

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: ARA Crystal Lake Dialysis		
Street Address: 6298 Northwest Highway, Suite 300		
City and Zip Code: Crystal Lake 60014		
County: McHenry	Health Service Area: 8	Health Planning Area: A-10

Legislators

State Senator Name: Sen. Dan McConchie
State Representative Name: Rep. David McSweeney

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

Exact Legal Name: ARA - Crystal Lake Dialysis LLC d/b/a Crystal Lake Dialysis Center	
Street Address: 6298 Northwest Highway, Suite 300	
City and Zip Code: Crystal Lake IL 60014	
Name of Registered Agent: CT Corporation System	
Registered Agent Street Address: 208 South LaSalle Street	
Registered Agent City and Zip Code: Chicago, IL 60604	
Name of Chief Executive Officer: Maria Sanchez (Clinic Manager)	
CEO Street Address: 6298 Northwest Highway, Suite 300	
CEO City and Zip Code: Crystal Lake, IL 60014	
CEO Telephone Number: (815) 477-0825	

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
Other <input type="checkbox"/>	
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois certificate of good standing. o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner. 	

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Maria Sanchez
Title: Clinic Manager
Company Name: ARA – Crystal Lake Dialysis Center
Address: 6298 Northwest Highway, Suite 300
Telephone Number: (815) 477-0825
E-mail Address: msanchez@americanrenal.com
Fax Number: (815) 477-0827

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

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Legislators

State Senator Name: Sen. Dan McConchie
State Representative Name: Rep. David McSweeney

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

Exact Legal Name: American Renal Associates Holdings, Inc.
Street Address: 500 Cummings Center, Suite 6550
City and Zip Code: Beverly, MA 01915
Name of Registered Agent: The Corporation Trust Company
Registered Agent Street Address: 1209 Orange Street
Registered Agent City and Zip Code: Wilmington, DE 19801
Name of Chief Executive Officer: Joseph A. Carlucci
CEO Street Address: 500 Cummings Center, Suite 6550
CEO City and Zip Code: Beverly, MA 01915
CEO Telephone Number: (978) 522-6496

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
Other <input type="checkbox"/>	
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois certificate of good standing. o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner. 	

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Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Joseph A. Carlucci
Title: CEO
Company Name: American Renal Associates Holdings, Inc.
Address: 500 Cummings Center, Suite 6550
Telephone Number: (978) 522-6496
E-mail Address: jcarlucci@americanrenal.com
Fax Number: (978) 232-4015

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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County: McHenry Health Service Area: 8 Health Planning Area: A-10

Legislators

State Senator Name: Sen. Dan McConchie
State Representative Name: Rep. David McSweeney

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

Exact Legal Name: IRC Superman Holdings, LLC
Street Address: 50 Kennedy Plaza, 12 th Floor
City and Zip Code: Providence, RI 02903
Name of Registered Agent: Corporation Service Company
Registered Agent Street Address: 251 Little Falls Drive
Registered Agent City and Zip Code: Wilmington, DE 19808
Name of Chief Executive Officer: Nick Mendez
CEO Street Address: 3102 West End Avenue, Suite 1150
CEO City and Zip Code: Nashville, TN 37203
CEO Telephone Number: (615) 515-9880

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
Other <input type="checkbox"/>	
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois certificate of good standing. o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner. 	

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Timothy Murphy
Title: Attorney
Company Name: Epstein Becker & Green, P.C.
Address: 1227 25th Street, NW Washington, DC 20037
Telephone Number: 202.861.1861
E-mail Address: TMurphy@ebglaw.com
Fax Number: 202.861.3088

Additional Contact [Person who is also authorized to discuss the Application]

Name: Daniel J. Lawler
Title: Partner
Company Name: Barnes & Thornburg LLP
Address: One North Wacker Drive, Suite 4400, Chicago IL 60606-2833
Telephone Number: (312) 214-4861
E-mail Address: Daniel.lawler@btlaw.com
Fax Number: (312) 759-5646

Post Exemption Contact

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

Name: Maria Sanchez
Title: Clinic Manager
Company Name: ARA Crystal Lake Dialysis
Address: 6298 Northwest Highway, Suite 300, Crystal Lake, IL 60014
Telephone Number: (815) 477-0825
E-mail Address: msanchez@americanrenal.com
Fax Number: (815) 477-0827

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Brixmor Crystal Lake LLC Attn: Brixmor Property Group
Address of Site Owner: 450 Lexington Ave., 13 th Floor, New York, NY 10017
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor’s documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee

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

Exact Legal Name: ARA – Crystal Lake Dialysis LLC
Address: 6298 Northwest Highway, Suite 300, Crystal Lake IL 60014
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship Other <input type="checkbox"/>

Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: ARA – Crystal Lake Dialysis LLC d/b/a Crystal Lake Dialysis Center	
Address: 6298 Northwest Highway, Suite 300, Crystal Lake IL 60014	
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<ul style="list-style-type: none"> ○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. ○ Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. ○ Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 	
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.
APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. 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.

The applicant facility is ARA – Crystal Lake Dialysis LLC d/b/a Crystal Lake Dialysis Center located at 6298 Northwest Highway, Suite 300, Crystal Lake IL 60014. The applicant facility is indirectly owned by American Renal Associates Holdings, Inc., a Delaware corporation (“ARA”), a publicly-traded company.

On October 1, 2020, ARA entered into Agreement and Plan of Merger with Superman Merger Sub, Inc., a Delaware corporation (“Merger Sub”) and a direct wholly owned subsidiary of IRC Superman Midco, LLC, a Delaware limited liability company (“IRC Midco”). As a result of the merger, Merger Sub will merge with and into ARA, with ARA as the surviving entity. As a result of the merger, ARA will become a wholly owned subsidiary of IRC Midco and the applicant facility will become an indirect subsidiary of IRC Midco. ARA is, and will continue to be after the completion of the proposed transaction, the indirect owner of the applicant facility.

IRC Midco is a wholly owned subsidiary of IRC Superman Holdings, LLC (“IRC Superman”). IRC Midco and IRC Superman are newly formed entities, and are affiliated with Nautic Partners, LLC and Innovative Renal Care, LLC. Nautic Partners VIII, L.P., Nautic Partners VIII-A, L.P., Nautic Partners IX, L.P. and Nautic Partners IXA, L.P. have committed to capitalize the IRC Midco with an aggregate equity contribution of up to \$450 million, subject to the terms and conditions set forth in an equity commitment letter. Investment funds and accounts managed by HPS Investments Partners, LLC (the “Lenders”) have agreed to provide IRC Midco and Merger Sub with committed debt financing in an aggregate principal amount of up to \$515 million on the terms set forth in a debt commitment letter. The obligations of the Lenders to provide debt financing under the debt commitment letter are subject to customary terms and conditions. Through investment vehicles, the investment funds will have indirect ownership in IRC Superman, however, none of the investment funds will hold a 50% or more interest in the applicant facility.

The applicant facility will continue to exist and serve patients after the proposed transaction. The applicants anticipate closing the proposed transaction in the first quarter of 2021.

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	NOT APPLICABLE (no land acquisition)
Purchase Price:	\$ _____		
Fair Market Value:	\$ _____		

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes ___ No X. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

Anticipated exemption completion date (refer to Part 1130.570): As soon as practicable and no later than March 31, 2021.

State Agency Submittals

Are the following submittals up to date as applicable:

- Cancer Registry **NOT APPLICABLE.**
- APORS **NOT APPLICABLE.**
- All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted **NOT APPLICABLE.**
- All reports regarding outstanding permits **NOT APPLICABLE.**

Failure to be up to date with these requirements will result in the Application being deemed incomplete.

CERTIFICATION

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

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

This Application is filed on the behalf of*:

ARA – Crystal Lake Dialysis LLC

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

Joseph A. Carlucci

SIGNATURE

Joseph A. Carlucci

PRINTED NAME
Manager

PRINTED TITLE

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 8th day of October, 2020

[Signature]

Signature of Notary

Seal



Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

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SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

Syed T Kamal
SIGNATURE

SYED T KAMAL
PRINTED NAME

Manager
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

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- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of*:

American Renal Associates Holdings, Inc.

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


 SIGNATURE
 Joseph A. Carlucci

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 8th day of October


 Signature of Notary

Seal



SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

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this ____ day of _____

Signature of Notary

Seal

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- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of*:

American Renal Associates Holdings, Inc.

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

SIGNATURE

Syed Kamal
SIGNATURE

PRINTED NAME

SYED T KAMAL
PRINTED NAME

PRINTED TITLE

President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Signature of Notary

Seal

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

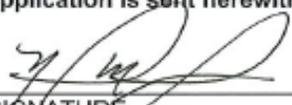
The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of*:

IRC Superman Holdings, LLC

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



 SIGNATURE
 Nick Mendez

 PRINTED NAME
 CEO

 PRINTED TITLE



 SIGNATURE
 Jon Sundock

 PRINTED NAME
 General Counsel

 PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 8th day of October

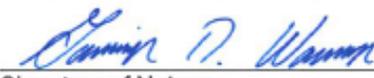


 Signature of Notary

Seal



Notarization:
Subscribed and sworn to before me
this 8th day of October



 Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SECTION II. BACKGROUND.

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

- Purchase resulting in the issuance of a license to an entity different from current licensee.
- Lease resulting in the issuance of a license to an entity different from current licensee.
- Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- Stock transfer resulting in no change from current licensee.
- Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

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

SECTION IV.CHARITY CARE INFORMATION

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 7.

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

APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	19 - 23
2	Site Ownership	24 - 62
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	63 - 65
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	66 - 68
5	Background of the Applicant	69 - 70
6	Change of Ownership	71 - 89
7	Charity Care Information	90

ATTACHMENT 1
TYPE OF OWNERSHIP OF APPLICANTS

Included with this attachment are:

1. The Certificate of Good Standing for the applicant facility.
2. The Certificate of Good Standing for American Renal Associates Holdings, Inc.
3. The Certificate of Good Standing for IRC Superman Holdings, LLC.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ARA-CRYSTAL LAKE DIALYSIS LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF SEPTEMBER, A.D. 2020.

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



3724856 8300

SR# 20207573532

You may verify this certificate online at corp.delaware.gov/authver.shtml

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

Authentication: 203767522

Date: 09-30-20

File Number 0106089-9



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

ARA-CRYSTAL LAKE DIALYSIS LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSCACT BUSINESS IN ILLINOIS ON DECEMBER 01, 2003, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSCACT 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 24TH day of SEPTEMBER A.D. 2020 .

Authentication #: 2026804512 verifiable until 09/24/2021
Authenticate at: <http://www.cyberdriveillinois.com>

Jesse White
SECRETARY OF STATE

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "AMERICAN RENAL ASSOCIATES HOLDINGS, 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 FIRST DAY OF OCTOBER, A.D. 2020.

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

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



Jeffrey W. Bullock
Jeffrey W. Bullock, Secretary of State

4801244 8300

SR# 20207596606

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Authentication: 203775781

Date: 10-01-20

Delaware

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Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "IRC SUPERMAN HOLDINGS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF SEPTEMBER, A.D. 2020.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "IRC SUPERMAN HOLDINGS, LLC" WAS FORMED ON THE TWENTY-EIGHTH DAY OF SEPTEMBER, A.D. 2020.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.



Jeffrey W. Bullock
Jeffrey W. Bullock, Secretary of State

3755983 8300

SR# 20207563836

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Authentication: 203764403

Date: 09-30-20

ATTACHMENT 2
SITE OWNERSHIP

The site ownership will remain the same following the transaction. The applicant ARA – Crystal Lake Dialysis LLC leases the premises from Brixmor Crystal Lake LLC Attn: Brixmor Property Group. Copies of the Agreement of Lease dated June 22, 2004, First Amendment of Lease dated February 25, 2011, and Second Amendment to Lease dated July 6, 2018 are included with this Attachment.

AGREEMENT OF LEASE

between

BRADLEY FINANCING PARTNERSHIP,
a Delaware General Partnership, as Landlord,

and

ARA-CRYSTAL LAKE DIALYSIS, LLC
a Delaware limited liability company, as Tenant

for premises at the Commons of Crystal Lake Shopping Center, Crystal Lake, Illinois

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Exhibit A	SHOPPING CENTER & THE PREMISES
Exhibit A-1	CONFIRMATION OF LEASE TERM
Exhibit B	RULES & REGULATIONS

AGREEMENT OF LEASE (the "Lease") dated as of June 22, 2004, by and between BRADLEY FINANCING PARTNERSHIP, a Delaware General Partnership, as Landlord, c/o Heritage Realty Management, Inc., 535 Boylston Street, Boston, Massachusetts, 02116-3766 (the "Landlord") and ARA-CRYSTAL LAKE DIALYSIS LLC, a Delaware limited liability company, having an address at c/o American Renal Associates Inc., 5 Cherry Hill Drive, Danvers, MA 01923 (the "Tenant").

1. PREMISES

Landlord leases to Tenant and Tenant rents from Landlord those certain store premises known as Space 300 consisting of approximately 3,760 square feet (the "Premises") at The Commons of Crystal Lake, Crystal Lake, Illinois (the "Shopping Center"). The Premises and Shopping Center are shown approximately on Exhibit "A", attached hereto and made a part hereof. During the Term, except as otherwise provided herein, the Premises shall not materially differ from that shown on Exhibit "A".

Immediately adjacent to the Premises is approximately 2,120 square feet of space that are not part of the Premises, but for which Tenant will have certain obligations pursuant to this Lease. Said space is hereinafter referred to as the "Storage Space".

2. TERM

A. The term of this Lease shall be for a term of ten (10) Lease Years (the "Term") commencing on the sooner to occur of (i) the date Tenant opens the Premises for business or (ii) sixty (60) days after the Possession Date (defined hereinafter) (which earlier date is here called the "Lease Commencement Date" or the "Commencement Date") and terminating on the last day of the tenth (10th) full Lease Year (the "Lease Expiration Date"). The phrase "Lease Year" as used herein shall, for the first Lease Year, mean the twelve full calendar months immediately following Lease Commencement Date together with any partial calendar month prior thereto; and thereafter, "Lease Year" shall mean each successive twelve calendar month period following the expiration of the first Lease Year.

B. Following the Lease Commencement Date, Landlord and Tenant agree to execute a Confirmation of Lease Term in the form attached as Exhibit "A-1", setting forth the Lease Commencement Date, the Rent Commencement Date and the Lease Expiration Date. The failure of the parties to execute said confirmation shall not affect the validity of this Lease or the commencement of the Term thereof.

3. RENEWAL OPTION

Provided Tenant shall keep, observe and perform all the terms, provisions, covenants and conditions hereunder, Tenant shall have the right to renew this Lease for one (1) additional consecutive period of five (5) Lease Years (the "Option Period"), on the same terms provided in this Lease (except as set forth below and except rent concession periods and tenant allowances, if any, shall not apply to any renewal periods), by delivering written notice of the exercise thereof to Landlord not later than one hundred eighty (180) days before the expiration of the Term. Time is of the essence of Tenant's renewal rights hereunder.

4. MINIMUM RENT

A. The "Minimum Rent" during the Term of this Lease shall be payable by Tenant to Landlord in equal monthly installments beginning on the Rent Commencement Date and on the first day of each calendar month thereafter, in advance, and shall be payable in the monthly and annual amounts as follows:

PERIOD	MONTHLY	ANNUAL
Rent Commencement Date through 5 th Lease Year	\$3,290.00	\$39,480.00
6 th through 10 th Lease Years	\$3,822.66	\$45,872.00
OPTION PERIOD	MONTHLY	ANNUAL
11 th through 15 th Lease Years	\$4,465.00	\$53,580.00

The "Rent Commencement Date" is the Commencement Date.

B. Left Blank.

C. Left Blank.

5. ADDITIONAL RENT

Tenant's Share of Taxes (as defined hereinafter), Tenant's Share of CAM Expenses (as defined hereinafter), and all other payments to be made by Tenant to Landlord shall be deemed "Additional Rent" hereunder whether or not the same are designated as such; and shall be due and payable on demand or together with the next succeeding installment of Minimum Rent, whichever shall first occur; and Landlord

shall have the same remedies, for failure to pay the same as for a nonpayment of Minimum Rent. The Minimum Rent and Additional Rent payable under this Lease are hereinafter sometimes referred to collectively as the "Rent".

