in DVU2069-EXAM is limited to one time.

Property of DaVita HealthCare Partners Inc.  
Origination Date: 1995  
Revision Date: Aug 2014, Oct 2014, Jul 2015, Sept 2015  
Page 3 of 6

Confidential and Copyrighted ©1995-present

**TR1-01-02**

Attachment - 26B

**Training Program Manual**  
**Basic Training for Hemodialysis**  
**DaVita HealthCare Partners Inc.**

**TR1-01-02**

Also included in the **didactic phase** is additional classroom training covering Health and Safety Training, systems/applications training, One For All orientation training, Compliance training, Diversity training, mandatory water classes, emergency procedures specific to facility, location of disaster supplies, and orientation to the unit.

The **didactic phase** for nurses includes three days of additional classroom training and covers the following topics:

- Nephrology Nursing, Scope of Practice, Delegation and Supervision, Practicing according to P&P
- Nephrology Nurse Leadership
- Impact – Role of the Nurse
- Care Planning including developing a POC exercise
- Achieving Adequacy with focus on assessment, intervention, available tools
- Interpreting laboratory Values and the role of the nurse
- Hepatitis B – surveillance, lab interpretation, follow up, vaccination schedules
- TB Infection Control for Nurses
- Anemia Management – ESA Hyporesponse: a StarLearning Course
- Survey Readiness
- CKD-MBD – Relationship with the Renal Dietitian
- Pharmacology for Nurses – video
- Workshop
  - Culture of Safety, Conducting a Homeroom Meeting
  - Nurse Responsibilities, Time Management
  - Communication – Meetings, SBAR (Situation, Background, Assessment, Recommendation)
  - Surfing the VillageWeb – Important sites and departments, finding information

The **clinical practicum phase** consists of supervised clinical instruction provided by the facility preceptor, and/or a registered nurse. During this phase the teammate will demonstrate a progression of skills required to perform the hemodialysis procedures in a safe and effective manner. A *Procedural Skills Verification Checklist* will be completed to the satisfaction of the preceptor, and a registered nurse overseeing the training. The Basic Training workbook for Hemodialysis will also be utilized for this training and must be completed to the satisfaction of the preceptor and the registered nurse.

Those teammates who will be responsible for the Water Treatment System within the facility are required to complete the Mandatory Educational Water courses and the corresponding skills checklists.

**Training Program Manual  
Basic Training for Hemodialysis  
DaVita HealthCare Partners Inc.**

**TR1-01-02**

Both the didactic phase and/or the clinical practicum phase will be successfully completed, along with completed and signed skills checklists, prior to the new teammate receiving an independent assignment. The new teammate is expected to attend all training sessions and complete all assignments and workbooks.

The education program for the newly hired patient care provider teammate **with previous dialysis experience** is individually tailored based on the identified learning needs. The initial orientation to the *Health Prevention and Safety Training* will be successfully completed prior to the new teammate working/receiving training in the clinical area. The new teammate will utilize the Basic Training Workbook for Hemodialysis and progress at his/her own pace. This workbook should be completed within a timely manner as to also demonstrate acceptable skill-level. The *Procedural Skills Verification Checklist* including verification of review of applicable P&P will be completed by the preceptor, and the registered nurse in charge of the training upon demonstration of an acceptable skill-level by the new teammate, and then signed by the new teammate, the RN trainer and the facility administrator.

Ideally teammates will attend Basic Training Class, however, teammates with experience may opt-out of class by successful passing of the *DaVita Basic Training Final Exam* with a score of 80% or higher. The new experienced teammate should complete all segments of the workbook including the recommended resources to prepare for taking the *DaVita Basic Training Final Exam* as questions not only assess common knowledge related to the hemodialysis treatment but also knowledge related to specific DaVita P&P, treatment outcome goals based on clinical initiatives and patient involvement in their care. The new teammate with experience will be auto-enrolled in the *DaVita Basic Training Final Exam* (DVU2069-EXAM) in the LMS as part of their new hire curriculum. The new teammate's preceptor will proctor the exam.

If the new teammate with experience receives a score of less than 80% on the *DaVita Basic Training Final Exam*, this teammate will be required to attend Basic Training Class. The *DaVita Basic Training Final Exam* can be administered by the instructor in a classroom setting, or be completed online. If it is completed online, the CSS or RN Trainer responsible for teaching Basic Training Class will communicate to the teammate's FA to enroll the teammate in the LMS *DaVita Basic Training Final Exam* (DVU2069-EXAM) and the teammate's preceptor will proctor the exam. If the new teammate receives a score of less than 80% on the *DaVita Basic Training Final Exam* after class, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate. **Note:** FA teammate enrollment in DVU2069-EXAM is limited to one time.

**Training Program Manual  
Basic Training for Hemodialysis  
DaVita HealthCare Partners Inc.**

**TR1-01-02**

Prior to the new teammate receiving an independent patient-care assignment, the skills checklist must be completed and signed along with a passing score from the classroom exam or the *Initial Competency Exam*. Completion of the skills checklist is indicated by the new teammate in the LMS (RN: SKLINV1000, PCT: SKLINV2000) and then verified by the FA.

Following completion of the training, a *Verification of Competency* form will be completed (see forms TR1-01-05, TR1-01-06). In addition to the above, further training and/or certification will be incorporated as applicable by state law.

The goal of the program is for the trainee to successfully meet all training requirements. Failure to meet this goal is cause for dismissal from the training program and subsequent termination by the facility.

**Process of Program Evaluation**

The Hemodialysis Education Program utilizes various evaluation tools to verify program effectiveness and completeness. Key evaluation tools include the DaVita Basic Training Class Evaluation (TR1-01-08A) and Basic Training Nursing Fundamentals (TR1-0108B), the New Teammate Satisfaction Survey and random surveys of facility administrators to determine satisfaction of the training program. To assure continuous improvement within the education program, evaluation data is reviewed for trends, and program content is enhanced when applicable to meet specific needs.

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(g), Support Services**

Attached at Attachment – 26C is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc. and DVA Renal Healthcare Inc. attesting that the proposed facility will participate in a dialysis data system, will make support services available to patients, and will provide training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training.



Kathryn Olson  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

**Re: Certification of Support Services**

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1110.1430(g) that Taylorville Dialysis will maintain an open medical staff.

I also certify the following with regard to needed support services:

- DaVita utilizes an electronic dialysis data system;
- Taylorville Dialysis will have available all needed support services required by CMS which may consist of clinical laboratory services, blood bank, nutrition, rehabilitation, psychiatric services, and social services; and
- Patients, either directly or through other area DaVita facilities, will have access to training for self-care dialysis, self-care instruction, and home hemodialysis and peritoneal dialysis.

Sincerely,

Print Name: Arturo Sida  
Its: Assistant Secretary  
DaVita Inc.  
DVA Renal Healthcare, Inc.

Subscribed and sworn to me  
This \_\_\_ day of \_\_\_\_\_, 2016

*See Attached*

\_\_\_\_\_  
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

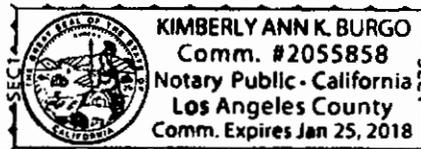
personally appeared \*\*\* Arturo Sida \*\*\*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*Kimberly Ann K. Burgo*  
Signature



**OPTIONAL INFORMATION**

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

**DESCRIPTION OF ATTACHED DOCUMENT**

Title or Type of Document: Ltr. to K.Olson (Taylorville Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: \_\_\_\_\_

Other Information: \_\_\_\_\_

**CAPACITY(IES) CLAIMED BY SIGNER(S)**

Signer's Name(s):

Individual

Corporate Officer Assistant Secretary

(Title(s))

Partner

Attorney-in-Fact

Trustee

Guardian/Conservator

Other: \_\_\_\_\_

**SIGNER IS REPRESENTING:** Name of Person or Entity DaVita Inc. / DVA Renal Healthcare, Inc.

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(k), Assurances**

Attached at Attachment – 26D is a letter from Arturo Sida, Assistant Corporate Secretary, DaVita Inc. certifying that Taylorville Dialysis will achieve target utilization by the second year after project completion.



Kathryn Olson  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

**Re: In-Center Hemodialysis Assurances**

Dear Chair Olson:

Pursuant to 77 Ill. Admin. Code § 1110.1430(k), I hereby certify the following:

- By the second year after project completion, Taylorville Dialysis expects to achieve and maintain 80% target utilization; and
- Taylorville Dialysis also expects hemodialysis outcome measures will be achieved and maintained at the following minimums:
  - $\geq 85\%$  of hemodialysis patient population achieves urea reduction ratio (URR)  $\geq 65\%$ ; and
  - $\geq 85\%$  of hemodialysis patient population achieves Kt/V Daugirdas II .1.2

Sincerely,

Print Name: Arturo Sida  
Its: Assistant Secretary  
DaVita, Inc.  
DVA Renal Healthcare, Inc.

Subscribed and sworn to me  
This \_\_\_ day of \_\_\_\_\_, 2016

*See Attached*

\_\_\_\_\_  
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public,  
(here insert name and title of the officer)

personally appeared \*\*\* Arturo Sida \*\*\*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kimberly Ann K. Burgo  
Signature



**OPTIONAL INFORMATION**

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

**DESCRIPTION OF ATTACHED DOCUMENT**

Title or Type of Document: Ltr. to K.Olson (Taylorville Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: \_\_\_\_\_

Other Information: \_\_\_\_\_

**CAPACITY(IES) CLAIMED BY SIGNER(S)**

Signer's Name(s):

Individual

Corporate Officer Assistant Secretary

(Title(s))

Partner

Attorney-in-Fact

Trustee

Guardian/Conservator

Other: \_\_\_\_\_

**SIGNER IS REPRESENTING:** Name of Person or Entity DaVita Inc. / DVA Renal Healthcare, Inc.

**Section VIII, Financial Feasibility**  
**Criterion 1120.120 Availability of Funds**

The project will be funded entirely with cash and cash equivalents, and a lease with Richmar, LLC. A copy of DaVita's 2015 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted. A copy of the initial lease for the facility is attached at Attachment – 36.

**FIRST AMENDMENT TO LEASE AGREEMENT**

**THIS FIRST AMENDMENT TO LEASE AGREEMENT** (the "First Amendment") is effective as of the last execution date hereof (the "Effective Date") and is made by and between RICHMAR, LLC, an Illinois limited liability company ("Lessor") and DVA RENAL HEALTHCARE, INC., a Tennessee corporation registered to do business in the State of Illinois ("Lessee") with reference to the following recitals:

**RECITALS:**

**WHEREAS**, Lessor and Lessee entered into that certain Lease Agreement commencing on January 1, 2008 (the "Lease") concerning approximately four thousand eight hundred (4,800) rentable square feet of premises located at 901 West Spresser Street, Taylorville, Illinois 62568 (the "Premises"); and

**WHEREAS**, the current term of the Lease is set to expire on December 31, 2012, and in accordance with Section 4 of the Lease, Lessee has provided written notice to Lessor of its exercise of its first option to renew the term of the Lease; and

**WHEREAS**, Lessor and Lessee now desire to amend the Lease in certain respects, including but not limited to extending the Term, as stated below.

**AGREEMENT:**

**NOW, THEREFORE**, in consideration of the promises, covenants, and agreements hereof and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Lease.

1. **Term.** Notwithstanding anything to the contrary in the Lease, pursuant to Section 4 of the Lease, the Lease is hereby renewed for an eight (8) year period, commencing January 1, 2013 and ending December 31, 2021 (the "First Extended Term"). The parties agree that one (1) additional five (5) year renewal period remains exercisable by Tenant pursuant to the terms set forth in Section 4 of the Lease.