Landlord, at its election, shall have the right to pay for or perform any act that requires the expenditure of any sums of money, by reason of the failure or neglect of Tenant to perform any of the provisions of this Lease, and in the event Landlord shall, at its election, pay such sums or perform such acts requiring the expenditure of moneys, Tenant agrees to pay Landlord, upon demand all such sums, and the sums so paid by Landlord, shall be deemed Additional Rent and payable as such. Tenant agrees to pay, upon demand, as Additional Rent, all assessments, taxes or charges of any type levied, assessed or imposed by any governmental authorities with respect to revenues, rent or other charges payable by Tenant to Landlord pursuant to this Lease. All payments of Rent required to be paid by Tenant shall be delivered to Landlord on the dates required by this Lease, at the office of Landlord listed above, or to such other address as Landlord may designate in writing.

Tenant's covenant to pay Rent is an independent covenant of Tenant and the payment thereof shall not be subject to any abatement, deduction, counterclaim, reduction, set off or defense of any kind except as set forth in this Lease. Landlord reserves the right to apply any payments made by Tenant to the satisfaction of any debt or obligation of Tenant to Landlord without regard to Tenant's instructions thereto, whether such instructions be endorsed upon Tenant's check or otherwise.

6. SECURITY DEPOSIT

A. Tenant has deposited with Landlord the sum of \$6,580.00, receipt of which is hereby acknowledged, subject to collection. Said deposit shall be held by Landlord without liability for interest as security for the faithful performance by Tenant of all of Tenant's obligations under this Lease. The security deposit shall not be mortgaged, assigned, transferred or encumbered by Tenant without the written consent of Landlord, and any such act on the part of Tenant shall be without force and effect and shall not be binding upon Landlord.

B. If any of the Rent herein reserved or any other sum payable by Tenant to Landlord shall be overdue and unpaid or should Landlord make payments on behalf of Tenant, or Tenant shall fail to perform any of the terms of this Lease, then Landlord may, at its option, without notice to Tenant and without prejudice to any other remedy that Landlord may have on account thereof, appropriate and apply said entire deposit or such portion thereof as may be necessary to compensate Landlord toward the payment of Rent or loss or damage sustained by Landlord due to such breach on the part of Tenant; and Tenant shall forthwith upon demand restore said security to the original sum deposited. Should Tenant comply with all of said terms and promptly pay all of the Rent as it becomes due and all other sums payable by Tenant to Landlord, said deposit, less a one (1%) percent per annum administrative fee to Landlord, shall be returned to Tenant at the end of the Term.

C. Landlord may deliver the funds deposited hereunder to the purchaser of Landlord's interest in the Premises in the event that such interest is sold and thereupon Landlord shall be discharged from any further liability with respect to such deposit, and this provision shall also apply to any subsequent transferees.

D. In the event this Lease is terminated pursuant to Section 7 hereof, Landlord shall refund to Tenant the security deposit.

7. LEASE CONDITION/TENANT RIGHT TO TERMINATE LEASE

The Tenant's and Landlord's obligations under this Lease are subject to (the "Condition") Tenant's receipt of the proper licenses and authorizations (the "State Approvals") from the State of Illinois ("State") to operate a medical office and outpatient renal dialysis center at the Premises. Promptly after executing this Lease, or sooner, Tenant shall (i) apply for the State Approvals and (ii) promptly, diligently and in good faith, proceed to obtain same from the State. Tenant shall notify Landlord of the date it is submitting its application for the State Approvals and shall keep Landlord timely informed on the status of the issuance of same. If Tenant has not received the State Approvals on or before September 1, 2004 (the "Condition Period"), then either Tenant or Landlord shall have the right to terminate this Lease upon written notice to the other on or before the expiration of the Condition Period.

At Tenant's request, Landlord shall execute any applications, submissions and other documents which may be reasonably required in order for Tenant to obtain the State Approvals. Landlord and Tenant agree to cooperate fully with each other in all other reasonable matters as may be required for Tenant to obtain the State Approvals and Tenant shall deliver a copy of the State Approvals to Landlord promptly upon issuance of same.

If, on or before the expiration of the Condition Period, Tenant fails to affirmatively advise Landlord that it has been unable to obtain the State Approvals, then Tenant shall be deemed to have obtained the State Approvals and the Condition shall be deemed satisfied.

8. Left Blank

9. TAXES

A. For the purpose of this Article, the term "Taxes" shall mean all real estate taxes, fees, betterments and assessments (including special assessments), however the same may be designated, levied, assessed or imposed at any time by any governmental authority upon or against the Premises, land, and/or buildings of the Shopping Center, and any fees or charges imposed by governmental authorities such as sewer access fees, betterment assessments and similar charges, and including any penalties or interest for late payment thereof caused by Tenant's failure to make timely or complete payment of any such charges. Taxes shall exclude Landlord's income tax. Any tax upon the land and/or buildings or other tax levied or imposed by any taxing authority in lieu of the present method of real estate taxing shall be deemed to be the Taxes referred to in this section. The Taxes shall include any and all expenses incurred in good faith by Landlord in contesting the validity of, in seeking a reduction in, and/or in seeking to prevent an increase in any such tax or assessment. Said expenses shall be added to the Taxes to coincide with the period in which said expenses are incurred.

B. Tenant shall pay to Landlord as Additional Rent for each tax year, Tenant's Share of Taxes (defined hereinafter). In addition thereto, Tenant shall pay the full amount or allocable amount of any other taxes or assessments chargeable directly or indirectly to, or calculated by reference to, the Premises or Tenant's use of the Premises. "Tenant's Share of Taxes" shall mean Taxes multiplied by a fraction, the numerator of which shall be the square footage of the Premises and the denominator of which shall be the square footage of the constructed leasable area of the Shopping Center or tax parcel in which the Premises is located. For purposes of this Section, the square footage of the constructed leasable area of the Shopping Center shall exclude, at Landlord's option, any floor area in the Shopping Center that is leased to Anchor Tenants (defined hereinafter) or is not owned by Landlord. Tenant's Share of Taxes may be adjusted from time to time as the square footage of the leasable area of the Premises or of the Shopping Center changes, for whatever reason. If Landlord elects to exclude from the determination of Tenant's Share of Taxes any floor area in the Shopping Center that is leased to Anchor Tenants or is not owned by Landlord, Taxes shall be reduced by the amounts actually received by Landlord as contributions toward Taxes from said Anchor Tenants.

Notwithstanding the above, if the Premises are part of a tax parcel that is separate from any other part of the Shopping Center, then, at Landlord's option, Tenant shall pay a Pro Rata Share of the Taxes (defined hereinafter) charged and levied upon or assessed against the separate tax parcel on which the Premises stands. "Pro Rata Share of Taxes" shall mean Taxes multiplied by a fraction, the numerator of which shall be the square footage of the Premises and the denominator of which shall be the square footage of the constructed leasable area of all buildings existing on the separate tax parcel of which the Premises are part.

For purposes of this Lease, "Anchor Tenant(s)" shall mean any tenant(s) of the Shopping Center having premises containing twenty thousand (20,000) square feet or more or occupying a free-standing building in the Shopping Center.

C. Beginning on the Commencement Date and during the first tax year of the term hereof, and until issuance of a statement by Landlord for the first tax year as hereinafter set forth, Tenant shall pay as Additional Rent a monthly amount equal to \$886.73 on account of Tenant's Share of Taxes.

D. Landlord shall submit to Tenant a copy of the tax bill(s) for each tax year, together with a statement indicating the total amount required to be paid by Tenant hereunder as Additional Rent for the tax year, as well as any amounts previously paid by Tenant on account of such Additional Rent. Within ten (10) days after the issuance of such statement, Tenant shall pay the Additional Rent shown due on the statement, if any, such that Tenant will have paid Tenant's Share of Taxes for the tax year. Simultaneously with such payment, and on the first day of each of the succeeding eleven (11) calendar months, Tenant shall remit to Landlord as Additional Rent, one-twelfth (1/12) of Tenant's Share of Taxes shown on the statement. If the total of such monthly remittances is greater than the total amount of Additional Rent due hereunder from Tenant for the next succeeding tax year, Tenant may credit the difference against the next installment of Additional Rent for Taxes due to Landlord hereunder.

E. In the event Landlord shall receive a refund of Taxes for any tax year for which Tenant has paid any Additional Rent under the provisions of this Article, the proceeds of such refund less legal fees and other expenses incurred in obtaining such refund, shall be applied and allocated to the periods for which the refund was obtained and proper adjustment shall be made by Landlord and Tenant.

F. Any payments or refunds due hereunder for any period of less than a full tax year, at the commencement or end of the Term of this Lease, shall be equitably prorated to reflect such event.

10. COMMON AREA MAINTENANCE PAYMENT

A. Tenant, as Additional Rent, shall pay to Landlord, without offset or deduction, in equal

monthly installments on the first day of each and every calendar month during the Term or renewal Term hereof, Tenant's Share of CAM Expenses (as defined hereinafter). "CAM Expenses" shall be determined in accordance with generally accepted accounting principles and allocated to any particular fiscal year on the accrual method of accounting and shall mean and include the costs and expenses of every kind and nature paid or incurred by the Landlord (including reasonable and appropriate reserves) in maintaining, operating, managing, insuring, equipping, cleaning, lighting, decorating, repairing, replacing, and otherwise managing the Common Areas (as defined hereinafter) and the Shopping Center, including, without limitation, the following: costs to sweep, plow, sand, salt, and light the parking area and other Common Areas; cleaning costs; costs to repair, replace, and otherwise maintain the common building facilities, exterior walls, facade, canopy areas, roof, common utility lines (e.g., electric, gas, sewer and water), property identification and traffic signs; directional, monument and pylon signs; painting expenses; costs to operate, maintain, repair, test and replace any utility and energy management system, including, without limitation, any central HVAC system, central sprinkler system, and smoke detection systems; costs to plant, replant, and replace flowers and other gardening and landscaping expenses; payments by the Landlord to the municipality in which the Shopping Center is located relating to traffic safety, fire safety and other governmental services and programs; fees for required licenses and permits; costs to police the Shopping Center and afford protection thereof against fire (if and to the extent that such policing and/or fire protection is provided); water and sewer and other utility charges and assessments; personal property taxes; wages (including, but not limited to, a reasonable allocation of wages for off-site personnel providing services for the Shopping Center and other shopping centers managed by an affiliate of Landlord); unemployment taxes; social security taxes; supplies, costs of uniforms and the cleaning thereof; costs of procuring and maintaining liability, property damage, fire, workers' compensation, and other insurance (including, without limitation, all insurance, hazard, rent, and otherwise, from time to time carried by the Landlord on any or all structures on the Shopping Center); allocations by Landlord or Landlord's insurance advisor for claims paid or to be paid by Landlord under Landlord's retention (beneath Landlord's insurance deductible); cost of supplies; decoration costs; operation of loudspeakers and any other equipment supplying music to the Common Areas; reasonable depreciation of furnishings and equipment used in the operation of the Common Areas; costs for other equipment used in the operation, repair, and maintenance of the Common Areas, common facilities, and related services; and administrative costs equal to ten (10%) percent of the total costs paid or incurred by Landlord under this Article. Notwithstanding the foregoing, the Tenant's Share of CAM Expenses shall not include the initial cost of the land or the construction of the original buildings of the Shopping Center or the depreciation of same.

B. "Tenant's Share of CAM Expenses" shall mean CAM Expenses multiplied by a fraction, the numerator of which shall be the square footage of the Premises and the denominator of which shall be the square footage of the constructed leasable area of the Shopping Center. For purposes of this Section, the square footage of the constructed leasable area of the Shopping Center shall exclude, at Landlord's option, any floor area in the Shopping Center that is leased to Anchor Tenants or is not owned by Landlord. Tenant's Share of CAM Expenses may be adjusted from time to time as the square footage of the leasable area of the Premises or of the Shopping Center changes, for whatever reason. If Landlord elects to exclude from the determination of Tenant's Share of CAM Expenses any floor area in the Shopping Center that is leased to Anchor Tenants or is not owned by Landlord, CAM Expenses shall be reduced by the amounts actually received by Landlord as contributions toward CAM Expenses from said Anchor Tenants or parties.

C. Beginning on the Commencement Date and during the Landlord's first fiscal year of the Term hereof, and until issuance of a statement by Landlord for the Landlord's first fiscal year as hereinafter set forth, Tenant shall pay Landlord monthly, as Additional Rent, a monthly amount equal to \$ 535.80 on account of Tenant's Share of CAM Expenses.

D. If Landlord shall determine that any sums are owed it after the end of Landlord's fiscal year, Landlord shall furnish to Tenant a statement in reasonable detail of the actual CAM Expenses paid or incurred by Landlord during such period prepared in accordance with generally accepted accounting principles ("Landlord's CAM Statement"). Within 10 days after issuance of Landlord's CAM Statement, Tenant shall pay to Landlord the Additional Rent due for Tenant's Share of CAM Expenses, if any. If the total of Tenant's monthly installments on account of Tenant's Share of CAM Expenses is greater than the amount of Additional Rent due hereunder from Tenant, the difference shall be credited to the next installment of Additional Rent due to Landlord hereunder except any overpayment shall be returned to Tenant after the Lease Expiration Date. At the end of each fiscal year during the term hereof, Landlord may adjust Tenant's monthly payment so that the amount shall equal one-twelfth of Tenant's Share of CAM Expenses as set forth in Landlord's most recent statement multiplied by one hundred five (105%) percent. Such statement shall be conclusive between the parties. Landlord reserves the right to change its fiscal year.

E. Upon the expiration or termination of this Lease, whether the same be the Lease Expiration Date set forth in Article , or any prior or subsequent date, the entire Additional Rent on account of Tenant's Share of CAM Expenses for the preceding fiscal year, if unpaid, and a proportionate share of the Additional Rent on account of Tenant's Share of CAM Expenses for the fiscal year during which such expiration or termination occurs, shall immediately become due and payable by Tenant to Landlord. Such proportionate share shall be based upon the length of time this Lease shall have been in existence during such latter fiscal

year. Promptly after such expiration or termination, Landlord shall estimate the Additional Rent due from Tenant as aforesaid based upon the most recent statement of CAM Expenses prepared by Landlord and furnished to Tenant. Notwithstanding the foregoing, in case of any termination of this Lease prior to the Lease Expiration Date by reason of Tenant's default, Tenant's obligation to pay any and all Additional Rent under this Lease shall continue to the Lease Expiration Date.

F. In the event that the Term of this Lease shall begin on other than the first day of a fiscal year, then with respect to the fraction of a fiscal year at the beginning of the Term, said CAM Expenses during the same shall be billed and adjusted on the basis of such fraction of a fiscal year.

G. Notwithstanding anything to the contrary contained in this Lease, Tenant's obligation to pay Tenant's Share of CAM Expenses (excluding costs for snow removal, insurance, utilities and other uncontrollable costs) shall not exceed one hundred seven (107%) percent per annum, on a cumulative basis, of Tenant's Share of CAM Expenses (excluding costs for snow removal, insurance, utilities and other uncontrollable costs) in any prior calendar year.

11. USE OF PREMISES

A. Tenant shall continuously occupy and use the Premises solely for the purpose of conducting the business of a first-class, high quality medical office and outpatient renal dialysis center and for no other purpose. Tenant shall not use, permit, or suffer the use of the Premises for any other business or purpose. Tenant acknowledges that (i) this Lease is a lease of real property in a shopping center; (ii) Landlord has executed this Lease in reliance upon Tenant's use restriction; (iii) the specific use specified herein is a material consideration to Landlord in maintaining an appropriate tenant mix within the Shopping Center and to assure the continued operation of a full service shopping center development; and (iv) any deviation therefrom shall constitute a substantial breach of the terms of this Lease.

B. Tenant shall:

- (1) operate its business under the trade name Crystal Lake Dialysis Center and not change the same without Landlord's prior written consent, which consent shall not be unreasonably withheld;
- (2) conduct Tenant's business in the entire Premises and at all times in a first class manner consistent with reputable business standards and practices;
- (3) left blank;
- (4) left blank;
- (5) left blank;
- (6) left blank;
- (7) keep the display windows and signs, if any, well lighted during the hours from sundown to midnight;
- (8) keep the Premises and exterior and interior portions of windows, doors, and all other glass or plate glass fixtures in a neat, clean, sanitary, and safe condition;
- (9) left blank;
- (10) left blank;
- (11) not place any weight upon the floor that exceeds the load-bearing capacity of the floor space;
- (12) neither solicit business nor distribute advertising matter in the parking or other Common Areas;
- (13) left blank;
- (14) comply, at Tenant's own cost and expense, with all governmental laws, ordinances, orders and regulations relating to the use, condition, and occupancy of the Premises now or hereafter in force, including, but not limited to zoning, building, health and safety codes; and comply with, execute, and perform any required repairs or improvements with respect to all rules, requirements and regulations of the Board of Fire Underwriters, Landlord's insurance companies, and other organizations establishing insurance rates;

- (15) comply within the Premises with the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*) and the regulations and Accessibility Guidelines for Buildings and Facilities issued pursuant thereto;
- (16) not suffer, permit, or commit any waste;
- (17) not perform any act or carry on any practice that may injure the Premises or any other part of the Shopping Center, or cause any offensive odor or loud noise (including, without limitation, the use of loudspeakers), or constitute a nuisance or menace to any other occupant or other persons in the Shopping Center; and
- (18) except for use as permitted by and in accordance with applicable law as a medical office and outpatient renal dialysis center, not use the Premises for the generation, storage, treatment or disposal of Hazardous Waste, and hereby certifies that Tenant's operations on or other use of the Premises will not involve same. For purposes of this Lease, the term "Hazardous Waste" is defined by cumulative reference to the following sources as amended from time to time: (a) the Resource Conservation and Recovery Act of 1976, 42 USC 901 *et seq.* (RCRA); (b) the Comprehensive Environmental Resource, Compensation and Liability Act of 1980, Public Law 96-610 (CERCLA); and (c) any federal, state or municipal regulations, rules or orders issued or promulgated under or pursuant to any of the foregoing by any agency, department or other administrative, regulatory or judicial body. Tenant shall indemnify Landlord for any liability imposed should the provisions of this Article be or become untrue. The warranty of this Article shall survive the expiration or early termination of this Lease.

C. Tenant agrees to conform to and abide by the rules and regulations attached hereto as Exhibit "B". Landlord may amend or add new rules and regulations from time to time for the use and care of the Premises and the Shopping Center.

D. Subject to the following conditions being met, Tenant shall have the right to install a satellite communication dish ("Dish") at the Premises: (i) Tenant shall install such Dish as part of Tenant's Work, along with plans and specifications for such installation in such reasonable detail as Landlord may require, for Landlord's prior written approval; (ii) roof penetrations, if any shall be done by Landlord's contractor at Tenant's expense; (iii) notwithstanding anything in this Lease to the contrary, Tenant shall have no authority to install the Dish on the Premises until Tenant, at its sole cost and expense, has obtained all permits, licenses, certifications and approvals from all applicable governmental authorities, if any, required for the installation and maintenance of the Dish; (iv) Landlord shall have no obligation whatsoever to provide any services to Tenant hereunder; (v) Tenant shall, at its sole cost and expense, keep the Dish in good, safe and operable condition and repair; (vi) to the extent permitted by law, neither Landlord nor any successors or assigns of Landlord shall have any liability, obligation or responsibility whatsoever for the construction, installation, placement, maintenance, display, use or removal of the Dish; (vii) upon the expiration of the Term or upon the termination of Tenant's right of use of the Premises, Tenant shall promptly, dismantle and remove the Dish and Tenant's equipment from the Premises and any other portions of the Shopping Center and repair any damage caused by said removal; (viii) nothing contained in this Lease shall be construed as granting to Tenant an exclusive right to install or maintain an antenna on the Premises or any part thereof or as granting to Tenant any rights to light or air over any property, whether belonging to Landlord or any other person.

E. So long as Tenant is open and operating its business as provided for in the Lease (condemnation and casualty excepted) and is not otherwise in default under the Lease (after the expiration of any applicable cure periods), then Landlord covenants and agrees that during the Term (and Option Period(s), if applicable) hereof, no space in that portion of the Shopping Center marked as "No Dialysis" on Exhibit A will be leased or allowed to be leased for a business, the primary use of which is an outpatient renal dialysis facility. The foregoing restriction shall not apply to (i) Anchor Tenants, (ii) any tenant, its successor, assign or replacement, open and operating in the Shopping Center as of the date of this Lease, (iii) any property not owned by Landlord, (iv) any dental, medical or similar office which does not provide outpatient renal dialysis services.

In the event of a breach of this restriction, Tenant shall give Landlord written notice of such breach (the "First Notice") and Landlord shall have thirty (30) days from the date of said First Notice (or such longer period as may be reasonably required if Landlord is diligently attempting to remedy same) to remedy same. If Landlord fails to remedy such breach within said thirty (30) day period, Tenant shall have the rights set forth in the next paragraph as its sole and exclusive legal and equitable remedy because of such breach.

In the event Landlord fails to proceed with all diligence to remedy such violation, then, upon the expiration of thirty (30) days from the date of Tenants First Notice, Tenant shall have, as its sole and exclusive remedy under this Lease, the right to either (i) decrease annual Base Rent by 50% (on a day for day basis), commencing on the expiration date of the Tenant's thirty (30) day First Notice (which date is herein

called the "50% Rent Start Date") and continuing during the period such store (the "Competing Store") is open and operating (although Tenant shall still pay Landlord all Additional Rent and other charges due under this Lease), or (ii) terminate this Lease, which right Tenant shall elect by delivering to Landlord further written notice of its intent to terminate this Lease (the "Termination Notice"). Tenant shall elect either (i) or (ii) above by giving Landlord written notice of its election no later than the tenth (10th) day after the 50% Rent Start Date. If Tenant elects (ii) above, then this Lease shall terminate as of the 90th day after Tenant's Termination Notice and neither Tenant nor Landlord shall have any further obligation under this Lease. If Tenant elects (i) above, then Tenant shall resume paying full Base Rent on the day such Competing Store ceases violating the restriction. If such Competing Store continues to violate the restriction and Tenant has paid Landlord 50% of Base Rent for 180 consecutive days, then Tenant shall once again have the right to terminate this Lease by delivering to Landlord, no earlier than 180 days, and no later than 210 days after the 50% Rent Start Date a second written notice of its intention to terminate and this Lease shall terminate on the 90th day after Tenant's second notice to Landlord. If Tenant fails to provide Landlord with a second written notice of its intention to terminate this Lease under this Section by said 210th day, then Tenant's right to terminate the Lease under this Section shall be null and void and Tenant shall immediately begin paying to Landlord full Base Rent.

The liquidated damage provision of (i) above is intended as reasonable estimate of Tenant's damages because of Landlord's violation of this Section 11.D and as a settlement of the actual damages that might arise because of such violation. The parties agree that these damages are reasonable, bear significant relation to the actual damages that Tenant might sustain, which damages Tenant and Landlord agree would be uncertain and difficult to prove, and is not a penalty for Landlord's violation.

F. Landlord shall defend, indemnify, and hold Tenant harmless from and against any and all costs, fees, penalties, and charges assessed against, incurred by, or imposed upon Tenant (as well as Tenant's reasonable attorney's and consultant's fees and costs) as a result of: (i) Landlord's use, transportation, generation, storage, and/or sale of Hazardous Substances in the Shopping Center, or (ii) a finding by a local, state or federal governmental agency that Tenant is a "responsible party" under (a) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. sect. 9601-9657 and any amendments thereto and regulations thereunder ("CERCLA"), or (b) the Resource Conservation and Recovery Act, 42 U.S.C. sect. 6901-16987 and any amendments thereto and regulations thereunder ("RCRA"), for Hazardous Substances found in the Shopping Center or the Premises and not placed there by Tenant.

G. Tenant hereby agrees to furnish to Landlord upon demand, written evidence that Tenant has established a written policy (the "Medical Waste Policy") concerning the identification, collection, storage, decontamination and disposal of hazardous medical waste at the Leased Premises. Tenant further agrees that such Medical Waste Policy shall incorporate the following elements: (1) Tenant's employees and agents shall be expressly forbidden from disposing of any hazardous medical waste within the Leased Premises or the Shopping Center in a manner which is contrary to the terms of the Medical Waste Policy; (b) all such hazardous medical waste will be collected, stored, decontaminated and removed from the Leased Premises and the Shopping Center by a qualified party in compliance with all applicable laws, codes, ordinances, statutes and guidelines (including, without limitation, the Occupational Safety and Health Act) of any local, state or federal entity having jurisdiction over this matter; and (c) Tenant and its employees and agents shall at all times employ proper procedures, including, without limitation, the use of tags, signs or other appropriate written communication, to prevent accidental injury or illness to other tenants in the Shopping Center (including their employees, agents and invitees) resulting from Tenant's collection, storage, decontamination and disposal of hazardous medical waste. Tenant hereby covenants and agrees that at all times during the term of the Lease, Tenant and its employees and agents shall adhere to the terms and conditions of the Medical Waste Policy.

Tenant agrees to indemnify, defend and hold Landlord, its principals, agents and employees and any mortgagee(s) harmless against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges or expenses, including without limitation, attorney's fees, clean-up costs, fines or penalties arising out of or resulting from Tenant's violation of this Section.

For purposes of this Section, hazardous medical waste shall include, but not be limited to, the following: any potentially infectious materials; blood and other body fluids in any form (including, without limitation, lab specimens); any material contaminated by potentially infectious materials or by blood or other body fluids; needles and syringes; gloves and linen; uniforms or laundry; and cleaning equipment or materials used to clean any of the foregoing.

H. Landlord and Tenant agree that, in the performance of their respective work in the Leased Premises, they shall not use or install, or permit their contractors or subcontractors to use or install, Hazardous Substances, as defined above. Should either party discover, during the term hereof, materials in the Leased Premises which it suspects are hazardous, then that party shall notify the other. Landlord will then retain an environmental consultant to test for the presence of the suspected Hazardous Substance. If the presence of the suspected Hazardous Substance is confirmed, Landlord will undertake such measures as

it deems reasonably appropriate and necessary under the circumstances, or as may be required by law, to either encapsulate, abate or remove and dispose of the Hazardous Substance, in compliance with applicable laws and regulations. If the Hazardous Substance was originally installed by Tenant, or its contractor or subcontractors, Tenant shall be liable for all costs of inspection, consultation, encapsulation, abatement, removal and/or disposal. If the Hazardous Substance was originally installed by Landlord, its contractor or subcontractors, a third party other than Tenant, or its contractor or subcontractors, then Landlord will be liable for the costs (and, if Tenant is required to close the Leased Premises during the period the abatement or removal work is performed, Tenant will be entitled to an abatement of all rental and charges for the period of closure). If the Hazardous Substance was originally installed by Tenant and Tenant is required to close the Leased Premises during the period the abatement or removal work is performed, Tenant will not be entitled to any rental and charges abatement. Tenant will promptly reopen for business after the abatement or removal work has been completed.

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13. CONDITION OF PREMISES UPON DELIVERY

Tenant agrees to accept the Premises on the Possession Date in its "as is" condition. Tenant acknowledges it has conducted a physical inspection of the Premises and has, or will, accept same on the Lease Commencement Date without representation or warranty, in fact or by law, by Landlord, and without recourse to Landlord as to the condition thereof, or the use to which the Premises may be applied. Landlord shall not be liable for any defects in the Premises or any limitation on their use.

Notwithstanding anything to the contrary contained herein, Landlord (i) represents that the HVAC will be in good working order on the Possession Date, and (ii) will designate four (4) parking spaces in the area shown on Exhibit A as the "Handicap Spaces" as non-exclusive handicapped parking spaces.

The "Possession Date" shall be the sooner to occur of (i) the first day after the Condition Period or (ii) the date that Tenant advises Landlord, in writing, that the Condition has been satisfied.

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15. TENANT'S INSTALLATIONS, ALTERATIONS, IMPROVEMENTS & ALLOWANCE

A. Immediately upon full execution of this Lease, Tenant shall proceed with due diligence to obtain all necessary permits and approvals, commence and complete Tenant's construction and preparation of the Premises, obtain a certificate of occupancy, and open for business.

B. Tenant covenants and agrees to complete all work with respect to the preparation of the Premises, at Tenant's sole cost, in a first-class workmanlike manner in accordance with plans and specifications to be approved by Landlord, in compliance with applicable laws and building codes (hereinafter "Tenant's Work"). Without limitation, Tenant shall fully equip the Premises with all trade equipment, lighting fixtures, furniture, operating equipment, furnishings, fixtures, floor coverings, air conditioning equipment and exterior signs and any other equipment necessary for the proper operation of Tenant's business. All fixtures installed by Tenant shall be new or completely reconditioned, and upon installation of any leasehold improvements, said improvements shall be and become a part of the Premises and the property of Landlord. Should Tenant install air conditioning equipment on the roof of the Premises, Tenant shall assume primary responsibility for the maintenance and repair of the roof in the area of the installation, and such installation, operation and maintenance shall be made in such manner that the right of Landlord under any roofing bond then in force shall not be affected.

Tenant's Work shall include, but shall not be limited to, erecting a demising wall between the Storage Space and the Premises (in a location approved by Landlord), as follows:

- a. Build 18GA. Stud and 5/8" fire rated gypsum board demising 2 wall (minimum 6" wide), from floor to roof deck. Also install an 18 G.A. 4" deep leg capture track attack with #10 tek screws 1" long (2) rows at 24" on center to roof deck. Construction to comply with applicable fire code. Both sides of wall to be sealed at roof deck, taped, floated and sanded ready for paint. When demising wall is to be located on a column row, studs must be large enough to totally encase the columns within the wall. Batt insulation to be installed in the wall.
 - b. Reinstall suspended ceiling grid and tile at both sides of demising wall, where removed to allow wall construction. Ceiling to match existing.
 3. Modify fire sprinkler system at demising wall as required by applicable codes including at both sides of wall if needed for code compliance. Sprinkler system for Premises and Storage Space to remain complete, operational and in accordance with applicable codes.
- C. Tenant shall not perform any construction work or install any equipment without first

obtaining Landlord's written approval and consent, which consent shall not be unreasonably withheld. Tenant shall prepare plans and specifications of Tenant's Work and submit same to Landlord within a time frame allowing for (a) a reasonable time for the Landlord's review, approval and resubmittals by Tenant, and (b) a sufficient time for completion of Tenant's Work and Tenant's projected opening for business, but in no event shall such plans and specifications be submitted later than sixty (60) days after satisfaction of the Condition. Tenant's submission to Landlord will include one (1) set of plans and specifications of Tenant's Work to be done. Within twenty-one (21) days thereafter, Landlord shall notify Tenant of any failure of Tenant's plans to meet with Landlord's approval. Tenant shall, within fifteen (15) days after receipt of any such notice, cause Tenant's plans to be revised and resubmitted to the Landlord for Landlord's approval. When Landlord or its designated agent has approved the original or revised Tenant's plans, Landlord shall initial and return one set of approved Tenant's plans to Tenant. Tenant shall not commence any of Tenant's Work until Landlord has approved Tenant's plans and the Condition is satisfied. Landlord's review and approval of any plans and specifications and consent to perform the work described therein shall not be deemed an agreement by Landlord that such plans, specifications and work conform with applicable legal requirements nor deemed a waiver of Tenant's obligations under this Lease with respect to compliance with applicable legal requirements nor impose any liability or obligation upon Landlord with respect to the completeness, design, sufficiency or compliance of such plans, specifications and work with applicable legal requirements. Failure by Tenant to timely submit plans shall not delay the occurrence of the Rent Commencement Date. Any work by Tenant shall be done by contractors selected by Tenant and reasonably acceptable to Landlord. The reasonableness of Landlord's acceptance of Tenant's choice of contractors shall be governed by the possibility of the creation of strikes or other labor strife that may result from such choice and Tenant's use of said contractors in connection with any construction in the Premises. Tenant shall use reasonable efforts in selecting the contractors to minimize the potential for strikes or other labor strife.