2. **Rent.** The Rent during the Extended Term shall be:

<b>Extended Term Years:</b>	<b>Rent per square foot</b>	<b>Monthly Rent</b>	<b>Annual Rent</b>
Year 1	\$7.64	\$3,056.00	\$36,672.00
Year 2	7.71	3,084.00	37,008.00
Year 3	7.79	3,116.00	37,392.00
Year 4	7.87	3,148.00	37,776.00
Year 5	7.95	3,180.00	38,160.00
Year 6	8.03	3,212.00	38,544.00
Year 7	8.11	3,244.00	38,928.00
Year 8	8.19	3,276.00	39,312.00

2017  
2018  
2019  
2020  
2021

Taylorville, IL (Facility #3321)  
3135019.5

3. Lessee Improvement Allowance. Lessor shall provide Lessee with a Lessee Improvement allowance in the amount of Seven Thousand Five Hundred Dollars (\$7,500.00) (the "Allowance") for use by Lessee to make interior improvements in the Premises. Said Allowance shall be payable to Lessee within ten (10) days of Lessee's submission to Lessor of copies of invoices for Lessee's interior improvements in the Premises. Lessee shall contract for the installation of the Lessee Improvements with a contractor of its choice.

4. Notices. All notices to Lessee shall be sent to the following addresses until notice of change of address shall be given as set forth in the Lease:

c/o DaVita Inc.  
Attn: Real Estate Legal  
2000 16th Street  
Denver, CO 80202

With a copy to: relegal@davita.com  
Subject: Taylorville, IL (Facility # 3321)

5. Right of First Option on Adjacent Premises. The parties acknowledge and agree that Lessee continues to have a right of first option on rentable space adjacent to the Premises as set forth in Section 23 of the Lease.

6. Amendments to Lease. The Lease is further amended as follows:

a. The first sentence of Section 6. of the Lease is hereby deleted in its entirety and replaced with the following:

"Lessee may occupy and use the Premises during the Term for purposes of the operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, pharmaceutical distribution, general medical offices, clinical laboratory, including all incidental, related, and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Lessee (the "Permitted Use"), or for any other lawful purpose(s)."

b. Section 40.1 of the Lease is hereby amended to add the following sentence at the end of said section:

"Lessor and Lessee hereby agree that the Rent and any increases in the Rent reflect fair market value and do not take into account the volume or value of referrals or business that may otherwise be generated between the parties for which payment may be made in whole or in part under Medicare, Medicaid or other Federal health care programs."

c. Clause (b) in Subsection 40.5(b) of the Lease is hereby amended to read: "(b) Lessee's Proportionate Share does not exceed Lessee's pro-rata share of expenses for the Premises and the common areas based on the total rentable square feet of the Building;"

d. In order to correct a typographical error, Subsection 40.6(c) of the Lease is hereby deleted in its entirety and replaced with the following:

“(c) Business Terms. To Lessor’s knowledge: (a) the Premises do not exceed that which is reasonable and necessary for the legitimate business of Lessee; (b) Lessee’s Proportionate Share does not exceed Lessee’s pro-rata share of expenses for the Premises and common areas based upon the total rentable square feet of the Building; and (c) the rental charges: (i) are set in advance, (ii) are consistent with fair market value, (iii) do not take into account the volume or value of any referrals or other business generated between the parties, nor do they include any additional charges attributable to the proximity or convenience of Lessee as a potential referral source, and (iv) would be commercially reasonable even if no referrals were made between Lessee and Lessor or their respective affiliates.”

c. Section 40.7 of the Lease is hereby deleted in its entirety.

f. The following Sections 42 and 43 are hereby added to the Lease:

“42. Protected Health Information.

(a) Lessor acknowledges and agrees that from time to time during the Term, Lessor, its representatives or assigns may be exposed to, or have access to, Protected Health Information (“PHI”), as defined by Health Insurance Portability and Accountability Act of 1996, 45 CFR Parts 160 and 164 (“HIPAA”). Lessor agrees that it will not use or disclose PHI for any purpose unless required by a court of competent jurisdiction or by any governmental authority in accordance with the requirements of HIPAA and all other applicable medical privacy laws.

(b) Lessor shall preserve any “Confidential Information” of or pertaining to Lessee and shall not, without first obtaining Lessee’s prior written consent, disclose to any person or organization, or use for its own benefit, any Confidential Information of or pertaining to Lessee during and after the Lease Term, unless such Confidential Information is required to be disclosed by a court of competent jurisdiction or by any governmental authority. As used herein, the term “Confidential Information” shall mean any business, financial, personal or technical information relating to the business or other activities of Lessee that Lessor obtains in connection with this Lease.

43. Cooperation with Lessee’s Cost Reporting Responsibilities. Lessor’s full cooperation with applicable authorities in connection with cost reporting is essential for Lessee’s continued operation of its business. Therefore, Lessor agrees to provide to Lessee, within thirty (30) days of Lessee’s request, any and all information that is reasonably necessary for Lessee to fulfill its cost reporting requirements to such applicable authorities.”

7. Approval by DaVita Inc. as to Form. The parties acknowledge and agree that this First Amendment shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form hereof.

8. Miscellaneous. The Recitals set forth above are incorporated into the body of this First Amendment. Capitalized terms not otherwise defined herein have the same meanings as are set forth in the Lease. Except as modified by this First Amendment, all terms and conditions of the Lease shall remain in full force and effect. Lessor and Lessee ratify and confirm all of the terms and conditions of the Lease, as modified by this First Amendment. The laws of the State of Illinois shall govern the

validity, performance, and enforcement of the Lease, as amended by this First Amendment, without regard to such State's conflict-of-law principles. In the event of any inconsistency between the terms and conditions of this First Amendment and the Lease, the terms and conditions of this First Amendment shall prevail. If any term, covenant, or condition of this First Amendment or the Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Lease, as amended by this First Amendment, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of the Lease, as amended by this First Amendment, shall be valid and be enforced to the fullest extent permitted by law. The parties represent that they each have full authority to enter into this First Amendment. This First Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, personal representatives, guarantors, executors, successors, and assigns. This First Amendment may be executed in any number of counterparts via facsimile or electronic transmission or otherwise, each of which shall be deemed an original.

*[SIGNATURE PAGE FOLLOWS.]*

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the days and year set forth below.

LESSOR:

RICHMAR, LLC,  
an Illinois limited liability company

By: Donald L Marsano  
Name: DONALD L MARSANO  
Title: President

Date: 12/3/12

LESSEE:

DVA RENAL HEALTHCARE, INC.,  
a Tennessee corporation

By: Cheryl Cady  
Name: CHERYL CADY  
Title: DIVISIONAL VICE PRESIDENT

Date: 11-12-12

FOR LESSEE'S INTERNAL PURPOSES ONLY:

**APPROVED BY DAVITA INC. AS TO FORM ONLY:**

By: \_\_\_\_\_  
Name: Marcie Marcus Damisch  
Title: Group General Counsel

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the days and year set forth below.

LESSOR:

RICHMAR, LLC.  
an Illinois limited liability company

By: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

LESSEE:

DVA RENAL HEALTHCARE, INC.,  
a Tennessee corporation

By: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

FOR LESSEE'S INTERNAL PURPOSES ONLY:

**APPROVED BY DAVITA INC. AS TO FORM ONLY:**

By:   
Name: Marcie Marcus Damisch  
Title: Group General Counsel

**LEASE AGREEMENT**

**BY AND BETWEEN**

**RICHMAR, LLC ("LESSOR")**

**AND**

**DVA RENAL HEALTHCARE, INC. ("LESSEE")**

Dated: June 15, 2007

## TABLE OF CONTENTS

1. TERM
2. RENT
3. INTENTIONALLY OMITTED
4. RENEWALS
5. CONDITIONS OF PREMISES
6. USE OF PREMISES
7. ASSIGNMENT/SUBLETTING
8. OPERATING EXPENSES AND UTILITIES
9. ALTERATIONS/SIGNAGE
10. ENVIRONMENTAL
11. DAMAGE TO PREMISES BY FIRE OR CASUALTY
12. EMINENT DOMAIN
13. RIGHT OF ENTRY BY LESSOR
14. INDEMNITY
15. DEFAULT AND REMEDIES
16. INSURANCE
17. SUBROGATION
18. REPAIRS AND MAINTENANCE
19. BROKERS
20. EMERGENCY
21. TITLE AND PARKING
22. COMPLIANCE WITH LAWS
23. RIGHT OF FIRST OPTION ON ADJACENT PREMISES
24. LESSEE TO SUBORDINATE
25. QUIET ENJOYMENT
26. MEMORANDUM OF LEASE

- 
27. NOTICES
  28. ESTOPPEL CERTIFICATE
  29. HOLDING OVER
  30. BINDING EFFECT
  31. COMPLETE AGREEMENT
  32. SEVERABILITY
  33. APPLICABLE LAW
  34. FORCE MAJEURE
  35. AMENDMENT
  36. LESSEE IMPROVEMENTS
  37. INTENTIONALLY OMITTED
  38. LESSOR'S SALE OF THE BUILDING
  39. LESSEE'S ROOF RIGHTS
  40. REGULATORY COMPLIANCE
  41. APPROVAL BY DAVITA INC.

THIS LEASE AGREEMENT, made and entered into this 15<sup>th</sup> day of June, 2007, by and between RICHMAR, LLC (hereinafter called "Lessor"), and DVA RENAL HEALTHCARE, INC. (hereinafter called the "Lessee").

WITNESSETH:

WHEREAS, the said Lessor desires to demise, lease and rent unto the Lessee, and the said Lessee desires to rent and lease from Lessor space located at 901 West Spersser Street, Taylorville, Illinois, as described on Exhibit A (the "Building"), together with all improvements thereon and appurtenant rights thereto including, without limitation, parking areas, easements, declarations and rights of way. The "Premises" (as defined below) is more fully described on the floor plan attached hereto as Exhibit B; and

WHEREAS, the Building contains approximately Forty-Five Thousand (45,000) rentable square feet and the leased premises shall consist of approximately Four Thousand Eight Hundred (4,800) rentable square feet (collectively, the "Premises"), and includes without limitation, all heating, venting, air conditioning, mechanical, electrical, elevator and plumbing systems, roofs, walls, foundations, fixtures, an overhead dock door, and that certain number of non-exclusive parking spaces per square foot of the Premises, including handicap-stripped spaces, as may be required by applicable laws.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and agreements herein contained, the Lessor does hereby demise, lease and rent unto the said Lessee and the Lessee does hereby rent and lease from the Lessor the Premises, under and pursuant to the following terms and conditions:

1. Term. This Lease shall be effective upon full execution and delivery (the "Effective Date"). The term of the Lease shall commence on January 1, 2008 (the "Commencement Date") and shall expire sixty (60) months following said Commencement Date (as the same may be extended the "Termination Date"), unless renewed as hereinafter provided (the "Term"). Each twelve (12) month period beginning on the Commencement Date or any anniversary thereof shall hereinafter be called a "Lease Year."

2. Rent. Beginning on the Commencement Date, Lessee agrees to pay rent ("Rent") Based upon the following Rent schedule:

January 1, 2008 – December 31, 2008:	\$6.25/sq. ft.;	\$2,500 per month
January 1, 2009 – December 31, 2009:	\$6.81/sq. ft.;	\$2,725 per month
January 1, 2010 – December 31, 2010:	\$7.06/sq. ft.;	\$2,825 per month
January 1, 2011 – December 31, 2011:	\$7.31/sq. ft.;	\$2,925 per month
January 1, 2012 – December 31, 2012:	\$7.56/sq. ft.;	\$3,025 per month

Beginning on the Commencement Date, Lessee shall pay Rent in the amount of \$2,500.00 per month in advance on the first day of each calendar month, such monthly installment to be

prorated for any partial calendar month in which the Commencement Date or Termination Date shall occur.