D. So long as Tenant is not in default of this Lease, Landlord shall pay to Tenant, as "Tenant's Allowance", the lesser of (i) the aggregate amount of the cost of Tenant's Work (excluding furnishings, decorations and fixturing) or (ii) \$37,600.00, which said amount shall be paid only once during the Term of this Lease and within thirty (30) days of the last to occur of all of the following:

- (a) Tenant's Work shall have been completed in all respects and in accordance with the provisions of this Lease and Tenant's plans and specifications; and
- (b) Tenant shall have furnished Landlord a standard sworn "owners" statement /affidavit; and
- (c) Tenant shall have furnished Landlord a standard sworn "general contractor's" statement /affidavit; and
- (d) Tenant shall have furnished to Landlord final lien waivers from all general contractors, subcontractors and materialmen who supplied services or material in excess of \$2,000.00 in performing Tenant's Work; and
- (e) Tenant shall have opened the Premises for business as provided in this Lease;
- (f) Tenant shall have executed and delivered to Landlord the Confirmation of Lease Term certificate in the form attached as Exhibit "A-1", setting forth the Lease Commencement Date, the Rent Commencement Date and the Lease Expiration Date; and
- (g) Tenant shall have provided Landlord with a copy of the certificate of occupancy (or its equivalent) for the Premises issued by the appropriate governmental entity; and
- (h) Tenant shall have provided Landlord with "as built" drawings of the Premises and Tenant's Work; and
- (i) Tenant shall have provided Landlord with copies of all warranties and guarantees for Tenant's Work; and

Tenant has satisfied any liabilities to Landlord arising out of or in connection with the construction or operation of the Shopping Center. Landlord shall have the right to deduct from the Tenant's Allowance any cost to Landlord of Tenant's Work performed by Landlord and not previously reimbursed by Tenant to Landlord. In the event Tenant has not requested payment of the Tenant Allowance within 365 days of the date Tenant has opened for business, Tenant shall be deemed to have waived its right to seek payment of said Tenant Allowance.

16. REPAIRS

A. Landlord agrees to keep in good order, condition, and repair the roof, foundations, and structural portions of the Premises, excluding, however, (i) glass, glass windows and doors, and the Tenant's store-front; and (ii) any damage caused by any act or negligence of Tenant, Tenant's employees, agents, licensees, or contractors. Except as set forth above, Landlord shall not be required to make any other repairs or improvements of any kind upon the Premises.

B. Tenant shall, at Tenant's sole cost and expense, keep the interior of the Premises in good order and condition, and shall repair and replace as required, all components of the interior of the Premises, including, without limitation, all fixtures and equipment located therein and appurtenances thereto, all windows, plate glass, doors and entrances, storefronts, signs, showcases, floor coverings, interior walls, interior columns and interior partitions, ceilings, lighting fixtures, the HVAC system serving the Premises, plumbing, sewerage, electric and any other utility facilities up to the point of connection to the lines in the Common Areas, sprinkler system, if any, up to the point of connection to the line in the Common Areas, and any loading facilities at the side or rear of the Premises. All parts of the interior of the Premises shall be painted or otherwise decorated by Tenant periodically, as deemed necessary by Landlord, to keep the Premises in a neat, clean, and modern condition. Tenant agrees to keep in force a standard maintenance agreement on all HVAC equipment and provide a copy of said maintenance agreement to Landlord. Should Tenant install air conditioning equipment on the roof of the Premises, Tenant shall assume primary responsibility for the maintenance and repair of the roof in the area of the installation, and such installation, operation and maintenance shall be made in such manner that the right of Landlord under any roofing bond then in force shall not be affected.

C. If Tenant refuses or neglects to make repairs, or if Landlord is required to make exterior or structural repairs by reason of Tenant's negligent acts or omissions, Landlord shall have the right, but not the obligation, to make such repairs on behalf of and for the account of Tenant. In such event, the cost of such work, including a ten (10%) percent administrative fee for Landlord, shall be paid for by Tenant as Additional Rent promptly upon receipt of a bill from Landlord.

D. Tenant, at its own cost and expense, shall regularly monitor the Premises for the presence of mold or for any conditions that reasonably can be expected to give rise to mold (hereinafter "Mold") and shall promptly notify Landlord in writing if it suspects Mold.

E. In the event of Mold or suspected Mold at the Premises, Tenant, at its sole cost and expense, shall promptly cause an inspection of the Premises and shall:

- x. notify Landlord, in writing, at least 7 days prior to inspection, of the date of the inspection and which portion of the Premises shall be subject to the inspection;
- y. retain a qualified mold consultant (hereinafter "Mold Inspector") acceptable to the Landlord to conduct the inspection; and
- z. cause such Mold Inspector to: (i) obtain or maintain insurance coverage with terms and limits customarily maintained by Mold Inspectors, adding Landlord as an additional insured, and provide to Landlord evidence of such coverage; (ii) perform the inspection in a manner that is strictly confidential and consistent with the duty of care exercised by a Mold Inspector; and (iii) prepare a confidential inspection report and promptly provide a copy to the Landlord.

In the event Mold is present at the Premises, then Tenant, at its sole cost and expense, shall promptly hire trained and experienced mold remediation contractors (hereinafter "Contractors") to prepare a remediation plan. Tenant shall send Landlord a written notice, with a copy of the remediation plan, at least 10 days prior to the remediation, stating: (a) the commencement date of the proposed remediation; (b) which portion of the Premises shall be subject to the remediation; (c) the contact information of the Contractors; (d) the remediation procedures and standards; (e) the clearance criteria to be used at the end of the remediation; and (f) the date the remediation will conclude. If all terms of the remediation plan are acceptable to the Landlord, the Tenant shall instruct the Contractors to perform the remediation.

Tenant shall also notify its employees as well as all invitees of the Premises of the planned remediation; ensure that the remediation is conducted in accordance with any applicable, legally binding federal, state, or local laws, regulatory standards or guidelines; and provide Landlord with a draft of the remediation report. Landlord shall then have a reasonable opportunity to review and comment thereon. When such report is finalized, Tenant shall promptly provide Landlord with a copy.

Landlord shall have a reasonable opportunity to inspect the remediated portion of the Premises. If the results of Landlord's inspection are not acceptable to Landlord, then Tenant, at its sole cost and expense, shall immediately take all further actions necessary to ensure such acceptance. In no event shall Landlord be

responsible for any claims or liability arising from the Mold at the Premises.

17. MECHANIC'S LIENS PROHIBITION

Tenant, at Tenant's expense and with due diligence and dispatch, shall procure the cancellation or discharge of all notices of violation arising from or otherwise connected with alterations, or any other work labor, services or material done for or supplied to Tenant, its successor and assigns, or any person claiming through or under Tenant, which shall be issued by any public authority having jurisdiction or asserting jurisdiction. Tenant shall have no authority to create any liens or permit others to have liens for labor or materials on or against the Shopping Center and/or the Premises and, accordingly, Tenant shall defend, indemnify and hold Landlord harmless from and against any and all mechanic's and other liens and encumbrances filed in connection with alterations or any other work, labor, services or materials done for or supplied to Tenant, its successors and assigns, or any person claiming through or under Tenant, including, without limitation, security interests in any materials, fixtures, or articles installed in and constituting a part of the Premises and against all costs, expenses, and liabilities (including reasonable attorney's fees) incurred in connection with such lien or encumbrance or any action or proceeding brought thereon. Tenant, at Tenant's expense, shall procure the satisfaction or discharge of record of all liens and encumbrances within fifteen (15) days after the filing thereof. In the event Tenant has not so performed, Landlord may, at its option, pay and discharge such liens and Tenant shall be responsible to pay Landlord for all costs and expenses incurred in connection therewith, which expenses shall include reasonable attorney's fees and any costs in posting bond to effect discharge or release of the lien as an encumbrance against the Premises or the Shopping Center.

18. SIGNS, AWNINGS, AND CANOPIES

A. Tenant shall purchase an identification sign and install it above the canopy or elsewhere in front of the Premises. The design and location of said sign shall be subject to the prior approval of Landlord, which approval shall not be unreasonably withheld or delayed. Prior to installation of Tenant's sign, Tenant shall obtain all necessary permits and approvals from the applicable authorities. Other than the foregoing, Tenant shall not place or suffer to be placed or maintain any sign, awning or canopy in, upon or outside the Premises or in the Shopping Center; nor shall Tenant place in the display windows any sign, decoration, lettering or advertising matter or other thing of any kind without first obtaining Landlord's written approval and consent in each instance. Tenant shall maintain any such sign or other installation as may be approved in good condition and repair.

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20. UTILITIES

A. Tenant shall be solely responsible for and shall promptly pay all charges for use or consumption of heat, sewer, water, gas, electricity or any other utility services including any sewer or other utility access fees charged by any utility service or governmental agency in both the Premises and the Storage Space. Should Landlord elect to supply any utility services, Tenant agrees to purchase and pay for the same as Additional Rent at the applicable rates charged by the utility company furnishing the same. Landlord shall not be liable in the event of any interruption in the supply of any utilities; and the interruption thereof shall not relieve Tenant of Tenant's obligations under this Lease. Tenant agrees that it will not install any equipment which will exceed or overload the capacity of any utility facilities, and if any equipment installed by Tenant shall require additional utility facilities, the same will be installed at Tenant's expense in accordance with plans and specifications to be approved in writing by Landlord.

Tenant acknowledges and agrees that it shall, at its sole cost and expense, provide (i) heat to the Storage Space during the winter months so as to maintain a temperature of at least 50° F and (ii) electrical service to the Storage Space.

B. If the authorities furnishing any utility service for the Shopping Center will not provide a separate meter for measuring Tenant's utility consumption and separate billing therefor, or in the event Landlord determines to use a common connection to any utility system for the benefit of all tenants in the Shopping Center, Tenant agrees to pay Landlord for its utility consumption promptly upon presentation of a bill. Such bill(s) shall be based upon either (i) readings of a meter, which Landlord shall have the right, at its election, to install so that it may accurately reflect Tenant's consumption, or (ii) an estimate of consumption and cost prepared by an expert retained by Landlord. Landlord shall bill Tenant at the same rate, including taxes, as would otherwise be payable by Tenant directly to the utility company or municipality, plus any costs incurred in determining Tenant's utility consumption. Any bill rendered by Landlord to Tenant for utility charges shall be payable by Tenant as Additional Rent within ten (10) days of being billed therefor.

C. In the event the regulations of the utility company providing service prevent Tenant from applying for and obtaining any utility meter in Tenant's name, Landlord shall apply for a meter in Tenant's name. Prior to completion and filing the application by Landlord, Tenant shall pay Landlord all amounts required for any deposits and hook-up charges by the utility company and, in addition, Tenant shall deposit the sum of five hundred (\$500.00) dollars (hereinafter the "Utility Deposit"), to be held by Landlord, without

liability for interest. Landlord shall have the right to apply any or all of the Utility Deposit toward payment of any outstanding bills due and owing by Tenant to the utility company. If Landlord is required to so apply all or any portion of the Utility Deposit, Tenant shall pay to Landlord the amount required to restore the Utility Deposit to the original required balance, promptly upon receipt of written notice from Landlord. At the expiration of the Lease, and after payment by Tenant of all final utility bills, Landlord shall return any unused portion of the Utility Deposit to Tenant.

D. Landlord reserves the right to replace a utility service provider at any time and for any reason. In the event that Landlord elects to make a change in service provider, Tenant covenants and agrees to cooperate with Landlord, including, without limitation, providing reasonable access to the electric lines, feeders, risers, and wiring within the Premises.

21. COMMON AREAS

A. The phrase "Common Areas" shall mean all areas of the Shopping Center which are now or hereafter made available by Landlord, from time to time, for the common and joint use and benefit of Landlord, the Tenant, other tenants and occupants within the Shopping Center, and any other persons or owners of other real estate, outlots or other real property outside the boundaries of the Shopping Center, if any, their respective customers and invitees. The Common Areas shall include, but shall not be limited to, package pickup stations, elevators, escalators, stairways, pedestrian sidewalks, parking areas and structures (whether in tiers or at, or below grade), curbs, parking areas, driveways and roads, malls, arcades, concourses, service corridors, loading platforms and truck docks, delivery areas, directory signs and equipment, public restrooms, courts and ramps, landscaped and vacant areas, retaining walls, retention and detention ponds, building enclosures and roofs covering Shopping Center buildings, perimeter walls and fences, bus stops, first-aid and comfort stations, lighting facilities, sewer lines, water mains, and other utility systems, drinking fountains, mechanical equipment, pipes, ducts, conduit wires, off-site utility facilities at the Shopping Center (for example, retention areas and drainage facilities), and all other equipment and facilities relating to the Shopping Center and not located in areas leased to tenants.

B. All Common Areas shall be subject to the exclusive control and management of Landlord. Landlord shall have the right to change the area, level, location and arrangement of the Common Areas, including parking areas and other facilities; to build multi-story parking facilities and other buildings, or to remove same; to restrict parking by Tenants, their officers, agents and employees; to enforce parking charges (by operation of meters or otherwise) with appropriate provisions for free parking tickets validated by Tenants; to close all or any portion of said areas or facilities to such extent as may be legally sufficient to prevent a dedication therein or the accrual of any right to any person or the public therein; and to close temporarily all or any portion of the parking areas or facilities to discourage non-customer parking. Landlord shall operate and maintain the common facilities in such manner as Landlord in its discretion shall determine, and Landlord shall have full right and authority to employ and discharge all personnel with respect thereto. Landlord may, from time to time and to the extent it deems appropriate, arrange for security services in the Common Areas or manned traffic control for special events at the Shopping Center. Landlord shall not be liable for any loss or damages suffered by Tenant or anyone else for failure to supply such services or manned traffic control. Nothing herein shall relieve Tenant of Tenant's duty to maintain security within the Premises.

C. Tenant shall have the right, in common with other parties permitted by Landlord, to use the Common Areas. If the amount of such areas shall be changed or diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent nor shall diminution of such areas be deemed constructive or actual eviction.

22. ASSIGNMENT AND SUBLETTING

Tenant shall not assign, mortgage or encumber this Lease, in whole or in part, grant licenses or concessions, or sublet all or any part of the Premises. In addition, for the purposes of this Article, an assignment shall be deemed to include any transfer of Tenant's interest in the Lease by operation of law, or by consolidation, merger or transfer of controlling interest in ownership. No assignment or subletting shall in any way impair the continuing primary liability of Tenant hereunder, and no consent, if any is given, to any assignment or subletting in a particular instance, shall be deemed to be a waiver of Landlord's rights to prevent any assignment as provided herein. The acceptance by Landlord of any payment due hereunder from anyone other than Tenant or any reference in this Lease to any subtenant or concessionaire shall not be construed as consent by Landlord to any assignment or subletting by Tenant nor grant Tenant the right to assign or sublet or to permit anyone to occupy any portion of the Premises. In the event Landlord elects to waive its rights hereunder with respect to any particular request of Tenant to assign or sublet, Tenant shall pay to Landlord, as Additional Rent, a non-refundable fee of one thousand five hundred (\$1,500.00) dollars, to cover Landlord's legal and other expenses in connection with any request made by Tenant for consent to assignment or subletting. This fee shall be non-refundable and Landlord reserves the right to collect said fee in advance of preparing any documents. If Landlord waives its rights hereunder and is willing to consent to an assignment or sublease, Tenant shall be required to assign or sublet at fair market rental value and Landlord shall be entitled to receive any excess rentals or other charges payable by the assignee or subtenant over the amounts being paid by Tenant to Landlord, and such sum shall be payable by Tenant as Additional

Rent to Landlord on the first day of each month, together with Tenant's monthly Rent.

Notwithstanding any thing to the contrary contained in this Article 22, Tenant shall have the right to assign this Lease to a corporation resulting from a merger or consolidation involving Tenant, to the parent or a bona-fide wholly owned subsidiary of Tenant, or to a person or entity acquiring substantially all of Tenant's assets in a single transaction, provided that each of the following conditions is satisfied for any such assignment: (i) Tenant is not in default of any of the terms or conditions of this Lease; (ii) in the case of a merger or consolidation, the resulting corporation shall thereafter have all of the assets held by Tenant prior to such merger or consolidation and all of the assets of the businesses then operated under the trade name set forth in Article 11 to this Lease; or in the case of an assignment to a subsidiary, the subsidiary corporation shall thereafter continue to be owned by Tenant; (iii) the transferee shall have a net worth not less than the Tenant's net worth as of the date of this Lease; (iv) Tenant shall give Landlord prior written notice and a true and correct copy of any and each written document pursuant to or by which the assignment is to be effected or evidenced; (v) the transferee shall expressly assume in writing the obligations of Tenant under this Lease, except where the Assignment is by merger or consolidation; (vi) the Assignment shall not release Tenant from its obligations and liabilities under this Lease; (vii) the Premises shall continue to be operated only under the trade name and only for the use specified in Article 1; and (viii) the transferee shall have business experience and reputation satisfactory to Landlord and shall continue to conduct business at the Premises in a manner substantially identical to the manner in which business was conducted prior to the Assignment.