Actual square footage for the Premises will be determined by space planning and programming with all measurements computed in accordance with BOMA method of floor measurement. Lessee may elect to have the space measured prior to the Commencement Date.

Except as otherwise provided in this Lease, it is the intention of the parties that the Lessor shall receive the rents, additional rents, and all sums payable by the Lessee under this Lease free of all taxes, expenses, charges, damages and deductions of any nature whatsoever (except as otherwise provided hereinafter) and the Lessee covenants and agrees to pay all sums (including rent taxes) which except for this Lease would have been chargeable against the Premises and payable by the Lessor. The Lessee shall, however, be under no obligation to pay principal or interest on any mortgage on the fee of the Premises, any franchise or income tax payable by the Lessor or any other tax is imposed upon or measured by Lessor's income or profits, or any gift, inheritance, transfer, estate, or succession tax by reason of any present or future law which may be enacted during the Term of this Lease.

3. Intentionally Omitted.

4. Renewals. Lessee shall have the right and option to renew this Lease for two (2) additional periods of five (5) years each, next immediately ensuing after the expiration of the initial Term of this Lease and the subsequent renewal periods by notifying Lessor in writing not less than one hundred eighty (180) days before the expiration of the immediately preceding initial Term or subsequent renewal Term of this Lease of the Lessee's intention to exercise its option to renew, but Lessee shall have no option to extend this Lease beyond two (2) renewal periods of five (5) years each after the initial Term. In the event Lessee fails to provide a renewal notice within such one hundred eighty (180) day period, Lessor shall notify Lessee in writing within ninety (90) days prior to expiration of the then existing Term of Lessee's option to extend the Lease. Lessee shall then have a thirty (30) day period to exercise its right of renewal. In the event that Lessee so elects to extend this Lease, then, for such extended period of the Term, all of the terms, covenants and conditions of this Lease shall continue to be, and shall be, in full force and effect during such extended period of the Term hereof, except for the Rent. The Rent for each extended period shall be as mutually agreed upon by Lessor and Lessee not less than sixty (60) days prior to the expiration of the then current Term hereof. If Lessor and Lessee are unable to mutually agree on the new Rent for such extended period then, within fifty (50) days prior to the expiration of the then current Term of this Lease, each of Lessor and Lessee shall select a duly qualified real estate appraiser. The Rent shall be 90% of the annual fair market rental value (the "FMRV") of the Premises (after taking into consideration 100% of the rental inducements then given to new tenants in comparable buildings in the Taylorville, Illinois area) as determined by the two (2) appraisers selected by Lessee and Lessor as of the date which is forty (40) days before the date of the expiration of the then existing Term of this Lease. The appraisers shall issue their reports within ten (10) days. If the higher of the two (2) appraisals is less than or equal to one hundred ten percent (110%) of the lower, FMRV shall be the average of the two; if not, the two (2) appraisers shall then mutually select the third (3rd) appraiser within ten (10) days. The third

(3rd) appraiser so selected shall determine which of the two (2) appraisers' determination is closest to FMRV within ten (10) days and such determination shall be deemed to be the FMRV. Lessor shall pay the cost of the appraisal by the appraiser selected by Lessor. Lessee shall pay the cost of the appraisal by the appraiser selected by Lessee. Lessor and Lessee shall equally bear the cost of the third appraisal.

5. Condition of Premises. Lessee agrees that the Premises are being leased in "AS-IS" and "WHERE-IS" condition.

6. Use of Premises. Lessee may occupy and use the Premises during the Term for purposes of the operation of a dialysis facility and related medical and business offices or for any other lawful purpose(s). Lessee may operate during such days and hours as Lessee may determine, without the imposition of minimum or maximum hours of operation by Lessor and Lessee shall have access to the Premises, and may operate, up to 24 hours per day, seven (7) days per week, 365 days per year.

Lessor represents and warrants that the Premises may be used by Lessee as a dialysis facility and related medical and business offices under applicable laws, ordinances, rules and regulations ("Laws") including, without limitation, zoning Laws.

Lessor agrees that it will not lease or permit the leasing of any premises owned or controlled by Lessor for operation of a renal dialysis facility within a radius of five (5) miles of the Premises.

In the event at any time after the Commencement Date of this Lease the use of the Premises as a dialysis facility becomes illegal by reason of acts not within Lessee's control, notwithstanding any other permitted uses, the Lessee may terminate this Lease and thereafter neither party shall have any obligations hereunder after the date of termination.

7. Assignment/Subletting. The Lessee shall not assign this Lease, or sublet the Premises, or any part thereof, without Lessor's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed. Prior to any sublease or assignment, Lessee shall first notify Lessor in writing of its election to sublease all or a portion of the Premises or to assign this Lease or any interest thereunder. At any time within thirty (30) days after service of said notice, Lessor shall notify Lessee that it consents or refuses to consent to the sublease or assignment. A failure by Lessor to respond within such thirty (30) day period shall be deemed to be a consent.

Lessor shall not have the right to recapture any sublease or assignment space. Any denial of such sublease or assignment by Lessor as hereinabove provided must be predicated upon a "commercially reasonable basis" for such denial. Lessee shall retain any net profits paid in connection with a sublease or assignment in excess of Lessee's Rent obligations hereunder, which profits shall be calculated after deducting all costs incurred by Lessee in connection with the space subject to the transfer, which shall include, but not be limited to, legal fees, rental

abatement, vacancy period, allowances, tenant improvements, leasing commissions and the time to sublease and remodel the Premises.

Any assignment or subletting shall not release Lessee of its liability under this Lease nor permit any subsequent assignment, subletting or other prohibited act, unless specifically provided in such consent.

Notwithstanding the foregoing, no consent of Lessor is required for Lessee to assign or otherwise transfer (by operation of law or otherwise) this Lease or any of its rights hereunder:

(a) to any person, corporation, partnership or other entity which acquires all or substantially all of the business or assets of Lessee or stock in Lessee; or (b) to any person, corporation, partnership or other entity which controls, is controlled by or is under common control with Lessee or Lessee's parent company, DaVita Inc.; or (c) to any affiliate (within the meaning of such term as set forth in Rule 501 of Regulation D under the Federal Securities Act of 1933) of Lessee. Lessee and Lessee's transferee or assignee shall provide notice of any transfer or assignment described in (a), (b), or (c) hereof not less than fifteen (15) days prior to the effective date of such transfer or assignment unless prohibited by law and then, if so prohibited by law, within twenty (20) days after the date of such transfer or assignment.

No such assignment or other transfer, in whole or in part, of any Lessee's rights or obligations under this Lease shall be or operate as a release of Lessee hereunder and Lessee shall remain responsible for performing Lessee's obligations hereunder should Lessee's assignee or transferee fail to perform any such obligations.

Lessor hereby consents to a collateral assignment or mortgage of this Lease by Lessee to Lessee's lender, provided, however, Lessee shall be and remain liable for the performance of this Lease.

8. Operating Expenses and Utilities.

(a) Lessee shall pay "Lessee's Proportionate Share" (as defined herein) of all common area maintenance charges for the Building ("CAM Charges") and insurance premiums for the Building ("Insurance"), in advance, in equal monthly installments at the time of the payment of Base Rent, based on Lessor's estimate of the CAM Charges and Insurance for the calendar year in question (which estimate may be revised by Lessor from time to time). For reference purposes, CAM Charges and Insurance are collectively referred to as the "Operating Expenses" for the Building and Premises. Promptly after the actual Operating Expenses for a calendar year are determined by Lessor, Lessor shall provide Lessee with a statement of such actual Operating Expenses for such calendar year and Lessee, within 30 days, shall pay to Lessor any deficiency, which obligation shall survive the expiration or termination of this Lease. If such statement shows an overpayment by Lessee, then any surplus paid by Lessee shall be credited to Lessee's next monthly installment of Operating Expenses or, if this Lease has expired or been

terminated for reasons other than Lessee's breach or default, be paid to Lessee within 30 days of the end of the Term. Lessor represents that the Building rentable area has been determined without reference to whether such area is actually leased or occupied. Lessee, at its sole cost and expense, shall have the right to audit the books and records of Lessor regarding Operating Expenses. In the event the statement delivered to Lessee pursuant to this Section reveals a discrepancy greater than ten percent (10%) of what Lessee's audit reveals, Lessor shall promptly refund Lessee any difference and shall reimburse Lessee the reasonable costs incurred in such audit.

"Lessee's Proportionate Share" is the quotient obtained by dividing the rentable area of the Premises by the Building rentable area. Lessee's Proportionate Share as of the Commencement Date will be 10.67%. Lessee's Proportionate Share shall be adjusted in the event the Building rentable area increases at any time. Lessor represents that the Building rentable area has been determined without reference to whether such area is actually leased or occupied.

(b) Lessee's Proportionate Share of initial Operating Expenses is estimated at \$.20 per square foot per annum. Thereafter, the "Controllable Operating Expenses" portion of Lessee's Operating Expenses shall not increase by more than three percent (3%) over the previous Lease Year "Controllable Operating Expenses", on a non-cumulative basis. "Controllable Operating Expenses" shall mean only those items included in Operating Expenses where the cost or expense thereof shall be within the reasonable ability of Lessor to control [specifically excluded from Controllable Operating Expenses, without limitation, are the costs and expenses of Insurance and utilities for the Building.]

(c) The Lessee shall pay for all utilities and other services necessary in the operation of the Premises, including but not be limited to, gas, fuel oil, electrical, telephone and other utility charges. The Premises shall be separately metered for all utilities, including gas, water and electricity.

(d) The Lessee may contest the amount or validity of any imposition described in this Section 8 by appropriate proceedings. However, the Lessee shall promptly pay such imposition unless such proceedings shall operate to prevent or stay the collection of the imposition so contested. The Lessor, at the Lessee's sole expense, shall join in any such contestation proceedings if any Law shall so require.

(e) All sums (other than the Rent) which may be due and payable under this Lease shall be deemed to be additional rent hereunder and in the event that Rent shall be prorated or shall abate pursuant to the terms of this Lease then such additional rent shall be prorated or abate to the same extent and in the same manner, unless otherwise specifically provided for in this Lease.

(f) The Lessor appoints the Lessee the attorney-in-fact of the Lessor for the purpose of making all payments to be made by the Lessee pursuant to any of the provisions of this Lease to persons other than the Lessor. In case any person to whom any sum is directly payable by the

Lessee under any of the provisions of this Lease shall refuse to accept payment of such sum from the Lessee, the Lessee shall thereupon give written notice of such fact to the Lessor and shall pay such sum directly to the Lessor, who shall thereupon pay such sum to such person.

(g) Notwithstanding the foregoing, the term "Operating Expenses" does not include the following:

(i) depreciation of the Building, and all equipment, fixtures, improvements and facilities used in connection therewith;

(ii) interest on and amortization of debt;

(iii) the cost of leasehold improvements, including redecorating or otherwise improving, painting, decorating or redecorating space or vacant space for other lessees of the Building, except in connection with general maintenance of the Building;

(iv) cost of any "tap fees" or any sewer or water connection fees for the benefit of any lessees in the Building;

(v) fees and expenses (including legal and brokerage fees, advertising, marketing and promotional costs) paid by Lessor in connection with the lease of any space within the Building, including subleasing and assignments; fees and expenses for procuring new lessees for the Building; any flowers, gifts, balloons, etc. provided to any entity whatsoever, including, but not limited to, Lessee, other lessees, employees, vendors, contractors, prospective lessees and agents;

(vi) any validated parking for any entity;

(vii) all costs incurred by Lessor in connection with any negotiations or disputes and/or litigation with individual lessees or occupants within the Building or prospective lessees of the Building;

(viii) costs for which other lessees are being charged, unrelated to Operating Expense charges;

(ix) expenses or costs incurred by Lessor relating to any violation by Lessor or any other lessee of the terms and conditions of any lease covering the Building;

(x) telecommunication costs associated with the Building passed through to lessees should be reviewed to determine if any lessee is bearing a share of costs which should be charged to a volume high user.

(xi) the cost of any work or service performed for any lessee in the Building (other than Lessee) to a materially greater extent or in a materially more favorable manner than that furnished generally to lessees (including Lessee) in the Building;

(xii) the cost of any repair or replacement which would be required to be capitalized under generally accepted accounting principles, including without limitation the cost of renting any equipment or materials, which cost would be so capitalized if the equipment or materials were purchased, not rented;

(xiii) the costs and expenses of any item included in Operating Expenses to the extent that Lessor is actually reimbursed for such cost by an insurance company, a condemning authority, another lessee or any other party;

(xiv) payments of ground rents and related sums pursuant to a ground lease in favor of a ground lessor;

(xv) wages, salaries or other compensation paid to any employees at or above the grade of Building manager;

(xvi) wages, salaries or other compensation paid for clerks or attendants in concessions or newsstands operated by Lessor or an affiliate of Lessor;

(xvii) Lessor's general overhead and administrative expenses which are not chargeable to Operating Expenses of the Building or the equipment, fixtures and facilities used in connection with the Building, in accordance with generally accepted accounting principles, including salaries and expenses of Lessor's executive officers;

(xviii) the cost of correcting defects (latent or otherwise) in the construction of the Building or in the Building equipment, except that conditions (other than construction defects) resulting from ordinary wear and tear shall not be considered defects for purposes hereof;

(xix) the cost of installing, operating and maintaining any specialty service (e.g., observatory, broadcasting facility, luncheon club, retail stores, newsstands or recreational club);

(xx) any expenses incurred by Lessor for the use of any portions of the Building to accommodate events, including but not limited to shows, promotions, kiosks, displays, filming, photography, private events or parties, ceremonies and advertising beyond the normal expenses otherwise attributable solely to Building services, such as lighting and HVAC to such public portions of the Building in normal operations during standard Building hours of operation.

(xxi) any costs representing an amount paid to an entity related to Lessor which is in excess of the amount which would have been paid absent such relationship;

(xxii) any entertainment, dining, or travel expenses of Lessor for any purpose;

(xxiii) payments of principal, interest, loan fees, penalties, attorney's fees and other costs relating to any mortgage or any loans that Lessor may have incurred or will incur in the future relating to the ownership, operating and maintenances of the Building;

(xxiv) costs related to maintaining Lessor's existence, either as a corporation, partnership, or other entity;

(xxv) costs incurred in financing or refinancing of the Building;

(xxvi) any expenses for repairs or maintenance to the extent covered by warranties or service contracts;

(xxvii) any type of utility service which is separately metered to or separately charged or paid by Lessee or any other lessee in the Building, including, without limitation, water and sewer charges, charges for fuel oil or gas, and the cost of electricity, air conditioning, heat or ventilation;

(xxviii) the cost of any environmental remediation for which Lessor is responsible under Section 10 of this Lease;

(xxix) if the Premises are located on the ground floor of the Building, any costs related to elevators in the Building, including without limitation costs of operating, repairing, maintaining and insuring the same;

(xxx) all ad valorem taxes paid by Lessee or other lessees in the Building for (i) personal property and (ii) on the value of the leasehold improvements in the Premises, or the Building of other lessees in the Building (in this connection it is agreed that Lessee shall be responsible for the payment of ad valorem taxes on Lessee's own leasehold improvements);

(xxxi) all items and services for which Lessee pays third parties;

(xxxii) the cost of any item which is an expense or cost to the Lessor in connection with Lessor's work to prepare the space for occupancy by Lessee including any allowances or credits granted to Lessee in lieu of a payment by Lessor; and

any item which is included in the Operating Expenses which, but for this provision, would be included twice.

9. Alterations/Signage. Lessee shall not make any alterations, or additions or leasehold improvements to the Premises ("Alterations") without Lessor's prior written consent in each and every instance, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, Lessee shall have the right to make non-structural Alterations to the Premises which do not exceed in cost Fifty Thousand Dollars (\$50,000.00) in the aggregate during each Lease Year without Lessor's consent. All Alterations which may be made by the Lessee shall be the property of the Lessee and Lessee shall be entitled to remove from the leased Premises during the Term all Alterations, tenant improvements and any and all furniture,

removable trade fixtures, equipment and personal property ("Fixtures") installed or located on or in the leased Premises provided that the Lessee repair any and all damages done by the removal of the foregoing. All Alterations and tenant improvements which Lessee does not elect to remove at the expiration of the Term shall be surrendered with the Premises at the termination of this Lease.

Lessee shall have the right to affix to Lessee's standard signage, in accordance with the rules and regulations of the Building, including a sign on the exterior of the Building or a monument sign. All such signs shall comply with all applicable zoning Laws and shall be subject to City of Taylorville, Illinois permits and Lessor's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed.

To the maximum extent permitted by applicable Laws, Lessor hereby waives any rights which Lessor may have, as to any of Lessee's furniture, fixtures, equipment, personal property, tenant improvements and Alterations, in the nature of a Lessor's lien, security interest or otherwise and further waives the right to enforce any such lien or security interest.

10. Environmental. Lessee shall not cause or permit any hazardous or toxic substances, materials or waste, including, without limitation, medical waste and asbestos ("Hazardous Substances") to be used, generated, stored or disposed of in, on or under, or transported to or from the Premises unless such Hazardous Substances are reasonably necessary for Lessee's business conducted in the Premises; provided, however, Lessee shall at all times and in all material respects comply with all local, state, and federal laws, ordinances, rules, regulations and orders, whether now in existence or hereafter adopted relating to Hazardous Substances or otherwise pertaining to the environment (the "Environmental Laws") and further provided that Lessee shall periodically cause to be removed from the Premises such Hazardous Substances placed thereon by Lessee or Lessee's agents, servants, employees, guests, invitees and/or independent contractors in accordance with good business practices, such removal to be performed by persons or entities duly qualified to handle and dispose of Hazardous Substances. Without limiting the generality of the foregoing, Lessor acknowledges that the following Hazardous Substances, among others, are required for Lessee's business operations: bleach, cidex, hibiclona, metrocide, hydrogen peroxide, and formaldehyde. Upon the expiration or earlier termination of this Lease, Lessee shall cause all Hazardous Substances placed on the Premises by Lessee to be removed, at Lessee's cost and expense, from the Premises and disposed of in strict accordance with the Environmental Laws.

Lessee shall indemnify, defend (by counsel reasonably acceptable to Lessor), protect, and hold Lessor harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence after the Commencement Date in, on, under, or about the Premises of any Hazardous Substances caused by Lessee or its agents, servants, employees, guests, invitees and/or independent contractors; (b) any discharge or release by Lessee or its agents, servants, employees, guests, invitees and/or independent contractors after the Commencement Date in or

from the Premises of any Hazardous Substances; (c) Lessee's use, storage, transportation, generation, disposal, release or discharge after the Commencement Date of Hazardous Substances, to, in, on, under, about or from the Premises; or (d) Lessee's failure after the Commencement Date to comply with any Environmental Law.

Lessor shall indemnify, defend (by counsel reasonably accepted to Lessee), protect, and hold Lessee harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence prior to the Commencement Date in, on, under, or about the Premises of any Hazardous Substances; (b) any discharge or release prior to the Commencement Date in or from the Premises of any Hazardous Substances; (c) the use, storage, transportation, generation, disposal, release or discharge of Hazardous Substances by Lessor or Lessor's prior lessee(s) prior to the Commencement Date, to, in, on, under, about or from the Premises; (d) Lessor's failure prior to the Commencement Date to comply with any Environmental Law; or (e) any Hazardous Substances to the extent not due to any act or omission of Lessee or its agents, servants, employees, guests, invitees and/or independent contractors. Lessor agrees to remediate at Lessor's expense immediately upon receipt of notice from Lessee any condition described in (a) through (e) of the previous sentence.

Lessor represents and warrants to Lessee that as of the Commencement Date and to the best of Lessor's knowledge there are no Hazardous Substances on the Premises, including asbestos. Lessor has received no notice from any governmental or private entity relating to Hazardous Substances on the Premises. Lessee shall promptly deliver to Lessor copies of all notices made by Lessee to, or received by Lessee from, any state, county, municipal or other agency having authority to enforce any environmental law ("Enforcement Agency") or from the United States Occupational Safety and Health Administration concerning environmental matters or Hazardous Substances at the Premises. Lessor shall promptly deliver to Lessee copies of all notices received by Lessor from any Enforcement Agency or from the United States Occupational Safety and Health Administration concerning environmental matters or Hazardous Substances at the Premises.

11. Damage to Premises by Fire or Casualty. In the event the Premises shall be damaged by fire or other casualty during the Term of this Lease, whereby the same shall be rendered untenable, then

(a) if the damage to the Premises is so substantial ("Substantial Damage") that either: (1) the repair, restoration or rehabilitation of the Substantial Damage cannot reasonably be expected to be substantially completed within one hundred eighty (180) days from the date of such Substantial Damage or (2) so much of the Premises is destroyed or rendered untenable by such fire or other casualty as to make use of the Premises as a dialysis facility operating at least 75% of the certified dialysis stations operating prior to the fire or casualty impracticable, then Lessee may elect to terminate this Lease by giving written notice to Lessor within thirty (30) days of the date of such fire or casualty, or

(b) if not so terminated, Lessor shall proceed with all due diligence to repair, restore or rehabilitate the Premises, to substantially their former condition immediately prior to such damage or destruction, at Lessor's expense, in which latter event this Lease shall not terminate.

If the Premises are rendered untenantable by fire or other casualty, there shall be an abatement of Rent due the Lessor by the Lessee for the period of time during which the Premises are untenantable. If the restoration is not substantially completed within two hundred ten (210) days of such damage, it shall be optional with Lessee to terminate this Lease by written notice to Lessor. In the event of any termination of this Lease, Rent shall be paid only to the date of such fire or casualty.

In the event that the Premises are partially but not substantially damaged by fire or other casualty, then Lessor shall immediately proceed with all due diligence to repair and restore the Premises and the Rent shall abate in proportion to the untenantability of the Premises during the period of restoration.

Notwithstanding the foregoing provisions of this Section 11, in the event that insurance proceeds applicable to Alterations constructed by Lessee at its expense are made available to Lessee, Lessee shall be responsible for restoring such Alterations; provided, however, that the Rent abatement provided for shall continue during such period of restoration so long as Lessee is diligently pursuing the completion of such restoration. In the event that Lessor does not restore the Premises, Lessee may retain all insurance proceeds applicable to Alterations constructed by Lessee at its expense. Lessor shall be responsible for restoring improvements constructed by Lessor in all events and Lessee shall be responsible for restoring improvements constructed by Lessee in all events.