23. INDEMNITY AND INSURANCE

A. Tenant shall indemnify, defend, and hold harmless Landlord, Landlord's managing agent, and any holder of a first mortgage on all of any portion of the Shopping Center from and against all claims of whatever nature arising from any act, omission, or negligence of the Tenant, Tenant's contractors, agents, employees, or any other person(s) acting in concert therewith; or arising from any accident, injury, or damage whatsoever, caused to any person or to property, or from any violation of applicable ordinance, regulation, or law, occurring in, upon, at, or from the Premises or in connection with Tenant's occupancy or use thereof; or arising from any accident, injury, or damage occurring outside of the Premises, but within the Shopping Center, where such accident, injury, or damage results or is claimed to have resulted from an act or omission on the part of the Tenant or the Tenant's agents or employees. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses, and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof with legal counsel acceptable to Landlord.

B. Tenant agrees, at Tenant's expense, to maintain throughout the term of this Lease, and any renewals and extensions hereof, the following insurance coverage, with commercially reasonable deductibles and no self-insured retention:

- (1) a policy of commercial general liability insurance in the broadest and most comprehensive form generally available from time to time, and under which the insurer agrees to indemnify and hold Landlord and its agent harmless from and against all cost, expense, and/or liability arising out of or based upon any and all claims, accidents, injuries, or damages described in paragraph "A" above, the minimum limits of which policy shall be three million (\$3,000,000) dollars for bodily injury, including death, and personal injury for any one occurrence, and one million (\$1,000,000) for property damage; or three million (\$3,000,000) combined liability and property damage on an occurrence form. If Tenant sells, serves, or distributes alcoholic beverages in or from the Premises, then such policy shall include, at the same minimum limits of liability, liquor legal liability coverage;
- (2) a policy of insurance, commonly known as Special Causes of Loss Property Insurance (also and historically known as "Special Perils" or "All-Risk" insurance), insuring against loss or damage or injury or destruction of Tenant's fixtures, furniture, store-front, improvements and equipment and heating, cooling, or other mechanical systems in or serving the Premises, whether or not installed by Tenant, to the extent of the full replacement amount of their value in the event of damage due to such perils and hazards caused by, but not limited to, the following: fire, water, sprinkler leakage, flood, wind, collapse, earth movement, vandalism, malicious mischief, boiler or other machinery failure or malfunction. Said policy shall be in at least as broad a form as the Insurance Services Offices (ISO) Special form. In addition to the foregoing, Tenant also shall obtain insurance against a loss in business income, which policy shall cover a period of at least twelve months. Tenant shall obtain such endorsements, separate policies, or difference in conditions policies as may be necessary to obtain the foregoing insurance coverage. Such insurance policies to be provided for and kept in force by Tenant shall provide that the loss, if any, be payable to Landlord and Tenant as their respective interests may appear, except as herein provided, and such insurance policies may exclude foundations, excavation, and the usual items customarily excluded in such insurance policies. Where reference is hereto made to fixtures and equipment, it is intended that the same be fixtures and equipment appurtenant to and used in connection with the operation of the Building. Landlord may require that the interest of any mortgagee under a mortgage to which this Lease is subordinate, be protected

by proper endorsements to any such policies of insurance, and that the originals of such policies of insurance be delivered either to such mortgagee or to Landlord;

- (3) plate glass insurance covering all exterior and interior plate glass in the Premises; and
- (4) such other types of insurance as Landlord may reasonably require for Tenant's specific use of the Premises, or as may be customarily required of retail tenants.

C. In each case, all such policies shall be in at least as broad a form as the ISO form. The foregoing insurance must be issued in the name of Tenant and shall name Landlord, Landlord's managing agent, and their respective successors and/or assigns as additional insureds on a primary basis. Said policy shall contain endorsements that the insurance may not be canceled or amended without thirty (30) days written notice by registered mail to Landlord by the insurance company. Said insurance shall be issued by a reputable and financially sound insurance company with a minimum rating of A-VIII as rated by Best's Key Rating Guide of A.M. Best Co. and be duly licensed in the State where the Shopping Center is located.

D. The original policies of all such insurance, or certificates of insurance evidencing the required policies and endorsements, shall be delivered to Landlord by Tenant within ten (10) days of the execution of this Lease, and Tenant shall deliver certificates of insurance evidencing renewal of all such insurance no later than thirty (30) days prior to the expiration of any insurance policies. The minimum limits of any insurance coverage required herein shall not limit Tenant's liability under this Lease.

E. All insurance policies herein required to be procured by Tenant shall contain an express waiver of any right of subrogation by the insurance company against Landlord.

F. It is understood and agreed that the Tenant assumes all risk of damage to Tenant's property arising from any cause whatsoever, including, without limitation, loss by theft or otherwise. Tenant hereby waives any claim that it may have against Landlord and releases Landlord, to the full extent permitted by law, from all such claims for any loss or damage to Tenant's business, or injury or damage to person or property sustained by Tenant, or any person claiming by, through, or under Tenant, resulting from any accident or occurrence in, on, or about the Premises or the Shopping Center, including, without limitation, claims for loss, theft, injury, or damage resulting from: (i) any defect, latent or otherwise, in any building in the Shopping Center, or any theft in or failure to operate of any equipment, machinery, utilities, appliances or apparatus therein (ii) the bursting, breakage, or leakage of any gas, water or steam pipe, or the escape of gas, steam, or water; (iii) the presence of snow, ice, or water in the Premises or the Shopping Center; (iv) the overflow of water or sewerage in any part of the Premises or the Shopping Center; (v) any act, omission, or negligence of persons occupying other premises in the Shopping Center; or (vi) so-called acts of God or the elements.

G. Tenant shall not stock, use or sell any item or do anything in or about the Premises which may be prohibited by Landlord's insurance policies or any endorsements or forms attached thereto, or which will increase any insurance rates and premiums on the Premises, the building of which they are a part and all other buildings in the Shopping Center. Tenant shall pay on demand any increase in premiums for Landlord's insurance that may be charged on such insurance carried by Landlord resulting from Tenant's use and occupancy of the Premises or the Shopping Center whether or not Landlord has consented to the same. In determining whether increased premiums are the result of Tenant's use, occupancy or vacancy of the Premises, a schedule issued by the organization making the fire insurance, extended coverage, vandalism and malicious mischief, special extended coverage or any all-risk insurance rates for said Premises or any rule books issued by the rating organization or similar bodies or by rating procedures or rules of Landlord's insurance companies shall be conclusive evidence of the several items and charges that make up the insurance rates and premiums on the Premises and the Shopping Center. If, due to the (i) occupancy, or (ii) abandonment, or (iii) Tenant's failure to occupy the Premises as herein provided, any insurance shall be canceled by the insurance carrier or if the premiums for any such insurance shall be increased, then in any of such events Tenant shall indemnify and hold Landlord harmless and shall pay on demand the increased cost of such insurance. Tenant also shall pay in any such events any increased premium on the rent insurance that may be carried by Landlord for its protection against rent loss through fire or other casualty.

24. DESTRUCTION

A. Tenant shall give prompt notice to Landlord in case of fire or other casualty to the Premises or the Shopping Center. The Landlord may terminate this Lease by notice to Tenant within ninety (90) days after the date of the casualty, if by reason of any casualty: (i) the Premises, or the building of which the Premises are a part, or the buildings (taken in the aggregate) in the Shopping Center, are damaged to the extent of more than twenty-five (25%) percent of the cost of replacement thereof; or (ii) the Premises are damaged in whole or in part during the last three years of the Term hereof; or (iii) the Premises or the Shopping Center are damaged by a casualty not covered by the Landlord's insurance. If such notice shall be given, then the Lease will terminate on the date specified by Landlord in said notice, which date shall be not more than sixty (60) days after the giving of said notice. Tenant's liability for Rent upon the termination of this Lease shall cease as of the day following the event or damage.

B. If the casualty shall render the Premises untenable in whole or in part, and provided that the casualty is not caused by the negligence of Tenant, Tenant's agents, servants, employees, contractors, licensees, or concessionaires, then during the period of such untenability, the Minimum Rent due hereunder shall be reduced by that fraction, the denominator of which is total square footage of the floor area of the Premises and the numerator of which is the amount of floor area of the Premises rendered untenable. The foregoing abatement of Minimum Rent shall end five days after notice by Landlord to Tenant that Landlord has completed its repair obligations hereunder. Nothing in this Article shall be construed to abate Percentage Rent or Additional Rent, but (i) the computation of such Percentage Rent shall be based upon the revised Minimum Rent as the same may be abated and (ii) the computation of Tenant's share of Additional Rent shall use as its numerator the square footage of the floor area of the Premises less the amount of floor area of the Premises rendered untenable.

C. Provided this Lease is not terminated pursuant to any provision hereof, and subject to Landlord's ability to obtain the necessary permits and the necessary insurance proceeds, Landlord shall repair or reconstruct the Premises; however, in no event shall Landlord be required to expend an amount in excess of the insurance proceeds received by Landlord in performing such repairs or reconstruction. Tenant shall hold the proceeds of all insurance carried by Tenant on Tenant's property and improvements in trust for the purpose of repair and replacement. Immediately after Landlord has completed its restoration of the Premises, Tenant shall expeditiously repair and restore Tenant's trade fixtures, equipment and improvements to the same condition as prior to the casualty and Tenant shall promptly reopen Tenant's store for the conduct of business.

25. CONDEMNATION

A. ~~Total~~: If the whole of the Premises shall be acquired or taken by eminent domain for any public or quasi-public use or purpose then this Lease and the Term herein shall cease and terminate as of the date that title vests in the taking authority.

B. ~~Partial~~: If any part of the Premises shall be taken as aforesaid, and such partial taking shall render that portion not so taken unsuitable for the business of Tenant, as reasonably determined by Landlord, then this Lease and the Term herein shall cease and terminate as aforesaid. If such partial taking is not extensive enough to render the Premises unsuitable for the business of Tenant, then this Lease shall continue in effect except that the Minimum Rent shall be reduced in the same proportion that the floor area of the Premises (including basement) taken bears to the original floor area of the Premises and Landlord shall, upon receipt of the award in condemnation, make all necessary repairs or alterations to the building in which the Premises are located so as to constitute the portion of the building not taken a complete architectural unit, but such work shall not exceed the scope of the work to be done by Landlord in originally constructing said building, nor shall Landlord in any event be required to spend for such work an amount in excess of the amount received by Landlord as damages for the part of the Premises so taken. The term "amount received by Landlord" shall mean that part of the award in condemnation that is free and clear to Landlord after collection by mortgagees and payment of legal fees and expenses of securing the award.

C. If more than twenty (20%) percent of the floor area of the building in which the Premises are located shall be taken as aforesaid, Landlord may, by written notice to Tenant, terminate this Lease, such termination to be effective as of the date that title vests in the taking authority.

D. If this Lease is terminated as provided in this Article, the Rent shall be paid up to the day that title vests in the taking authority and Landlord shall make an equitable refund of any Rent paid by Tenant in advance.

E. ~~Award~~: Tenant shall not be entitled to and expressly waives all claim to any condemnation award for any taking, whether whole or partial, and whether for diminution in value of the leasehold or to the fee although, Tenant shall have the right, to the extent that the same shall not reduce Landlord's award, to claim from the condemnor, but not from Landlord, such compensation as may be recoverable by Tenant in Tenant's own right for damage to Tenant's business, fixtures and improvements installed by Tenant at Tenant's expense.

26. DEFAULT AND REMEDIES

A. The happening of any of the following shall be an "Event of Default":

- (1) Tenant's failure to pay any Rent within five (5) days after written notice of such failure shall have been given to Tenant;
- (2) Tenant fails to observe or perform any other terms, conditions, covenants or agreements of this Lease for more than thirty (30) days after written notice of such failure shall have been given to Tenant
- (3) Tenant or an agent of Tenant falsifies any report required to be furnished to

Landlord;

- (4) Tenant becomes insolvent insofar as Tenant's liabilities exceed a fair value of Tenant's assets or it becomes generally unable to pay Tenant's debts as they come due;
- (5) there is commenced by or against Tenant any bankruptcy, receivership, insolvency, reorganization, dissolution, or liquidation proceedings;
- (6) Tenant makes a general or limited assignment for the benefit of creditors or any similar assignment, or petitions for, proposes, or enters into any composition, extension, or moratorium of debts;
- (7) Tenant permits or suffers the appointment of a receiver, trustee, or similar party to take charge of any property, or permits or suffers this Lease to be executed upon or attached, or permits or suffers this Lease to pass or to devolve upon by operation of law or otherwise to a party other than Tenant; and
- (8) Tenant, or any affiliated or related entity of the Tenant, defaults with respect to any lease, other than this Lease, with the Landlord.

The five (5) and thirty (30) day notice periods referenced in sections (1) and (2) are referred to as the Default Notice Period and the notices are referred to as the Default Notice.

Upon an Event of Default, this Lease and the Term hereunder shall automatically terminate at the expiration of the applicable Default Notice Period without further notice, unless Landlord has elected in writing to rescind the Default Notice. In the event of such termination, Tenant shall remain fully liable hereunder. From and after the termination of this Lease as provided herein, the unilateral payment of Rent or performance by the Tenant shall not create any tenancy, but rather, shall be, at Landlord's discretion, deemed to be on account of a just debt owed to the Landlord or as use and occupancy payments during the Tenant's unlawful detainer of the Premises. Further, the Landlord's acceptance of any payment or performance due it from the Tenant shall not be deemed a recognition of any tenancy, constitute any form of acquiescence by the Landlord, cause a reinstatement of the Lease, or otherwise impair or prejudice Landlord's right to recover the Premises, by judicial process or otherwise during the Tenant's unlawful detainer thereof. In addition, in the event that the Landlord designates a bank or other third-party institution to receive payments of Rent, said designation shall not constitute the appointment of agency to act on behalf of or for Landlord with respect to any rights held by Landlord hereunder.

If Landlord is prohibited by court order or the automatic stay under Section 362 of the United States Code, 11 U.S.C. §§ 101-1330, or similar judicial restraint from sending any Default Notice to Tenant, then the applicable Default Notice Period for Tenant's failures, as set forth above, shall be automatically canceled upon the occurrence of the default as if such notice period had expired on the first date of such occurrence.

B. If the Tenant abandons the Premises, said abandonment shall be an "Event of Default" without the necessity of any notice from the Landlord to the Tenant.

C. Upon an Event of Default, in addition to all other rights and remedies available hereunder or allowed by law or equity, Landlord may take any one or more of the following actions to the extent same are permitted by applicable law:

- (1) Landlord shall have the immediate right to reenter and to remove all persons and property from the Premises, and such property may be removed, disposed of, and/or stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant, all without service of notice or resort to legal process (all of which Tenant expressly waives), and without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.
- (2) Landlord may make such alterations and repairs consistent with typical retail space as may be necessary in order to relet the Premises; and Landlord may relet said Premises or any part thereof for such term or terms, which term(s) may be different from the Term of this Lease, and at such rentals, and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, and it is expressly agreed and understood that Landlord may relocate an existing tenant of the Shopping Center to the Premises, and such tenant's existing lease shall remain in full force and effect through the remainder of the Term thereof, unless and to the extent the premises leased under such existing lease have been relet to a new tenant for equivalent rent payments. If the rentals received from such reletting during any month are insufficient to pay the total Rent due during that month from Tenant, Tenant shall pay any deficiency to Landlord. Such deficiency shall be calculated and

paid monthly. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant shall not be entitled to any offset or credit for payments received by Landlord in excess of the amounts due from Tenant hereunder, either on a monthly or cumulative basis.

- (3) Landlord may recover from Tenant all damages it may incur by reason of Tenant's default, including, without limitation: (a) the cost of recovering the Premises, and repairing, restoring, altering, or otherwise putting the Premises into condition acceptable to a new tenant; (b) court costs and reasonable attorneys' fees; (c) heat and other utility charges; and (d) at Landlord's sole discretion, either (i) the total Rent that Tenant would have been required to pay for the remainder of the Term less the fair rental value of the Premises for such period, discounted to present value at five (5%) percent, or (ii) the Rent as it becomes due for the remainder of the Term hereof. In determining the Rent which would be payable by Tenant, subsequent to default, the Rent for each year of the unexpired Term shall be equal to the average annual Minimum Rent, Additional Rent and Percentage Rents paid by Tenant from the commencement of the Term to the time of default, or during the preceding three (3) full calendar years, whichever period is shorter.
- (4) Landlord may cancel any unexercised renewal or extension option contained in this Lease by two (2) days written notice to Tenant.
- (5) cure the default on the Tenant's behalf and charge the Tenant with cost and expense thereof.