12. Eminent Domain. If the Premises shall be taken or condemned for any public or quasi-public use or purpose, the Term of this Lease shall end upon, and not before, the date of the taking of possession by the condemning authority, and without apportionment of the award. Lessee hereby assigns to Lessor, Lessee's interest in such award, if any, except for any portion of the award which compensates Lessee for its relocation expenses or Lessee's Alterations or tenant improvements. Rent shall be apportioned as of the date of such termination. If there is a taking or condemnation of a Substantial Part of the Premises (as defined below) or access to or from any street adjacent to the Premises is changed or restricted by any public authority, then Lessee shall have the right to terminate this Lease by giving Lessor not less than thirty (30) days written notice prior to the date of cancellation designated in the notice but in any event not later than sixty (60) days of the date Lessee is notified by Lessor of such taking or condemnation or change or restriction of access, in which event Rent shall be apportioned as of the date of such termination. A taking or condemnation of a Substantial Part of the Premises is defined as such a taking or condemnation as renders impracticable the use of the Premises as a dialysis facility operating at least 75% of the certified dialysis stations operating prior to such taking or condemnation. No money or other consideration shall be payable by Lessor to Lessee or Lessee to Lessor for the right of cancellation, and Lessee shall have no right to share in the condemnation award or in any judgment for damages caused by such taking or the change or

restriction of access except to the extent any such award attributes value to Lessee's Alterations, tenant improvements or relocation expenses. Lessor represents that, as of the date hereof, it has no knowledge of any taking or condemnation, actual or threatened, regarding the Premises or access to or from any street adjacent to the Premises. In the event of any taking or condemnation involving the Premises or access to or from any street adjacent to the Premises which does not result in the termination of this Lease, Lessor shall restore the Premises to substantially the condition prior to such taking with all due diligence and Rent shall abate in proportion to the untenantability of the Premises during the period of restoration and, to the extent appropriate, for the remainder of the Term.

13. Right of Entry by Lessor. The Lessor, or any of its agents, shall have the right to enter said Premises during all reasonable hours and upon at least twenty-four (24) hours prior notice (except in cases of emergency), to examine the same or to exhibit said Premises, and to put or keep upon the doors or windows thereof a notice "FOR RENT" at any time within sixty (60) days before the expiration of this Lease.

Any work done by Lessor to Premises shall be performed during hours that Lessee is not open for business (except in emergencies) unless Lessee, in the exercise of its reasonable discretion otherwise agrees. Any restoration work or alteration work at the Premises which is necessitated by or results from Lessor's entry, including, without limitation, any work necessary to conceal any element whose presence is permitted hereunder, shall be performed by Lessor at its expense or, at Lessee's election, by Lessee on Lessor's behalf and at Lessor's sole cost and expense. Lessor shall be liable for all loss, damage, or injury to persons or property and shall indemnify and hold Lessee harmless from all claims, losses, costs, expenses and liability, including reasonable attorney's fees resulting from Lessor's entry except to the extent caused by the negligent or intentional act of Lessee or its contractors, agents, employees or licensees. If Lessor's entry into the Premises pursuant to this Lease interferes with the conduct by Lessee of its business to such an extent that Lessee, in the exercise of its reasonable business judgment, must close the Premises for business for two (2) or more business days, then Rent and Operating Expenses shall totally abate for each day or portion thereof that such interference continues.

14. Indemnity. Lessee agrees to indemnify Lessor and save Lessor harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the leased Premises caused or brought about by the act or neglect of the Lessee, its agents, servants or employees. Lessor agrees to indemnify Lessee and save Lessee harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the leased Premises caused or brought about by the act or neglect of the Lessor, its agents, servants or employees. The indemnities set forth in this Section 14 shall survive the expiration of the term of this Lease.

15. Default and Remedies.

(a) Lessee Default and Lessor Remedies. In the event that the Lessee defaults in the payment of Rent hereunder and such Rent remains due and unpaid for ten (10) days following

written notice of such default from Lessor to Lessee, or should the Lessee default in the performance of any other provisions of this Lease and such default is not cured within thirty (30) days following written notice from Lessor specifying such default (unless such default is not reasonably capable of being cured within such thirty (30) day period and Lessee is diligently prosecuting such cure to completion) or should the Lessee be adjudged bankrupt, or should the Lessee make an assignment for the benefit of its creditors, or should a receiver be appointed for the said Lessee and such receiver is not dismissed within sixty (60) days of his appointment, then, in any of these events, the Lessor, at its option, may terminate this Lease by written notice to Lessee. Upon and after termination of this Lease, Lessor shall make a commercially reasonable effort to relet the Premises or any part thereof to any person, firm or corporation other than Lessee for such rent, for such time and upon such terms as Lessor in Lessor's reasonable discretion shall determine. If the consideration collected by Lessor upon any such reletting is not sufficient to pay monthly the full amount of the Rent and additional rent reserved in this Lease and all other monies to be paid by Lessee, Lessee shall pay to Lessor the amount of each monthly deficiency upon demand.

Whether or not this Lease is terminated by Lessor or by any provision of law or court decree, Lessee shall have no obligation to pay any Rent until the date it would otherwise have become due in the absence of any event of default. Lessor agrees that it shall have no right to accelerate (i.e. declare the same immediately due and payable) any Rent which would have become due in the future ("Future Rent"); provided, however, that upon termination of this Lease by Lessor, Lessee shall pay Lessor for the unamortized costs of leasing commissions and tenant improvements. In the event Lessor terminates this Lease, Lessee's liability for Future Rent (as well as any damages specifically in lieu of or representing such Future Rent) shall cease except to the extent and manner provided otherwise in this Lease.

(b) Lessor Default and Lessee Remedies. Subject to the terms and provisions hereinbelow, and in addition to any other remedy expressly available to Lessee pursuant to this Lease or at law or in equity, should Lessor fail to perform any term or covenant under this Lease (each and any such failure being herein sometimes referred to as a "Lessor Default") and if any such Lessor Default shall not be cured and shall accordingly be continuing thirty (30) days following written notice by Lessee to Lessor of such Lessor Default (unless such default is not reasonably capable of being cured within such thirty (30) day period and Lessor is diligently prosecuting such cure to completion), then Lessee shall have the option (at Lessee's sole discretion) of (i) terminating this Lease, (ii) abating or withholding Rent, or (iii) remedying such Lessor Default and, in connection therewith, incurring expenses for the account of Lessor, and any and all such sums expended or obligations incurred by Lessee in connection therewith shall be paid by Lessor to Lessee upon demand, and if Lessor fails to immediately reimburse and pay same to Lessee, Lessee may, in addition to any other right or remedy that Lessee may have under this Lease, deduct such amount (together with interest thereon at the maximum rate permitted by applicable law from the date of any such expenditure by Lessee until the date of repayment thereof by Lessor to Lessee) from subsequent installments of Rent and other charges (if any) that from time to time thereafter may become due and payable by Lessee to Lessor hereunder. Any such abatement or deduction shall not constitute a Lessee Default unless Lessee shall fail to pay the amount of such abatement or deduction to Lessor within thirty (30) days after final

adjudication that such amount is owing to Lessor. Notwithstanding the foregoing, in all events Lessee shall have the right to remedy any Lessor Default without prior notice in the event of an emergency (so long as Lessee gives notice within a reasonable period of time thereafter) and invoice Lessor and abate Rent (if necessary) in the manner set forth in the preceding sentences of this Section 15.

16. Insurance.

a) Lessor's Insurance. During the Term of the Lease, Lessor shall procure and maintain in full force and effect with respect to the Building (i) a policy or policies of property insurance (including, to the extent required, sprinkler leakage, vandalism and malicious mischief coverage, and any other endorsements required by the holder of any fee or leasehold mortgage and earthquake, terrorism and flood insurance to the extent Lessor reasonably deems prudent and/or to the extent required by any mortgagee); and (ii) a policy of commercial liability insurance insuring Lessor's activities with respect to the Premises and the Building for loss, damage or liability for personal injury or death of any person or loss or damage to property occurring in, upon or about the Premises or the Building.

(b) Lessee's Insurance. Lessee covenants and agrees to keep Lessee Improvements (as defined in Section 36 hereof) and Lessee's contents in the Premises insured for full replacement value against loss by fire and casualty, under an all risk policy with extended coverage endorsements. In addition thereto, Lessee shall obtain and keep in force with respect to the Premises comprehensive general liability insurance in a minimum amount of \$1,000,000.00 per claim and \$3,000,000.00 in the aggregate for both bodily injury and property damage. In no event shall Lessee's insurance provide coverage or indemnity to Lessor for any claim, loss, suit, action or other legal proceeding in which Lessor, its agents or designees bear responsibility for the claim, loss, suit, action or other legal proceeding. Rather, it is the intent of this section to provide general liability coverage to Lessor when it is made a party to a claim, loss, suit, action or other legal proceeding for which it bears no responsibility. In the event that both Lessor and Lessee bear responsibility for the claim, loss, suit, action or other legal proceeding, then each party will look to their own insurance for coverage.

Lessee may carry any insurance required by this Lease under a blanket policy or under a program of self-insurance.

Each policy shall provide that the insurer shall give to Lessor twenty (20) days written notice prior to any cancellation of the policy. Lessee shall deliver to Lessor certificates of insurance evidencing the coverages required herein.

17. Subrogation. Each of the parties hereto hereby releases the other and the other's partners, agents and employees, to the extent of each party's property insurance coverage, from any and all liability for any loss or damage which may be inflicted upon the property of such party even if such loss or damage shall be brought about by the fault or negligence of the other party, its partners, agents or employees; provided, however, that this release shall be effective only with respect to loss or damage occurring during such time as the appropriate policy of

insurance shall contain a clause to the effect that this release shall not affect said policy or the right of the insured to recover thereunder. If any policy does not permit such a waiver, and if the party to benefit therefrom requests that such a waiver be obtained, the other party agrees to obtain an endorsement to its insurance policies permitting such waiver of subrogation if it is commercially available and if such policies do not provide therefor. If an additional premium is charged for such waiver, the party benefiting therefrom, if it desires to have the waiver, agrees to pay to the other the amount of such additional premium promptly upon being billed therefor.

18. Repairs and Maintenance. Lessor, at its sole cost and expense, shall maintain and keep in good order and repair and make any necessary replacements to the roof, roof membrane, roof covering, concrete slab, footings, foundation, structural components, exterior walls, exterior doors and windows, flooring (except for floor covering), exterior plumbing, heating, ventilation, cooling and electrical systems of the Building. If Lessor shall not commence such repairs within the fifteen (15) days following written notice from Lessee that such repairs are necessary then Lessee may, at its option, cause such Lessor's repairs to be made and shall furnish Lessor with a statement of the cost of such repairs upon substantial completion thereof. Lessor shall reimburse Lessee for the cost of such repairs plus a service charge to cover Lessee's expenses in an amount equal to 10% of the cost of such repairs within ten (10) days of the date of the statement from Lessee setting forth the amount due, provided, however, should Lessor fail to reimburse Lessee with said ten (10) day period, then Lessee may, at its option, offset such amount against subsequent rent due under this Lease.

Except for Lessor's obligations set forth above and except for any damage caused by the acts of negligence by Lessor or its agents within the Premises, Lessee agrees to maintain said Premises in the same condition, order and repair as they are at the commencement of said Term, excepting only reasonable wear and tear arising from the use thereof and damage by fire or other casualty.

19. Brokers. Lessor and Lessee each represent to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except for USI Real Estate Brokerage Services Inc., representing Lessee ("Lessee's Broker"). Lessor shall pay Lessee's Broker a brokerage commission pursuant to a separate agreement. In the event Lessor does not timely pay Lessee's Broker such brokerage commission, Lessee may offset the amount of such brokerage commission against Rent due Lessor.

20. Emergency. If Lessor is unable or unwilling to take action which it is obligated to take hereunder where an emergency has occurred with respect to the Premises, then Lessee may take such action as is reasonably necessary to protect the Premises and persons or property in the Premises and Lessor shall, within fifteen (15) days after written notice thereof from Lessee reimburse Lessee for its reasonable out-of-pocket expenses incurred in curing such emergency; provided, however, should Lessor fail to reimburse Lessee within said fifteen (15) day period, then Lessee may, at its option, offset such amount against subsequent rent due under this Lease.

21. Title and Parking. Lessor hereby represents that Lessor is the owner in fee simple of the Premises, including the Building and all improvements thereon free from any liens or

encumbrances other than Permitted Encumbrances set forth on Exhibit C hereto and has the right and authority to enter into this Lease. Lessor further represents that Lessor and those signatories executing this Lease on behalf of Lessor have full power and authority to execute this Lease.