D. If Tenant becomes a debtor, voluntarily or involuntarily, under Title 11 of the United States Code or any bankruptcy legislation serving as a substitute or supplement therefor, or if Tenant becomes an alleged debtor in an involuntary proceeding commenced under said legislation or otherwise becomes subject to the jurisdiction of a federal or state court with jurisdiction to administer the property of Tenant, and if this Lease has not been terminated or Landlord has not been permitted to reenter and relet the Premises, then: (i) so long as Tenant or any party claiming under or through Tenant remains in possession of the Premises and so long as Landlord is prohibited or prevented from taking possession of the Premises and reletting it by reason of any such bankruptcy or insolvency proceeding, Tenant (whether or not serving as debtor-in-possession), any statutory representative of Tenant, and Tenant's bankruptcy estate shall be obligated to pay to Landlord as fair use and occupancy of the Premises an amount not less than the Rent specified in the Lease as and when such Rent is due under this Lease without requesting any deferral thereof and shall continue to perform all other obligations under the Lease; and (ii) within sixty (60) days from and after the entry of an order for relief under Sections 301, 302, or 303 of Title 11 of the United States Code or a similar assumption by any federal or state court of jurisdiction over the administration of Tenant's property, Tenant shall, unless Landlord agrees in writing to a further extension of time, exercise any available right to assume or reject this Lease and shall not request any extension of time from any court of competent jurisdiction to exercise such right.

E. The parties hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage. In the event Landlord commences any proceedings for nonpayment of Rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceedings. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in any separate action brought by Tenant.

F. Tenant expressly waives any right or defense which it may have to claim a merger and neither the commencement of any action or proceeding nor the settlement thereof or entering of judgment therein shall bar Landlord from bringing subsequent actions or proceedings from time to time.

G. In the event Landlord (i) retains an attorney to enforce the provisions of this Lease against Tenant, (ii) brings a legal action or proceedings against Tenant, or (iii) has to defend any action or proceedings brought by or against Tenant, including, but not limited to appeals or proceedings in bankruptcy or receivership, Landlord shall be entitled to recover from Tenant its reasonable legal fees, including paralegals' fees and legal assistants' fees, and expenses in such action or proceeding as Additional Rent or otherwise, or may recover same in a separate action or subsequent proceeding.

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I. In addition to Landlord's rights under this Article, in the event (i) Landlord does not receive the total amounts due with respect to any Rent payment by the tenth (10th) day of the month in which it is due, or (ii) any of Tenant's checks are returned unsatisfied or uncollectable for any reason whatsoever, Tenant shall pay Landlord an administrative fee of equal to five (5%) percent of said Rent payment. Said

administrative fee shall be deemed Additional Rent and shall be due and payable to Landlord together with the next installment of Rent due hereunder. The administrative fee set forth above is intended as reasonable estimate of Landlord's administrative costs and damages because of Tenant's failure to pay Rent on a timely basis or Tenant's checks are returned unsatisfied or uncollectable. The parties agree that this administrative fee is reasonable, bears significant relation to the actual administrative costs that Landlord might sustain, which administrative costs Tenant and Landlord agree would be uncertain and difficult to prove, and is not a penalty for Tenant's failure to pay Rent on a timely basis or because Tenant's checks are returned unsatisfied or uncollectable. The acceptance by Landlord of said administrative fee shall not preclude Landlord from seeking and pursuing any other remedy under this Lease. In addition, in the event any of Tenant's checks are returned unsatisfied or uncollectable for any reason whatsoever, Landlord shall have the right to require Tenant to pay all future Rent payments and other payments required by this Lease by certified or bank cashier's check by giving Tenant seven (7) days written notice of its election.

J. Nothing contained herein shall prevent the enforcement of any claim Landlord may have against Tenant for anticipatory breach of the unexpired Term of this Lease. In the event of breach or anticipatory breach by Tenant of any provision of this Lease, Landlord shall have the right of injunction as if other remedies were not provided for herein.

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28. NOTICES

A. All notices required or permitted to be given hereunder in writing shall be deemed to have been duly given if: (i) delivered in person on the date actually delivered; (ii) sent via a nationally recognized overnight delivery service on the day after being picked-up by said carrier; or (iii) sent by United States Certified or Registered mail, postage prepaid, three days after being deposited in the mail. Any such notice shall be addressed as follows:

If to Landlord: c/o Heritage Property Investment Trust, Inc.
535 Boylston Street
Boston, MA 02116-3766
Att: Lease Administrator

If To Tenant: c/o American Renal Associates Inc.
5 Cherry Hill Drive
Danvers, MA 01923

B. Separate from the Landlord's address for the giving of notices, Landlord also hereby designates the following address for the payment of Rent:

Rent Payments: c/o The Commons of Crystal Lake, #99458 Collection Center Drive, Chicago, Illinois 60693-9458.

Tenant acknowledges that the above-address is for the payment of Rent only and only the address set forth in paragraph "A" above is the only valid and binding address for giving notice under the Lease.

C. Any party may, by proper notice to the other, designate other addresses for the purposes of notice and/or payment of Rent. Any notice, demand, or communication from the managing agent or an attorney acting or purporting to act on behalf of the Landlord shall be deemed to be notice from the Landlord. Tenant's refusal to accept delivery shall in no way negate the effectiveness of said notice. In the event Tenant vacates the Premises and does not designate, in writing, another address to Landlord, Landlord may serve any such notice to the Premises and such service shall be deemed good and sufficient notice to Tenant.

29. ACCESS TO PREMISES

Landlord shall have the right to place, maintain and repair all utility equipment of any kind in, upon and under the Premises as may be necessary for the servicing of the Premises and other portions of the Shopping Center. Landlord shall also have the right to enter the Premises at all times to inspect, exercise its rights under this Lease, or to exhibit the same to prospective purchasers, mortgagees and tenants and to make such repairs, additions, alterations or improvements as Landlord may deem desirable, which entry shall be during Tenant's business hours, after notice to Tenant of not less than 24 hours (other than in the event of an emergency, in which event Landlord's entry shall be unrestricted and no such notice shall be required). Landlord shall be allowed to take all material in, to and upon said Premises that may be required therefor without the same constituting an eviction of Tenant in whole or in part and the Rent reserved shall not abate while said work is in progress by reason of loss or interruption of Tenant's business or otherwise and Tenant shall have no claim for damages. If Tenant shall not be personally present to permit an entry into said Premises when for any reason an entry therein shall be permissible, Landlord may enter the same by a master key or by the use of force without rendering Landlord liable therefor and without in any manner affecting the

obligations of this Lease. The provisions of this Article shall not be construed to impose upon Landlord any obligation whatsoever for the maintenance or repair of the building or any part thereof except as otherwise herein specifically provided. During the six (6) months prior to the expiration of this Lease or any renewal Term, Landlord may place upon the Premises "For Lease" signs that Tenant shall permit to remain thereon.

30. EXCAVATION

If an excavation shall be made upon land adjacent to the Premises, Tenant shall permit the person authorized to cause such excavation license to enter upon said Premises for the purpose of doing such work as such person deems necessary to preserve the wall or the building of which said Premises form a part from damage and to support the same by proper foundations without any claim for damages against Landlord or abatement of Rent.

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32. SUBORDINATION

Tenant agrees that Tenant's interest and rights under this Lease are and shall at all times remain subordinate to the lien of any mortgage, ground lease or any other method of financing or refinancing now or hereafter placed against the Premises and/or any or all of the Shopping Center by Landlord, and to any and all advances made or to be made thereunder and to the interest thereon and to all renewals, replacements, consolidations and extensions thereof, or at the option of any mortgagee, this Lease may be superior to any such mortgage. This Article shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall execute promptly any certificate that Landlord may request provided such mortgagee or security holder agrees in writing with Tenant not to disturb Tenant's possession while Tenant is not in default hereunder, and, in the event Tenant fails to promptly execute any certificate, Tenant hereby irrevocably constitutes and appoints Landlord, its agent, and attorney-in-fact to execute, deliver and record such confirmation or other evidence of this subordination.

33. ESTOPPEL CERTIFICATES

Tenant shall, from time to time, within ten (10) days after request from Landlord or any mortgagee of Landlord, execute and deliver a certificate certifying, to the extent true, the following: (i) that this Lease is in full force and effect and unmodified (or, if there have been modifications, that the same is in full force and effect as modified and stating the modification); (ii) that the Term of the Lease has commenced and stating the dates of commencement and termination thereof; (iii) the amount of Rent then accruing hereunder and the date to which the Rent has been paid, and that no Rent has been paid more than thirty (30) days in advance; (iv) that Tenant has accepted possession of the Premises, and that any improvements required by the terms of this Lease have been completed to the satisfaction of Tenant; (v) the amount, if any, that Tenant has paid to Landlord as a security deposit; (vi) that the address for notices to be sent to Tenant is as set forth in this Lease, or if not, stating the correct address; (vii) that Tenant, as of the date of the certificate, has no charge, lien, or claim of offset under this Lease or otherwise against Rent or against Landlord; (viii) that, to the knowledge of Tenant, Landlord is not then in default under this Lease; and (ix) such other matters as may be reasonable requested by Landlord or any mortgagee of Landlord. Any such certificate may be relied upon by Landlord, any successor of Landlord, any mortgagee of Landlord, or any prospective purchaser of the Shopping Center.

34. LANDLORD'S LIABILITY

Tenant shall look solely to the estate and property of Landlord in the Shopping Center for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants, and conditions of this Lease to be observed and/or performed by Landlord, and no other property or assets of Landlord shall be subject to levy, execution or other enforcement procedures for the satisfaction of Tenant's remedies. In no event shall individual officers, directors, trustees, partners, shareholders, managing agents, or employees of Landlord, or of any subsidiary wholly owned by Landlord, be personally liable hereunder.

35. END OF TERM

At the expiration of this Lease, Tenant shall surrender the Premises in the same condition as the Premises were in on the Rent Commencement Date, broom clean, reasonable wear and tear excepted, and shall deliver all keys and combinations to locks, safes and vaults to Landlord. Before surrendering said Premises, Tenant shall remove all Tenant's personal property, and trade fixtures, (but not leasehold improvements), and shall repair any damage caused thereby. In addition, upon written notice from Landlord, Tenant shall remove any alterations, additions or decorations made by Tenant during the Term of this Lease; provided, however, that Tenant shall not be obligated to remove alterations previously consented to by Landlord pursuant to the terms of this Lease. Tenant's obligations to perform this provision shall survive the end of the Term of this Lease. If Tenant fails to remove Tenant's property upon the expiration of this Lease, the said property shall be deemed abandoned and shall become the property of Landlord and Tenant shall be responsible for the cost of removal and other charges for such property.

36. HOLDING OVER

From and after the expiration of the Term of this Lease, if Tenant fails or neglects to vacate the Premises, then such holding over shall be deemed to create a Tenancy-at-Sufferance. In that event, Tenant waives all notice, including a notice to quit, and Landlord reserves the right to make entry upon the Premises, without the necessity of judicial process, and dispossess the Tenant from the same. During Tenant's holdover, Tenant shall be liable to the Landlord for use and occupancy charges at a daily rate equal to one and one-half times the Rent payable as of the Lease Expiration Date divided by three hundred sixty (360). In addition, Tenant shall be liable to Landlord for all damages, direct or indirect, suffered by Landlord as a result of Tenant's failure to vacate the Premises on the Lease Expiration Date.

37. QUIET ENJOYMENT

Tenant, upon paying the Rent, and performing all of the terms on Tenant's part to be performed, shall peaceably and quietly enjoy the Premises subject, nevertheless, to the terms of this Lease and to any mortgage, ground Lease or agreements to which this Lease is subordinated.

38. INABILITY TO PERFORM

A. In the event that either party hereto shall be delayed or prevented from the performance of any act required hereunder by cause or causes beyond their control which shall include, without limitation, all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, acts of terrorism, governmental regulations or controls, fire or other casualty, inability to obtain any material, services or financing or through acts of God, then performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section shall not operate to excuse Tenant from the prompt payment of Rent due under this Lease.

B. If Landlord is unable to give possession of the Premises on the Possession Date because of the holding-over or retention of possession by any tenant, subtenant, or occupant, or if the Premises are in the process of construction, and such construction has not been sufficiently completed to render the Premises ready for occupancy, Landlord shall not be subject to any liability for failure to give possession on said date, and the validity of the Lease shall not be impaired under such circumstances, nor shall the same be construed to renew or extend the Term of this Lease. If permission is given to the Tenant to enter into possession of the Premises or to occupy other space prior to the Possession Date, Tenant covenants and agrees that such occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this Lease.

39. BROKER'S COMMISSIONS

Tenant represents and warrants that except for Colliers, Bennett & Kahnweiler, Inc. (the "Broker"), there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease, and Tenant agrees to indemnify Landlord against and hold it harmless from all liabilities, including reasonable cost of counsel fees, arising out of discussions or dealings of Tenant with any broker.

40. REIT QUALIFICATIONS

Tenant and Landlord agree that Rent paid to Landlord under this Lease shall qualify as "rents from real property" as defined in the Internal Revenue Code ("Code") Section 856(d) and as further defined in Treasury Regulation ("Regulation") Section 1.856-4. Should the requirements of the Code section and Regulation section be amended so that any Rent payable to Landlord under this Lease no longer qualifies as "rents from real property" for the purposes of the Code and associated Regulation, such Rent payable to Landlord under this Lease shall be adjusted so that it will qualify as "rents from real property" under the Code and Regulation, as amended; provided, however, that any adjustments required pursuant to this Article shall be made so as to produce the equivalent (in economic terms) Rent as payable prior to such adjustment. Tenant and Landlord shall enter into such amendment or amendments required to effect the foregoing provisions.

41. MISCELLANEOUS PROVISIONS

A. **No Waiver.** Failure of Landlord to insist upon the strict performance of any provision or to exercise any option or any rules and regulations shall not be construed as a waiver for the future of any such provision, rule or option. The receipt by Landlord of Rent with knowledge of the breach of any provision of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent shall be deemed to be other than on account of the earliest Rent then unpaid nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed in accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease provided, and no waiver by Landlord in respect to one tenant shall constitute a waiver in favor of any other tenant in the Shopping Center. The acceptance by Landlord of a check or checks drawn by a party other than Tenant shall in no way affect Tenant's liability hereunder nor shall it be deemed an approval of any assignment or other transfer of this Lease by Tenant.

B. **Partial Invalidity.** If any provision of this Lease or application thereof to any person or

circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

C. Provisions Binding. Except as otherwise expressly provided, all provisions herein shall be binding upon and shall inure to the benefit of the parties, their legal representatives, successors and assigns. Each provision to be performed by Tenant shall be construed to be both a covenant and a condition, and if Tenant shall be more than one person or entity, they shall all be bound, jointly and severally, by these provisions. In the event of any sale of the land, building or this Lease, or of a lease of the Shopping Center, Landlord shall be entirely relieved of all obligations hereunder.

D. Entire Agreement. Neither Landlord nor Landlord's agents have made any representations or promises with respect to the physical condition of the Premises or the building of which it is a part, the land upon which it is erected, or the condition, dimensions or area of the Premises, except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease. Tenant shall not claim any misrepresentations or right to rescind this Lease based upon any prior conversations with or statements made by Landlord or its agents. This Lease and the attached Exhibits set forth the entire agreement between the parties. Exhibit "A" is attached for reference only. Landlord makes no representations or warranties that the tenants, occupants, vacancies, the square footages, and/or the other dimensions identified therein are accurate; or that the foregoing will not change from time to time during the Term of this Lease. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by Landlord and Tenant. The captions, numbers and index appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of any article, nor in any way affect this Lease.

E. Confidentiality. Tenant acknowledges that the terms and provisions of this Lease, including, but not limited to, amounts of Rent and other consideration, were negotiated and agreed to by or on behalf of Landlord and Tenant without reference to comparability with the terms and conditions of other leases at the Shopping Center. Each of Landlord and Tenant agree that it will not, without the prior written consent of the other, reveal the terms and conditions of this Lease, including but not limited to amounts of Rent, to anyone other than such parties' lenders, potential investors, or financial or legal advisors and employees of such party (to the extent necessary in connection with such party's business operations) all of whom themselves agree to keep such information confidential.