Lessor agrees that Lessor will not make any material modifications to the Building or Premises (including, without limitation, the parking areas, driveways and walks) without Lessee's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Without limiting the generality of the foregoing, the Premises shall at all times have a minimum parking ratio, including handicap-stripped parking spaces as may be required by applicable Laws. All parking spaces shall have such dimensions and be in such a configuration as is required by applicable Laws.

22. Compliance with Laws. Both parties hereby agree to comply with all applicable federal, state and local laws, ordinances, rules and regulations ("Laws") throughout the Term of the Lease. Lessor represents and warrants to Lessee that as of the Commencement Date the Premises, the Building, and the parking areas are in compliance with all Laws, including, without limitation, applicable zoning laws, ordinances, rules and regulations and with applicable instruments affecting title to the Premises. Lessor further represents that it has received no notices or communications from any public authority having jurisdiction alleging violation of any Laws relating to the Premises or the Building or improvements thereon and has received no notices alleging violation of any title instrument. Without limiting the generality of the foregoing, Lessor represents that (i) the use of the Premises and the Building and improvements thereon for purposes of operation of a dialysis clinic and related medical and business offices is permitted by and will not violate applicable Laws and does not constitute a "non-conforming use" thereunder and (ii) the Premises, the Building, and the parking areas comply with all applicable Laws relating to handicapped accessibility, including, without limitation, the Americans with Disabilities Act.

If at any time or from time to time any Alterations, including, without limitation, structural Alterations, are required in order for the Premises to comply with any generally applicable Laws from time to time applicable to the Premises, Lessor shall immediately make such Alterations at its sole cost and expense. If at any time or from time to time any Alterations, including, without limitation, structural Alterations, are required in order for the Premises to comply with any Laws specifically applicable to the Premises due to Lessee's use as a dialysis facility, Lessee shall immediately make such Alterations at its sole cost and expense.

Lessor represents and warrants to Lessee that Lessor is not a "referring physician" or a "referral source" as to Lessee for services paid for by Medicare or a state health care program, as the terms are defined under any federal or state health care anti-referral or anti-kickback, regulation, interpretation or opinion ("Referral Source"). Lessor covenants, during the term of this Lease, it will not knowingly (i) take any action that would cause it to become a Referral Source as to Lessee, or (ii) sell, exchange or transfer the Premises to any individual or entity who is a Referral Source as to Lessee

23. Right of First Option on Adjacent Premises. Subject to any pre-existing option rights of other tenants in the Building, if rentable space (if any) adjacent to the Premises becomes available during the initial Term or any renewal period of this Lease, Lessor shall first notify Lessee in writing of Lessee's option to accept or decline the right to enter into a lease with Lessor on such adjacent rentable space in the Building. At any time within sixty (60) days after service of said notice, Lessee shall notify Lessor that it will exercise or not exercise its option to lease the adjacent space. A failure by Lessee to respond within such sixty (60) day period shall be deemed to be a rejection of the option to lease the adjacent space.

24. Lessee to Subordinate. Lessee shall, upon request of the holder of a mortgage or deed of trust in the nature of a mortgage, which holder is a commercial or institutional lender ("Mortgagee") subordinate any interest which it has by virtue of this Lease, and any extensions and renewals thereof to any mortgages or deeds of trust placed upon the Premises by Lessor, if and only if such Mortgagee shall execute, deliver and record in the appropriate registry of deeds a recognition and non-disturbance agreement in form and content generally used in commercial loan transactions and approved by Lessee, such approval not to be unreasonably withheld. Such Agreements shall provide by their terms that notwithstanding any foreclosure of such mortgage or deeds of trust Lessee may continue to occupy the Premises during the Term of this Lease or any extensions or renewals thereof under the same terms, conditions and provisions of this Lease unless Lessee shall be in default beyond any applicable grace periods provided for herein. Lessor shall at or prior to the Commencement Date, secure from Lessor's present mortgagee of the Premises a non-disturbance agreement in a form reasonably acceptable to Lessee. Lessor shall also secure from any future mortgagee or lienholders of Lessor non-disturbance agreements during the initial Term or any renewal periods, if exercised.

25. Quiet Enjoyment. Lessee, upon paying the Rent, additional rent and other sums due under this Lease, and subject to all of the terms and covenants of this Lease, on Lessee's part to be kept, observed, and performed, shall quietly have and enjoy the Premises during the Term of this Lease. Lessor agrees that Lessee shall have continuous, peaceful, uninterrupted and exclusive possession and quiet enjoyment of the Premises during the Term of this Lease.

26. Memorandum of Lease. Lessor agrees to enter into and record a memorandum or notice of this Lease reasonably satisfactory to Lessee. Lessee shall be responsible for the preparation thereof and the cost of recording the same.

27. Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be either (i) sent by registered or certified mail, return receipt requested, postage prepaid or (ii) delivered, by hand, or (iii) sent by overnight courier such as Federal Express. All notices to Lessor should be addressed to Lessor at 308 N. Madison, Taylorville, Illinois 62568, Attention: Don Marsango; Telephone: (217) 287-7312 or at such other place as Lessor may from time to time designate in written notice to Lessee. All notices to Lessee shall be addressed to Lessee c/o DaVita Inc., 601 Hawaii Street, El Segundo, California 90245, Attention: General Counsel, Telephone: (310) 536-2400, Facsimile: (310) 536-2679, or to any such other place as Lessee may from time to time designate in written

notice to Lessor. All notices, demands and requests which shall be served upon Lessor and Lessee in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder.

28. Estoppel Certificate. Each of Lessor and Lessee agrees at any time and from time to time upon not less than fifteen (15) business days' prior written request by the other to execute, acknowledge and deliver to the other a statement in writing certifying that (a) this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), (b) the dates to which the Rent and other charges have been paid in advance, if any, and (c) all of the defaults of Lessor or Lessee hereunder, if any, (and if there are no defaults a statement to that effect) and any other information reasonably requested, it being intended that any such statement delivered pursuant to this Section 28 may be relied upon by any prospective purchaser of the Premises or any mortgagee or assignee of any mortgage upon the fee or leasehold of the Premises or by any prospective assignee of this Lease or sublessee of the whole or any portion of the Premises and/or by other party interested in the Premises or any part thereof.

29. Holding Over. In the event Lessee remains in possession of the Premises after the expiration of the term of this Lease, or any extensions hereof without the written consent of Lessor, Lessee shall then be obligated to pay Rent at the then current rate (including all adjustments) and all other sums then payable hereunder prorated on a daily basis for each day that Lessor is kept out of possession of the Premises.

30. Binding Effect. All covenants, agreements, stipulations, provisions, conditions and obligations herein expressed and set forth shall extend to, bind and inure to the benefit of, as the case may require, the successors and assigns of Lessor and Lessee respectively, as fully as if such words were written wherever reference to Lessor or Lessee occurs in this Lease

31. Complete Agreement. Any stipulations, representations, promises or agreements, oral or written, made prior to or contemporaneously with this agreement shall have no legal or equitable consequences and the only agreement made and binding upon the parties with respect to the leasing of the Premises is contained herein, and it is the complete and total integration of the intent and understanding of Lessor and Lessee with respect to the leasing of the Premises.

32. Severability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

33. Applicable Law. The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease, without regard to such State's conflict-of-law principles.

34. Force Majeure. If either party hereto shall be delayed or hindered in or prevented from the performance of any obligation required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of terrorism, military or usurped power, sabotage, unusually severe weather, fire or other casualty or other reason (but excluding inadequacy of insurance proceeds, financial inability or the lack of suitable financing) of a like nature beyond the reasonable control of the party delayed in performing its obligations under this Lease ("Force Majeure Event"), the time for performance of such obligation shall be extended for the period of the delay.

35. Amendment. This Lease and the exhibits attached hereto and forming a part hereof set forth all the covenants, promises, agreements, conditions and understandings between Lessor and Lessee concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

36. Lessee Improvements. Lessee shall construct its tenant improvements to the Premises (the "Lessee Improvements"). Lessee shall contract for the installation of the Lessee Improvements with a contractor of choice. Lessor and Lessee shall mutually approve the plans and specifications of the Lessee Improvements prior to the commencement of work. Lessor shall not charge Lessee any fee or other charges for the supervision and/or overhead associated with the construction of the Lessee Improvements. Notwithstanding the foregoing, Lessee Improvements shall not include the work involved with bringing electrical and water utilities to the Premises and for the separate metering for said utilities.

37. Intentionally Omitted.

38. Lessor's Sale of the Building. Lessor may, at any time, without the prior consent of Lessee, contract to and/or perform any of the following transactions with respect to an interest in Lessor, the Lease, the Premises, the realty underlying the Premises, and/or any portion of or interest in the realty or improvements in the Center owned or hereafter acquired by Lessor: sale, purchase, exchange, transfer, assignment, lease, conveyance (collectively referred to herein as "Sale"); and/or encumbrance, pledge, mortgage, deed of trust, hypothecation or sale and leaseback transaction (collectively referred to herein as "Mortgage"). From and after a Sale, Lessor shall be released from all liability to Lessee and Lessee's successors and assigns arising from this Lease because of any act, occurrence or omission of Lessor occurring after such Sale, and Lessee shall look solely to Lessor's successor in connection with the same; provided however, that Lessor shall not be released from liability to Lessee and Lessee's successors and assigns from this Lease because of any act, occurrence or omission of Lessor occurring prior to such Sale, unless such liability is expressly assumed by Lessor's successor-in-interest in this Center and Premises. Within a commercially reasonable time period prior to the effective date of a Sale, Lessor shall notify Lessee whether Lessor's successor-in-interest and assignee to this Lease would or would not be a Referral Source as described in Section 22 above.

39. Lessee's Roof Rights. If the Building does not have cable television service, then Lessee shall have the right to place a satellite dish on the roof at no additional fee.

40. Regulatory Compliance. In the event Lessor, or Lessor's successors or assigns become a Referral Source as described in Section 22 above, this Section 40 shall apply but shall have no effect until such time:

40.1 Referral Source. Lessor and Lessee hereby acknowledge and agree that it is not a purpose of this Lease or any of the transactions contemplated herein to exert influence in any manner over the reason or judgment of any party with respect to the referral of patients or business of any nature whatsoever. It is the intent of the parties hereto that any referrals made directly or indirectly by Lessor to Lessee's business, shall be based upon the medical judgment and discretion of a patient's physician while acting in the best interests of the patient.

40.2 Termination Due to Legislative or Administrative Changes. In the event that there shall be a change in applicable health care law or the interpretation thereof, including, without limitation, Medicare or Medicaid, statutes, regulations, or general instructions, (or the application thereof), the adoption of new legislation or regulations applicable to this Lease, the implementation of a change in payment methodology in any material third party payor reimbursement system, or the initiation of an enforcement action with respect to any applicable health care law, any of which affects the continuing legality of this Lease, then either party may, by notice, propose an amendment to conform this Lease to applicable laws. If notice of such proposed change is given and the parties hereto are unable to agree within ninety (90) days upon an amendment, then either party may terminate this Lease by ten (10) days' advance written notice to the other party, unless a sooner termination is required under applicable law or circumstances.

40.3 Exclusions. During the term of this Lease, Lessor shall notify Lessee of any exclusion of Lessor or its affiliates from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b (f), for the provision of items or services for which payment may be made under such federal health care programs ("Exclusion") within two (2) business days of learning of any such Exclusion or any basis therefore. Lessee shall have the right to immediately terminate this Lease and any and all other agreements between Lessor and its affiliates on the one hand and Lessee and its affiliates on the other hand, upon learning of any Exclusion or any reasonable basis therefore against the other, its affiliates and/or any employee, contractor or agent engaged by any of them to provide items or services.