F. Consent. Tenant consents to the Landlord and its agents' use of Tenant's federal identification or social security number to obtain credit reports and other financial information from time to time.

G. Governing Law. This Lease shall be governed by the provisions hereof and by the laws of the State in which the Shopping Center is located.

H. Labor Relations. Tenant agrees to conduct Tenant's labor relations and its relations with its employees and agents in such a manner as to avoid all strikes, picketing and boycotts of, on or about the Premises and the Shopping Center.

I. Recording. Tenant shall not record this Lease or any memorandum thereof without the written consent of Landlord.

J. Headings. The paragraph headings throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Lease.

K. Corporation. In the event that Tenant is a corporation, then upon the execution of this Lease, Tenant shall deliver to the Landlord, a Clerk's Certificate or Secretary's Certificate, in a form reasonably satisfactory to Landlord, confirming that the execution of this Lease has been duly authorized. The person executing this Lease on behalf of Tenant hereby covenants, represents, and warrant that Tenant is a duly incorporated or duly qualified (if foreign) corporation and is authorized to do business in the State where the Shopping Center is located, and that the person executing this Lease on behalf of Tenant is an officer of such Tenant, and is duly authorized to sign and execute this Lease.

42. LEASE SUBMISSION

The submission of this Lease for examination does not constitute a reservation of or option for the Premises or any other space within the Shopping Center and shall vest no right in either party. This Lease shall become effective as a Lease only upon execution and legal delivery thereof by Landlord and Tenant. In the event that Tenant is not an individual, then Tenant shall deliver to the Landlord the requisite certificate or resolution, in a form reasonably satisfactory to Landlord, confirming that the execution of this Lease has been duly authorized. This Lease may be executed in more than one counterpart, and each such counterpart

shall be deemed to be an original document.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

Witness for Landlord:

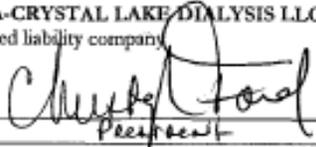
Landlord:

BRADLEY OPERATING LIMITED
PARTNERSHIP, a Delaware Limited Partnership
By: Heritage-Austen Acquisition, Inc., a Maryland
corporation its general partner

By:  _____ *LP*
Louis Zioni, Vice President

Tenant:

ARA-CRYSTAL LAKE DIALYSIS LLC, a Delaware
limited liability company

By:  _____
Its: President

Tenant's SS #/FEIN: 52-2413908

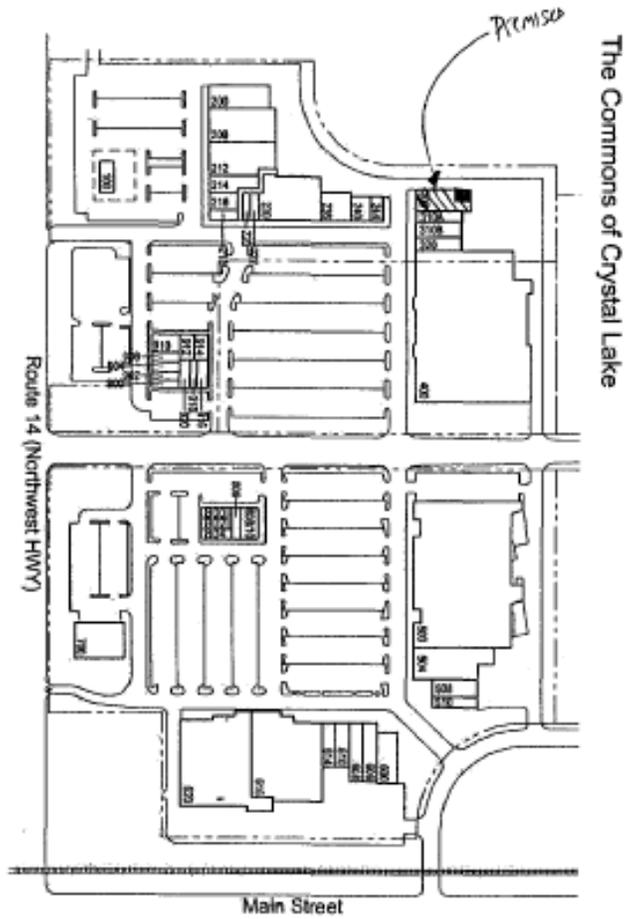


Exhibit A
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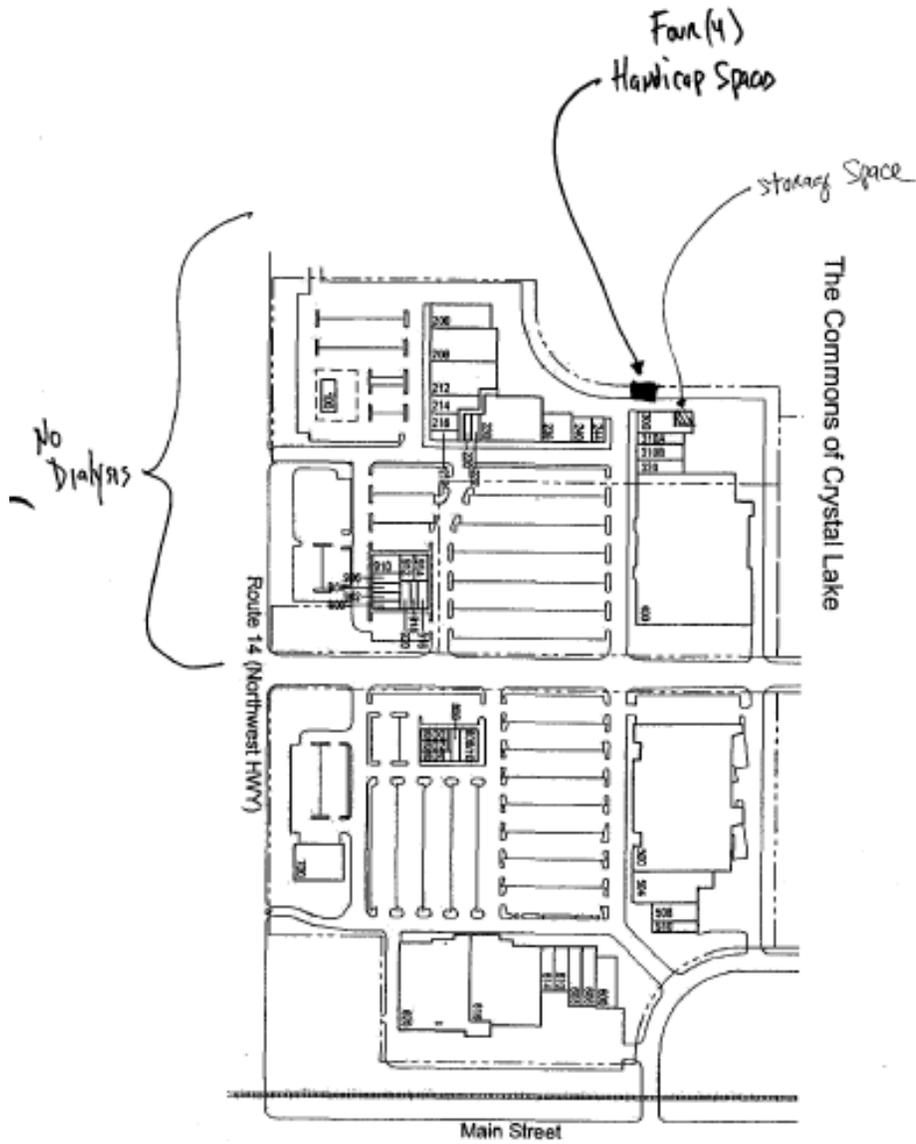


Exhibit A
2/2

Exhibit A-1

Confirmation Of Lease Term

This Agreement is entered into _____, 2003 by and between **BRADLEY FINANCING PARTNERSHIP**, a Delaware general partnership, c/o Heritage Realty Management, Inc., 535 Boylston Street, Boston, Massachusetts, 02116-3766 (the "Landlord") and **ARA-CRYSTAL LAKE DIALYSIS LLC**, a _____ limited liability company, having an address at c/o American Renal Associates, Inc., 5 Cherry Hill Drive, Danvers, MA 01923 (the "Tenant").

WHEREAS, Landlord and Tenant entered into a lease dated _____ (the "Lease") for premises located at The Commons of Crystal Lake Shopping Center, Crystal Lake, Illinois; and

WHEREAS, it is the desire and intent of Landlord and Tenant to clearly define certain terms of the Lease.

NOW, THEREFORE, it is agreed by and between Landlord and Tenant that:

The Lease Commencement Date is

The Rent Commencement Date is

The Lease Expiration Date is

The Lease is in full force and effect and all terms and conditions of the Lease are hereby ratified and confirmed.

This document will not be recorded in any public records including the real estate records of the county where the demised premises are located.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the day and year first above written.

Landlord:

BRADLEY OPERATING LIMITED PARTNERSHIP, a Delaware Limited Partnership
By: Heritage-Austen Acquisition, Inc., a Maryland corporation its general partner

By: _____
Louis Zicht, Vice President

Tenant:

ARA-CRYSTAL LAKE DIALYSIS LLC, a _____ limited liability company

By: _____
Its: _____

Exhibit B**Rules & Regulations**

All deliveries or shipments of any kind to and from the Premises, including loading and unloading of goods, shall be made only by way of the rear of the Premises or at any other location designated by Landlord, and only at such times designated for such purpose by Landlord; provided, however, that Fed Ex and similar overnight courier services may make delivery of small packages to Tenant (excluding large or bulky deliveries such as equipment and inventory) at the regular place of delivery for such services which may include the front entry to the Premises.

Garbage and refuse shall be kept in the kind of container approved by Landlord and shall be placed at the location designated by Landlord, for collection at the times specified by Landlord; Tenant to pay the cost of removal.

Except for televisions and related equipment located within the Premises at patient dialysis stations and intended for use by such patients, no radio, television, phonograph or other similar devices, or aerial attached thereto (inside or outside) shall be installed without first obtaining in each instance Landlord's consent in writing, and no such device shall be used in a manner so as to be heard or seen outside the Premises.

Tenant shall keep the Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.

The outside area immediately adjoining the Premises, including the sidewalk and loading area, shall be kept clean and free from dirt and rubbish by Tenant, and Tenant shall not place, suffer or permit any obstructions or merchandise in such areas.

Tenant shall not use the public or Common Areas in the Shopping Center for business purposes.

Tenant and Tenant's employees shall park their cars only in those portions of the parking area, if any, designated for that purpose by Landlord; Tenant to furnish Landlord with Tenant's and Tenant's employees' automobile license numbers within five days after taking possession of the Premises and Tenant to thereafter notify Landlord of any changes within five days after such changes occur; (and if Tenant or Tenant's employees fail to park their cars in designated parking areas, then Landlord may charge Tenant ten (\$10.00) dollars per day for each day or partial day per car parked in any areas other than those designated, as and for liquidated damages).

Plumbing facilities shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be permitted therein; provided, however, that Tenant's use of the Premises as a high-quality medical office and outpatient renal dialysis center shall not violate this provision so long as Tenant does not unreasonably overburden such facilities.

Tenant shall keep the Premises free of pests and insects and Tenant shall use, at Tenant's cost, a pest extermination contractor at such intervals as Landlord may require.

Tenant shall keep all trash, refuse and the like in covered trash receptacles. Tenant shall not burn trash or garbage in or about the Premises, the Shopping Center or within one mile of the outside radius of the Shopping Center.

Tenant shall not place, suffer or permit displays, decorations or shopping carts on the sidewalks in front of the Premises or on or upon any of the Common Areas of the Shopping Center.

FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE ("Amendment") is entered into as of this 25th day of February, 2011, by and among CENTRO BRADLEY CRYSTAL LAKE, LLC, a Delaware limited liability company, having an address at 40 Skokie Boulevard, Suite 600, Northbrook, Illinois 60062 ("Landlord"), and ARA-CRYSTAL LAKE DIALYSIS, LLC, a Delaware limited liability company, having an address at 66 Cherry Hill Drive, Suite 200, Beverly, Massachusetts 01915, and doing business as "Crystal Lake Dialysis Center" ("Tenant").

RECITALS

- A. WHEREAS, Landlord's predecessor-in-interest and Tenant entered into that certain written Agreement of Lease dated June 22, 2004, (which with any and all amendments is the "Lease") for the lease of certain retail space currently identified as Space No. 300, for approximately 3,760 square feet of space ("Original Premises"), as depicted in Exhibit A attached hereto, in what is commonly referred to as The Commons of Crystal Lake, a shopping center located in the City of Crystal Lake, State of Illinois ("Shopping Center").
B. WHEREAS, Tenant desires to expand the Original Premises by incorporating Store No. 300-A containing approximately 2,120 square feet, into the Original Premises (Store No. 300-A is herein referred to as the "Expansion Area" and the total of the Original Premises and the Expansion Area is herein referred to as the "Expanded Premises").
C. WHEREAS, the Lease is set to expire on October 31, 2014.
D. WHEREAS, in conjunction with the expansion of the Original Premises, the parties desire to make certain other modifications to the Lease.

TERMS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Tenant, and the mutual agreements herein contained, the parties agree as follows:

- 1. EXPANSION. Subject to the terms hereof, the parties agree that from and after the date hereof Tenant shall lease the Expansion Area from Landlord. Tenant agrees that it has possession of the Expansion Area and that all references to the "Premises" contained in the Lease or this Amendment shall hereafter include the Expansion Area.
2. TERM. The term of the Lease, currently scheduled to expire as of October 31, 2014, is hereby extended and shall now expire one hundred five (105) full calendar months after the "New Rent Date" (hereinafter defined).
3. NEW RENT DATE. The "New Rent Date" shall be February 1, 2011.
4. MINIMUM RENT. Tenant shall continue to pay Minimum Rent and Additional Rent in accordance with the terms of the Lease. Beginning with the New Rent Date Tenant shall tender Minimum Rent, and all other Rent, in accordance with the terms of Lease, without offset, deduction, or credit as follows:

Table with 4 columns: Period, PSE, Annually, Monthly. Rows: 2/1/2011 - 10/31/2014, 11/1/2014 - 10/31/2019.

- 5. ADDITIONAL RENT. With respect to the common area charge, real estate taxes and any other amounts payable to Tenant based on Tenant's pro rate share, from and after the New Rent Date, the

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Crystal Lake Dialysis Center

Expansion Area.

6. EXPANSION AREA. All terms covenants and conditions other than the payment of Minimum Rent and Additional Rent that are applicable to the Original Premises, such as without limitation the insurance requirements, shall be applicable to the Expansion Area from and after the New Rent Date.
7. OPTION TO EXTEND LEASE TERM. Notwithstanding anything to the contrary in the Lease, Tenant shall have no options whatsoever to extend the term of the Lease.
8. RETROACTIVE. This Amendment is intended to be retroactively effective as of February 1, 2011.
9. NOTICE ADDRESSES. Landlord's address for notices and rent payments are as follows.

Landlord's Notice Address:
Centro Bradley Crystal Lake, LLC
c/o Centro Properties Group
420 Lexington Avenue, 7th Floor
New York, NY 10170
Attention: Office of General Counsel, Property

With a copy to:
Centro Bradley Crystal Lake, LLC
c/o Centro Properties Group
40 Skokie Boulevard, Suite 600
Northbrook, IL 60062
Attn: Legal Department

Tenant's Address for Notices:
Ara-Crystal Lake Dialysis, LLC
dba Crystal Lake Dialysis Center
66 Cherry Hill Drive, Suite 200
Beverly, MA 01915

10. AS-IS. Tenant acknowledges that it is currently occupying the Original Premises and Tenant is accepting the Expansion Area in its "AS-IS/WHERE-IS" condition with no work of any sort to be performed by Landlord and no representation or warranty by Landlord as to the fitness of the Expanded Premises, or any equipment servicing the Expanded Premises, or as to any use permitted herein. Any and all work to the Expanded Premises necessary for Tenant to operate its business in accordance with the terms of this Lease (the "Tenant's Work") shall be Tenant's obligation to perform at Tenant's sole cost and expense. Tenant will indemnify Landlord and save it harmless from and against any and all claims, actions, suits at law or equity, judgments, expenses, costs, liabilities, fines and debts in connection with any injury, loss or damage during any period of Tenant's Work.