40.4 Medicare Access to Books and Records. In the event, and only in the event, that Section 952 of P.L. 96-499 (42 U.S.C. Section 1395x(v)(1)(1)) is applicable to this Lease, Lessee and Lessor agree as follows: (i) until the expiration of four years after the termination of this Lease, Lessor shall make available, upon written request by the Secretary of the federal Department of Health and Human Services or upon request by the Comptroller General of the United States, or any of their duly authorized representatives, this Lease, and books, documents and records of Lessor that are necessary to certify the nature and extent of the costs incurred pursuant to this Lease; (ii) if Lessor carries out any of the duties of this Lease or other contract

between the parties through a subcontract, with a value or cost of \$10,000 or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of the federal Department of Health and Human Services or upon request to the Comptroller General of the United States, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of the costs incurred pursuant to such subcontract; and (iii) Lessor shall notify Lessee immediately of the nature and scope of any request for access to books and records described above and shall provide copies of any books, records or documents to Lessee prior to the provision of same to any governmental agent to give Lessee an opportunity to lawfully oppose such production of documents if Lessee believes such opposition is warranted. In addition, Lessor shall indemnify and hold Lessee harmless from any liability arising out of any refusal by Lessor to grant access to books and records as required above. Nothing herein shall be deemed to be a waiver of any applicable privilege (such as attorney client privilege) by Lessee.

40.5. Representations and Warranties of Lessee. Lessee represents and warrants to Lessor as follows:

(a) Non-Exclusion. Neither Lessee nor any of its affiliates are excluded from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b (f), for the provision of items or services for which payment may be made under such federal health care programs; and

(b) Business Terms. To Lessee's knowledge: (a) the Premises do not exceed that which is reasonable and necessary for the legitimate business of the Lessee; (b) Lessee's Proportionate Share does not exceed the Lessee's pro-rata share of expenses for the space based upon the total space anticipated to be used by Lessee; and (c) the rental charges: (i) are set in advance, (ii) are consistent with fair market value, (iii) do not take into account the volume or value of any referrals or other business generated between the parties, nor do they include any additional charges attributable to the proximity or convenience of Lessor as a potential referral source; and (iv) would be commercially reasonable even if no referrals were made between the Lessee and Lessor or their respective affiliates.

40.6. Representations and Warranties of Lessor. Lessor represents and warrants to Lessee as follows:

(a) Non-Exclusion. Neither Lessor nor any of its affiliates (i) are excluded from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b (f), for the provision of items or services for which payment may be made under such federal health care programs; or (ii) have arranged or contracted (by employment or otherwise) with any employee, contractor or agent that Lessor or its affiliates know or should know are excluded from participation in any federal health care program;

(b) Advisory Opinion. Lessor shall not, directly or indirectly, request or cause an Advisory Opinion to be requested regarding or relating to the legality of this Lease or the

transactions contemplated hereunder or substantially similar circumstances from any governmental body, including without limitation the U.S. Department of Health and Human Services Office of Inspector General or the Health Care Financing Administration without the prior written concurrence of Lessee, whether pursuant to this Section or otherwise. All submissions of any nature in connection with an Advisory Opinion request shall be approved in writing by Lessee prior to submission; and

(c) Business Terms. To Lessor's knowledge: (a) the Premises do not exceed that which is reasonable and necessary for the legitimate business of the Lessee; (b) Lessor's share of taxes, utilities and operating expenses do not exceed the Lessor's pro-rata share of such expenses for the space based upon the total space anticipated to be used by Lessor; and (c) the rental charges: (i) are set in advance, (ii) are consistent with fair market value, (iii) do not take into account the volume or value of any referrals or other business generated between the parties, nor do they include any additional charges attributable to the proximity or convenience of Lessee as a potential referral source, and (iv) would be commercially reasonable even if no referrals were made between the Lessee and Lessor or their respective affiliates.

#### 40.7 Corporate Integrity Agreement.

(a) Lessor acknowledges that Lessee is under a Corporate Integrity Agreement with the Office of the Inspector General of the Federal Department of Health and Human Services (the "CIA"), and that such CIA imposes various reporting and operational compliance related obligations on Lessee. To the extent not otherwise set forth herein, Lessor agrees to cooperate with Lessee in compliance with the requirements of such CIA, as such requirements may apply to Lessor's performance pursuant to this Agreement.

(b) Lessor hereby certifies that Lessor will (i) comply with Lessee's Compliance Plan, including the training related to the Anti-Kickback Statute as it pertains to Lessor, and (ii) comply with Lessee's Compliance Critical Concepts and policies and procedures related to compliance with the Anti-Kickback Statute, a copy of each of which has been provided to Lessor hereunder, and in each case solely as applicable to performance of Services under this Agreement.

(c) Lessor certifies that it will comply with Lessee's Compliance Plan and with the terms of the Anti-Kickback Statute in all matters involving Lessee.

(d) Lessor and Lessee certify that the agreement is not intended to generate referrals for services or supplies for which payment may be made in whole or in part under any Federal health care program.

(e) If this Lease is terminated for any reason within one (1) year following the Commencement Date, then Lessor and Lessee will not enter into any similar agreement with each other for the Premises before the first anniversary of the Commencement Date.

41. Approval by DaVita Inc. ("DaVita") as to Form. The parties acknowledge and agree that this Lease shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form hereof.

IN TESTIMONY WHEREOF, the Lessor and Lessee have caused this Lease to be executed as a sealed instrument, as of the day and year first above written.

LESSOR:

**RICHMAR, LLC**

By: Don Macsaigo  
Name: Don Macsaigo  
Title: owner

LESSEE:

**DVA RENAL HEALTHCARE, INC.**

By: Cheryl Cody  
Name: Cheryl Cody  
Title: Divisional Vice President

*FOR LESSEE'S INTERNAL PURPOSES ONLY:*

APPROVAL BY DAYITA INC. AS TO FORM ONLY

By: Steve Lieb  
Steve Lieb, Group General Counsel

**EXHIBIT A**

**LEGAL DESCRIPTION**

Palmer

Parcel 1:

Beginning at the southwest corner of Section 22, T. 13 N., R. 2 West of the 3<sup>rd</sup> P.M. measure East 400 Feet; thence North 300 Feet; thence 400 West Feet, thence South 300 Feet to the place of beginning, being a part of Lots 34 and 35 of Trustees' Subdivision of Anderson Park, Except that part described as follows: From the southwest corner of Lot 34, being also the southwest corner of the SW ¼ of said Section 22, measure North 0 degrees East 73.76 Feet along the west line of Lot 34, thence North 90 degrees East 21.20 Feet to the true point of beginning on the east right of way line of Cheney Street; thence South 63 degrees 20 minutes 44 seconds East 52.92 Feet to a point on the north right of way line of Federal Aid Urban Route 7877 (Spresser Street); thence North 90 degrees West 47.74 Feet along the north right of way line of Spresser Street to the intersection with the east right of way line of Cheney Street; thence North 1 degree 08 minutes 52 seconds West 23.76 Feet along the east right of way line of Cheney Street to the point of beginning, being a part of the Southwest Quarter (fw1/4) of Section 22, T. 13 N., R. 2 West of the 3<sup>rd</sup> P.M., Except the coal and other minerals and the right to mine and remove the same, in Christian County, Illinois.

Yeakley

Parcel 3:

A tract of land situated within the Southwest Quarter of the Southwest Quarter of Section 22, in T. 13 N., R. 2 West of the 3<sup>rd</sup> P.M.; said tract being that portion of Lot 35 of Trustee's Subdivision of Anderson Park which is bounded on the west by a line parallel to 300 feet east of the east line of Lot 34 of said Trustee's Subdivision of Anderson Park on the east by a line parallel to and 480 feet east of the east line of Lot 34; on the north by a line which is coincident with a line produced from the northeast corner of said Lot 34 to the point upon the east line of said SW ¼ SW ¼ said Section 22, 300 feet north of the southeast corner of said SW ¼ of the SW ¼ of said Section 22, and on the south by the northerly right of way line of State Bond Issue Hard Road No. 48; except the coal and other minerals underlying the surface of said land and the right to mine and remove the same in Christian County, Illinois.

**EXHIBIT B**

**PREMISES FLOOR PLAN**

**(attached)**

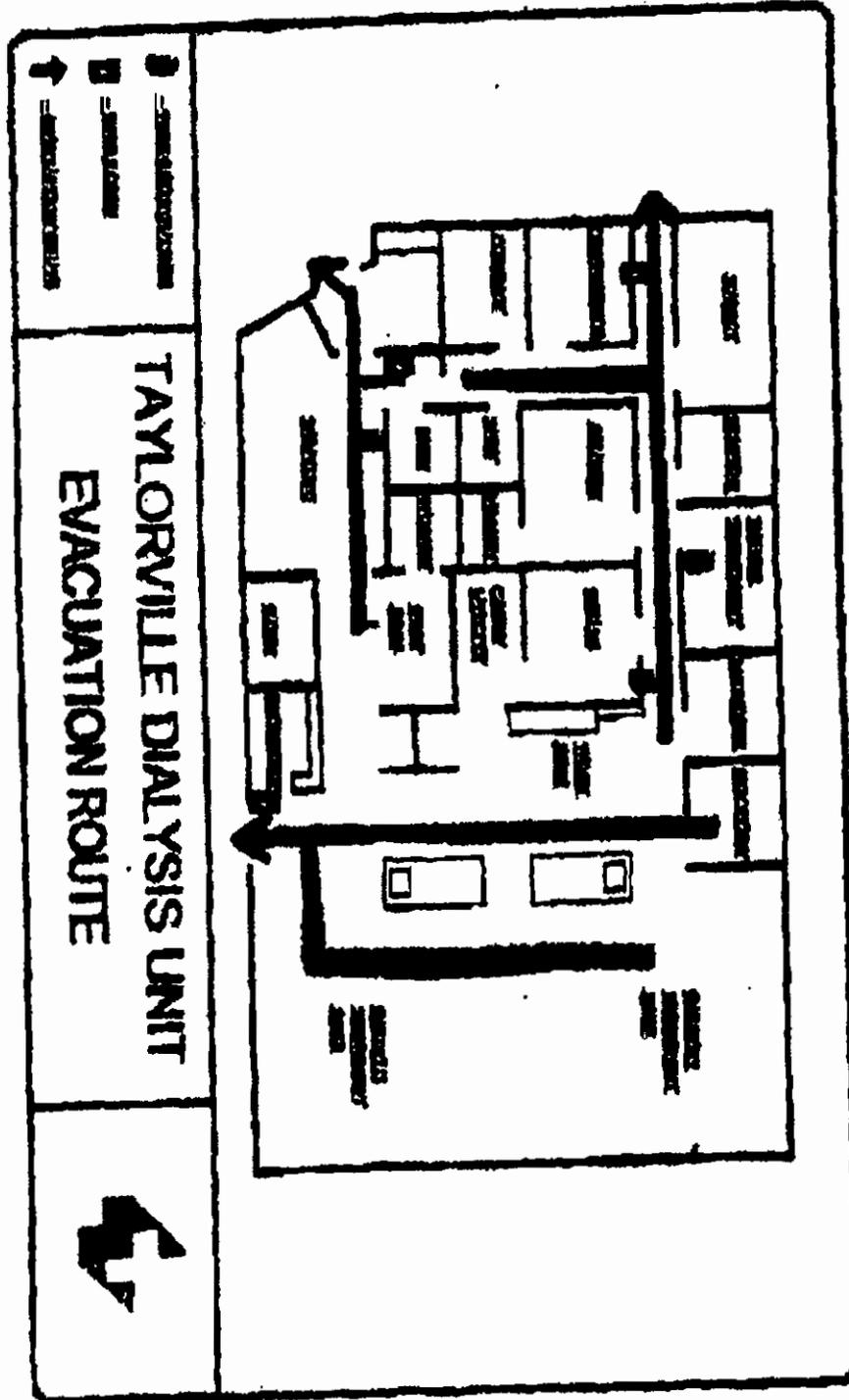
05/21/2007  
05/18/2007

15:48  
16:07

LSI OAK BROOK, IL + 17137511717

NO. 377  
NO. 559

082  
082



05/21/2007

LSI OAK BROOK

TAYLORVILLE DIALYSIS

05/18/2007 NO. 377 NO. 559

Attachment - 36

**EXHIBIT C**

**PERMITTED ENCUMBRANCES**

**None**

**Section IX, Financial Feasibility**

**Criterion 1120.130 – Financial Viability Waiver**

The project will be funded entirely with cash. A copy of DaVita's 2015 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted.

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(a), Reasonableness of Financing Arrangements**

Attached at Attachment – 39A is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc. attesting that the total estimated project costs will be funded entirely with cash.



Kathryn Olson  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

**Re: Reasonableness of Financing Arrangements**

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total with cash and cash equivalents.

Sincerely,

Print Name: Arturo Sida  
Its: Assistant Secretary  
DaVita Inc.  
DVA Renal Healthcare, Inc.

Subscribed and sworn to me  
This \_\_\_ day of \_\_\_\_\_, 2016

*See Attached*

\_\_\_\_\_  
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

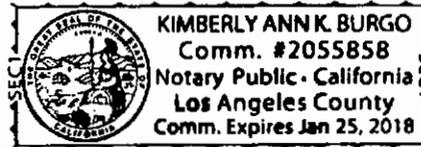
personally appeared \*\*\* Arturo Sida \*\*\*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



**OPTIONAL INFORMATION**

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

**DESCRIPTION OF ATTACHED DOCUMENT**

Title or Type of Document: Ltr. to K.Olson (Taylorville Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: \_\_\_\_\_

Other Information: \_\_\_\_\_

**CAPACITY(IES) CLAIMED BY SIGNER(S)**

Signer's Name(s):

- Individual
- Corporate Officer Assistant Secretary

(Title(s))

- Partner
- Attorney-in-Fact
- Trustee
- Guardian/Conservator
- Other: \_\_\_\_\_

**SIGNER IS REPRESENTING:** Name of Person or Entity DaVita Inc. / DVA Renal Healthcare, Inc.

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(b), Conditions of Debt Financing**

This project will be funded in total with cash and cash equivalents. Accordingly, this criterion is not applicable.

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(c), Reasonableness of Project and Related Costs**

1. The Cost and Gross Square Feet by Department is provided in the table below.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below) CLINICAL	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)	
<b>CLINICAL</b>									
ESRD		\$44.79			4,800			\$215,003	\$215,003
Contingency		\$4.17			4,800			\$20,000	\$20,000
<b>TOTAL CLINICAL</b>		<b>\$48.96</b>			<b>4,800</b>			<b>\$235,003</b>	<b>\$235,003</b>
<b>NON- CLINICAL</b>									
Admin									
Contingency									
<b>TOTAL NON- CLINICAL</b>									
<b>TOTAL</b>		<b>\$48.96</b>			<b>4,800</b>			<b>\$235,003</b>	<b>\$235,003</b>

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

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	State Standard	Above/Below State Standard
Modernization Contracts and Contingencies	\$235,003	\$189.19 x 4,800 GSF = \$908,112	Below State Standard
Contingencies	\$20,000	10% - 15% of Modernization Construction Contracts 10% - 15% x \$215,003 = \$21,500 - \$32,250	Below State Standard

**Table 1120.310(c)**

	<b>Proposed Project</b>	<b>State Standard</b>	<b>Above/Below State Standard</b>
Architectural and Engineering Fees	\$20,400	8.80% - 13.20% of Modernization Construction Contracts + Contingencies) = 8.80% - 13.20% x (\$215,003 + \$20,000) = 8.80% - 13.20% x \$235,003 = \$20,680 - \$31,020	Below State Standard
Consulting and Other Fees	\$9,500	No State Standard	No State Standard
Moveable Equipment	\$68,445	\$52,119.16 per station = 2 stations x \$52,119.16 = \$104,238	Below State Standard
Fair Market Value of Leased Space or Equipment	\$165,947	No State Standard	No State Standard

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.310(d), Projected Operating Costs**

Operating Expenses: \$1,826,780

Treatments: 9,672

Operating Expense per Treatment: \$188.87

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.310(e), Total Effect of Project on Capital Costs**

Capital Costs:

Depreciation:	\$26,035
Amortization:	\$ 1,263
Total Capital Costs:	\$27,298

Treatments: 9,672

Capital Costs per Treatment: \$2.82 per treatment

**Section XI, Safety Net Impact Statement**

The Applicants propose a two station expansion of Taylorville Dialysis. An expansion of an existing facility constitutes a non-substantive project. Accordingly, this criterion is not applicable.

**Section XII, Charity Care Information**

The table below provides charity care information for all dialysis facilities located in the State of Illinois that are owned or operated by the Applicants.

<b>CHARITY CARE</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Net Patient Revenue</b>	<b>\$228,115,132</b>	<b>\$266,319,949</b>	<b>\$311,351,089</b>
<b>Amount of Charity Care (charges)</b>	<b>\$2,175,940</b>	<b>\$2,477,363</b>	<b>\$2,791,566</b>
<b>Cost of Charity Care</b>	<b>\$2,175,940</b>	<b>\$2,477,363</b>	<b>\$2,791,566</b>

**Appendix I – Physician Referral Letter**

Attached as Appendix 1 is the physician referral letter from Dr. Pradeep Mehta projecting 12 pre-ESRD patients will initiate dialysis within 12 to 24 months of project completion.

Pradeep Mehta, M.D.  
Central Illinois Kidney and Dialysis Associates, S.C.  
3401 Conifer Drive  
Springfield, Illinois 62711

Kathryn J. Olson  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Dear Chair Olson:

I am pleased to support the proposed DaVita Inc. ("DaVita") expansion of Taylorville Dialysis. Taylorville Dialysis has seen extraordinary growth over the past year. Patient census has increased 37.5% between July 1, 2015 to June 30, 2016, and an additional 13.6% to the present day. Taylorville Dialysis' current utilization is 83.3% as of September 23, 2016. The proposed two station expansion will improve access for current and future patients of Taylorville Dialysis.

Presently, there are no other in-center hemodialysis facilities within 30 minutes of Taylorville Dialysis. The expansion of Taylorville Dialysis will maintain access to necessary dialysis services to patients residing in Taylorville and the surrounding communities. DaVita is well-positioned to provide these services, as it delivers life sustaining dialysis for residents of similar communities throughout the country and abroad. It has also invested in many quality initiatives to improve its patients' health and outcomes.

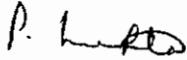
I have identified 76 patients from my practice who are suffering from chronic kidney disease (or CKD) who all reside within 30 minutes of Taylorville Dialysis. 25 patients from 5 select ZIP codes reside within approximately 20 minutes. Conservatively, I predict at least 12 of these patients will progress to dialysis within 12 to 24 months of project completion.

A list of patients who have received care at existing facilities over the past 3 years and most recent quarter is provided at Attachment – 1. A list of new patients my practice has referred for in-center hemodialysis for the past 1 year and most recent quarter is provided at Attachment – 2. The zip codes for the 25 pre-ESRD patients previously referenced from my practice is provided at Attachment – 3.

These patient referrals have not been used to support another pending or approved certificate of need application. The information in this letter is true and correct to the best of my knowledge.

DaVita is a leading provider of dialysis services in the United States, and I support the proposed 2-station expansion of Taylorville Dialysis.

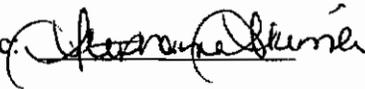
Sincerely,



Pradeep Mehta, M.D.  
Nephrologist  
Central Illinois Kidney and Dialysis Associates, S.C.  
3401 Conifer Drive  
Springfield, Illinois 62711

Subscribed and sworn to me  
This 26 day of September, 2016

Notary Public.



**Attachment 1**  
**Historical Patient Utilization**

Taylorville Dialysis							
2013		2014		2015		2016 YTD 6/30	
Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code
6	62568	5	62568	5	62568	4	62568
3	62075	1	62531	1	62531	1	62570
1	62531	4	62557	3	62557	1	62544
4	62557	2	62075	1	62075	1	62531
2	62540	1	62540	1	62540	4	62557
1	62565	1	62690	1	62690	1	62075
1	62690					1	62540
						1	62690

**Attachment 1**  
**Historical Patient Utilization**

Springfield Central Dialysis							
2013		2014		2015		2016 YTD 06/30	
Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count
62540	1	62082	1	62520	2	62520	2
62561	4	62323	1	62561	2	62561	2
62570	1	62520	1	62563	1	62561	1
62613	1	62561	2	62613	1	62615	1
62640	1	62563	1	62640	1	62640	1
62642	1	62613	1	62664	1	62642	1
62650	1	62640	1	62670	1	62664	1
62656	1	62642	1	62675	4	62670	1
62670	1	62664	1	62684	2	62684	2
62675	1	62670	1	62688	1	62688	1
62684	1	62675	2	62693	1	62693	1
62691	1	62684	2	62702	38	62702	37
62693	1	62693	1	62703	25	62703	21
62702	33	62702	33	62704	4	62704	4
62703	22	62703	25	62707	3	62707	2
62704	4	62704	5			62711	1
62707	1	62707	2				
62711	3	62711	2				
65301	1						

**Attachment 2**  
**New Patients**

<b>Taylorville Dialysis</b>			
2015		2016 YTD 06/30	
Pt count	Zip Code	Initials	Zip Code
1	62080	1	62570
2	62568	2	62568
		1	62544
		1	62565
		1	62557

**Attachment 2**  
**New Patients**

<b>Springfield Central Dialysis</b>			
2015		2016 YTD 06/30	
Zip Code	Pt Count	Zip Code	Pt Count
62629	2	62561	1
62675	2	62615	1
62684	1	62642	1
62688	1	62702	5
62702	9	62703	1
62703	7	62707	1
62704	1		
62707	1		

**Attachment 3**  
**Pre-ESRD Patients**

<b>Zip Code</b>	<b>Total</b>
62568	11
62567	1
62570	3
62557	9
62513	1
<b>Total</b>	<b>25</b>

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant/Coapplicant Identification including Certificate of Good Standing	25-27
2	Site Ownership	28-65
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	66-67
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	68-69
5	Flood Plain Requirements	70-71
6	Historic Preservation Act Requirements	72-73
7	Project and Sources of Funds Itemization	74
8	Obligation Document if required	75-76
9	Cost Space Requirements	77
10	Discontinuation	
11	Background of the Applicant	78-90
12	Purpose of the Project	91-94
13	Alternatives to the Project	95-96
14	Size of the Project	97
15	Project Service Utilization	98
16	Unfinished or Shell Space	99
17	Assurances for Unfinished/Shell Space	100
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	<b>Service Specific:</b>	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	101-122
27	Non-Hospital Based Ambulatory Surgery	
28	Selected Organ Transplantation	
29	Kidney Transplantation	
30	Subacute Care Hospital Model	
31	Children's Community-Based Health Care Center	
32	Community-Based Residential Rehabilitation Center	
33	Long Term Acute Care Hospital	
34	Clinical Service Areas Other than Categories of Service	
35	Freestanding Emergency Center Medical Services	
	<b>Financial and Economic Feasibility:</b>	
36	Availability of Funds	123-160
37	Financial Waiver	161
38	Financial Viability	
39	Economic Feasibility	162-169
40	Safety Net Impact Statement	170
41	Charity Care Information	171