11. MISCELLANEOUS.

(a) By the execution hereof, Tenant acknowledges the full and faithful performance by Landlord of the obligations to be performed by it under the Lease to the date hereof. Landlord is not in default under the terms and conditions of the Lease, and that no condition exists which, with the passage of time or the giving of notice, would constitute a default under the terms and conditions of the Lease. Tenant has no present right to set off and no present defense or counterclaim against enforcement of Tenant's obligations under the Lease.

(b) The Lease and this Amendment set forth all the covenants, promises, agreements, conditions and understandings between the parties hereto concerning the Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth. All prior communications, negotiations, arrangements, representations, agreements and understandings, whether oral, written or both, between the parties hereto, and their representatives, are merged herein and extinguished, the Lease and this Amendment superseding and canceling the same.

(c) In the event of any conflict between the terms of the Lease and this Amendment, the terms of

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this Amendment shall prevail. Except as specifically provided herein, all of the terms, provisions, covenants and conditions of the Lease are hereby ratified and confirmed and shall continue in full force and effect.

(d) The captions and headings throughout this Amendment are for convenience and reference only, and in the same shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision, or the scope or intent hereof, nor in any way affect this Amendment.

(e) The individuals executing this Amendment hereby represent and warrant that they are empowered and duly authorized to so execute this Amendment on behalf of the parties they represent.

(f) All terms not defined in this Amendment shall have the respective meanings ascribed to them in the Lease.

(g) This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

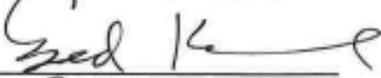
(h) This Amendment may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same Amendment.

(i) This Amendment shall for all purposes be deemed to include, as though set out in full within, the following attached documents: Exhibits "A".

The Commons of Crystal Lake Shopping Center / BU: 415601
Crystal Lake Dialysis Center

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TENANT:
ARA-CRYSTAL LAKE DIALYSIS, LLC
a Delaware limited liability company

By: 
Name: Syed Kamal
Its: President

LANDLORD:
CENTRO BRADLEY CRYSTAL LAKE, LLC
a Delaware limited liability company

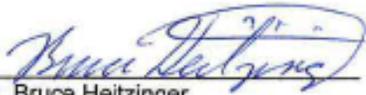
By: 
Name: Bruce Heitzinger
Its: Senior Vice President

EXHIBIT A



SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE ("Amendment") is entered into as of this ^{6th} day of July, 2018, by and among BRIXMOR CRYSTAL LAKE LLC, a Delaware limited liability company, having an address at c/o Brixmor Property Group, 450 Lexington Avenue, 13th Floor, New York, New York 10017 ("Landlord"), and ARA-CRYSTAL LAKE DIALYSIS LLC, a Delaware limited liability company, having an address at 500 Cummings Center, Suite 6550, Beverly, Massachusetts 01915 ("Tenant").

RECITALS

A. WHEREAS, Landlord's predecessor-in-interest and Tenant entered into that certain written Agreement of Lease dated June 22, 2004, as amended by that certain written First Amendment to Lease dated February 25, 2011 (collectively, the "Lease"), for the lease of certain retail space currently identified as Store No. 300 for approximately 5,880 square feet of space ("Premises"), as depicted in Exhibit A attached hereto, in what is commonly referred to as The Commons of Crystal Lake, a shopping center located in the City of Crystal Lake, State of Illinois ("Shopping Center").

B. WHEREAS, the Lease is set to expire on October 31, 2019.

C. WHEREAS, Landlord and Tenant desire, among other things, to extend the term of the Lease.

TERMS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Tenant, the parties agree as follows:

1. **TERM.** Landlord and Tenant hereby agree to extend the Term, as defined in the Lease, for a period of thirty-six (36) full calendar months from November 1, 2019 to October 31 2022 ("Extended Term"), upon the following terms and conditions.

2. **MINIMUM RENT.** Tenant shall continue to tender Minimum Rent, and all other Additional Rent, in accordance with the terms of Lease, without offset, deduction, or credit, except that during the Extended Term Minimum Rent shall be as follows:

<u>Extended Term:</u>	<u>PSF</u>	<u>Annually</u>	<u>Monthly</u>
11/1/2019 to 10/31/2020	\$11.00	\$64,680.00	\$5,390.00
11/1/2020 to 10/31/2021	\$11.50	\$67,620.00	\$5,635.00
11/1/2021 to 10/31/2022	\$12.00	\$70,560.00	\$5,880.00

3. **OPTION TERM.** Tenant, by written notice to Landlord given no later than one hundred eighty (180) days prior to the Expiration Date of the Extended Term, shall have the one-time option to extend the term of the Lease for an additional period of thirty-six (36) full calendar months ("Option Term"), pursuant to all of the terms, covenants, and conditions of the Lease and this Amendment, provided Tenant is open and operating and not otherwise in monetary default under the Lease after expiration of the applicable notice and cure period.

The Commons of Crystal Lake / BU: #415601
ARA-CRYSTAL LAKE DIALYSIS LLC, d/b/a American Renal Associates

4. Option Term Minimum Rent. During the Option Term, Tenant shall tender Minimum Rent, pursuant to Section 4 of the Lease, and all other items of rent and Additional Rental, in accordance with the terms of the Lease, without offset, deduction, or credit, except that during the Option Term, Minimum Rent shall be as follows:

<u>Option Term:</u>	<u>PSF</u>	<u>Annually</u>	<u>Monthly</u>
11/1/2022 to 10/31/2023	\$14.40	\$84,672.00	\$7,056.00
11/1/2023 to 10/31/2024	\$14.83	\$87,200.40	\$7,266.70
11/1/2024 to 10/31/2025	\$15.28	\$89,846.40	\$7,487.20

5. AS-IS. Tenant acknowledges that it is currently occupying the Premises (this being a renewal lease) and, accordingly, Tenant is accepting the Premises in its "AS-IS/WHERE-IS" condition with no work of any sort to be performed by Landlord and no representation or warranty by Landlord as to the fitness of the Premises, or any equipment servicing the Premises, or as to any use permitted herein, except as provided for in the Lease. Any and all work to the Premises necessary for Tenant to operate its business in accordance with the terms of this Lease (the "Tenant's Work") shall be Tenant's obligation to perform at Tenant's sole cost and expense. Tenant will indemnify Landlord and save it harmless from and against any and all claims, actions, suits at law or equity, judgments, expenses, costs, liabilities, fines and debts in connection with any injury, loss or damage during any period of Tenant's Work.

6. NOTICE ADDRESSES. The portion of the Lease regarding notice addresses in Section 28 of the Lease, entitled **NOTICES**, is hereby amended and the following addresses shall be used for Landlord and Tenant in lieu thereof until modified in writing:

If to Landlord:
BRIXMOR CRYSTAL LAKE LLC
c/o Brixmor Property Group
450 Lexington Avenue, 13th Floor
New York, NY 10017
Attention: Office of General Counsel, Property

With a copy to:
BRIXMOR CRYSTAL LAKE LLC
c/o Brixmor Property Group
40 Skokie Boulevard, Suite 600
Northbrook, IL 60062
Attention: Legal Department

If to Tenant:
ARA-CRYSTAL LAKE DIALYSIS LLC
500 Cummings Center, Suite 6550
Beverly, MA 01915

7. BROKERAGE FEE. Landlord and Tenant represent and warrant to the other that there are no claims for brokerage commissions or finders' fees in connection with the execution of this Amendment except as set forth in this paragraph and each party agrees to indemnify the other against and hold it harmless from all liabilities arising from any such claim by any broker or finder including, without limitation, the cost of counsel fees. The foregoing representation, warranty and indemnification shall not apply with respect to Kristine Meyer, Babson Real Estate

The Commons of Crystal Lake / BU: #415601
ARA-CRYSTAL LAKE DIALYSIS LLC, d/b/a American Renal Associates

Advisors, LLC, 275 Grove Street, Suite 2400, Newton, MA 02466 (Broker's Email Address: kirstine@babsonre.com, Phone: (904) 288-0464 (the "Broker"). Landlord and Tenant acknowledge that the terms and conditions of the broker fee payable to the Broker shall be established under a separate agreement, pursuant to which Landlord will be responsible for payment of all brokerage fees payable to the Broker in accordance therewith.

8. MISCELLANEOUS.

- (a) By the execution hereof, Tenant acknowledges the full and faithful performance by Landlord of the obligations to be performed by it under the Lease to the date hereof. Landlord is not in default under the terms and conditions of the Lease, and that no condition exists which, with the passage of time or the giving of notice, would constitute a default under the terms and conditions of the Lease. Tenant has no present right to set off and no present defense or counterclaim against enforcement of Tenant's obligations under the Lease.
- (b) The Lease and this Amendment set forth all the covenants, promises, agreements, conditions and understandings between the parties hereto concerning the Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth. All prior communications, negotiations, arrangements, representations, agreements and understandings, whether oral, written or both, between the parties hereto, and their representatives, are merged herein and extinguished, the Lease and this Amendment superseding and canceling the same.
- (c) In the event of any conflict between the terms of the Lease and this Amendment, the terms of this Amendment shall prevail. Except as specifically provided herein, all of the terms, provisions, covenants and conditions of the Lease are hereby ratified and confirmed and shall continue in full force and effect.
- (d) The captions and headings throughout this Amendment are for convenience and reference only, and in the same shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision, or the scope or intent hereof, nor in any way affect this Amendment.
- (e) Landlord and Tenant hereby represent and warrant that the individuals executing this Amendment are empowered and duly authorized to so execute this Amendment on behalf of the parties they represent.
- (f) All terms not defined in this Amendment shall have the respective meanings ascribed to them in the Lease.
- (g) This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.
- (h) This Amendment may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. The exchange of digital images of this Amendment, as executed, shall constitute good and sufficient delivery for all purposes under applicable law.
- (i) This Amendment shall for all purposes be deemed to include, as though set out in full within, the following attached document: Exhibit "A".

[Signature Page to Follow]

The Commons of Crystal Lake / BU: #415601
ARA-CRYSTAL LAKE DIALYSIS LLC, d/b/a American Renal Associates

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TENANT:
ARA-CRYSTAL LAKE DIALYSIS LLC,
a Delaware limited liability company

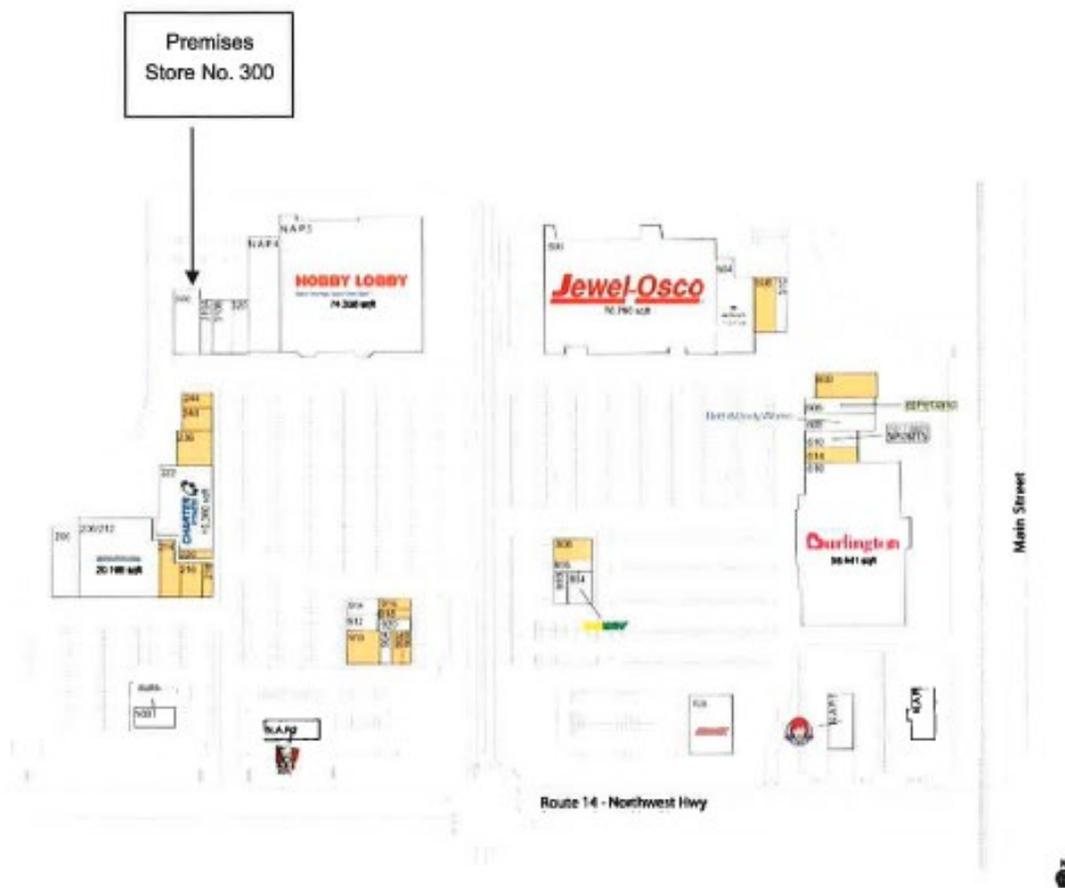
By: 
Name: Joseph A. Carlucci
Its: Manager

LANDLORD:
BRIXMOR CRYSTAL LAKE LLC,
a Delaware limited liability company

By: 
Name: Corrine Cecil
Its: Vice President, Leasing

The Commons of Crystal Lake / BU: #415601
ARA-CRYSTAL LAKE DIALYSIS LLC, d/b/a American Renal Associates

EXHIBIT A
The Commons of Crystal Lake



Not to scale.

ATTACHMENT 3
OPERATING ENTITY/LICENSEE

The licensee of the applicant facility will remain the same after the transaction. Included with this Attachment is the licensee's Certificate of Good Standing. All direct owners of a 5% or more interest in the applicant facility are identified in the organizational chart included with Attachment 4.

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ARA-CRYSTAL LAKE DIALYSIS LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF SEPTEMBER, A.D. 2020.

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



Jeffrey W. Bullock
Jeffrey W. Bullock, Secretary of State

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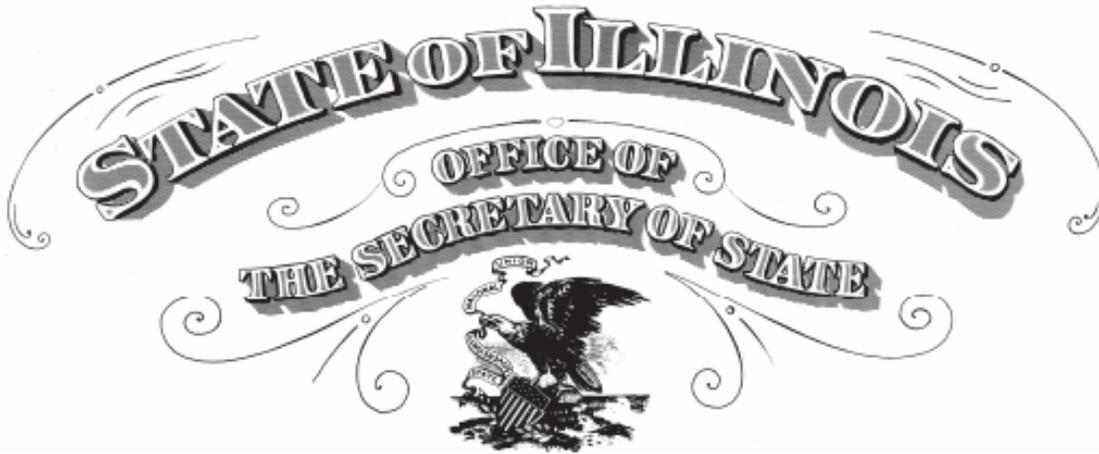
SR# 20207573532

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 203767522

Date: 09-30-20

File Number 0106089-9



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

ARA-CRYSTAL LAKE DIALYSIS LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANACT BUSINESS IN ILLINOIS ON DECEMBER 01, 2003, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANACT BUSINESS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 24TH day of SEPTEMBER A.D. 2020 .

Jesse White

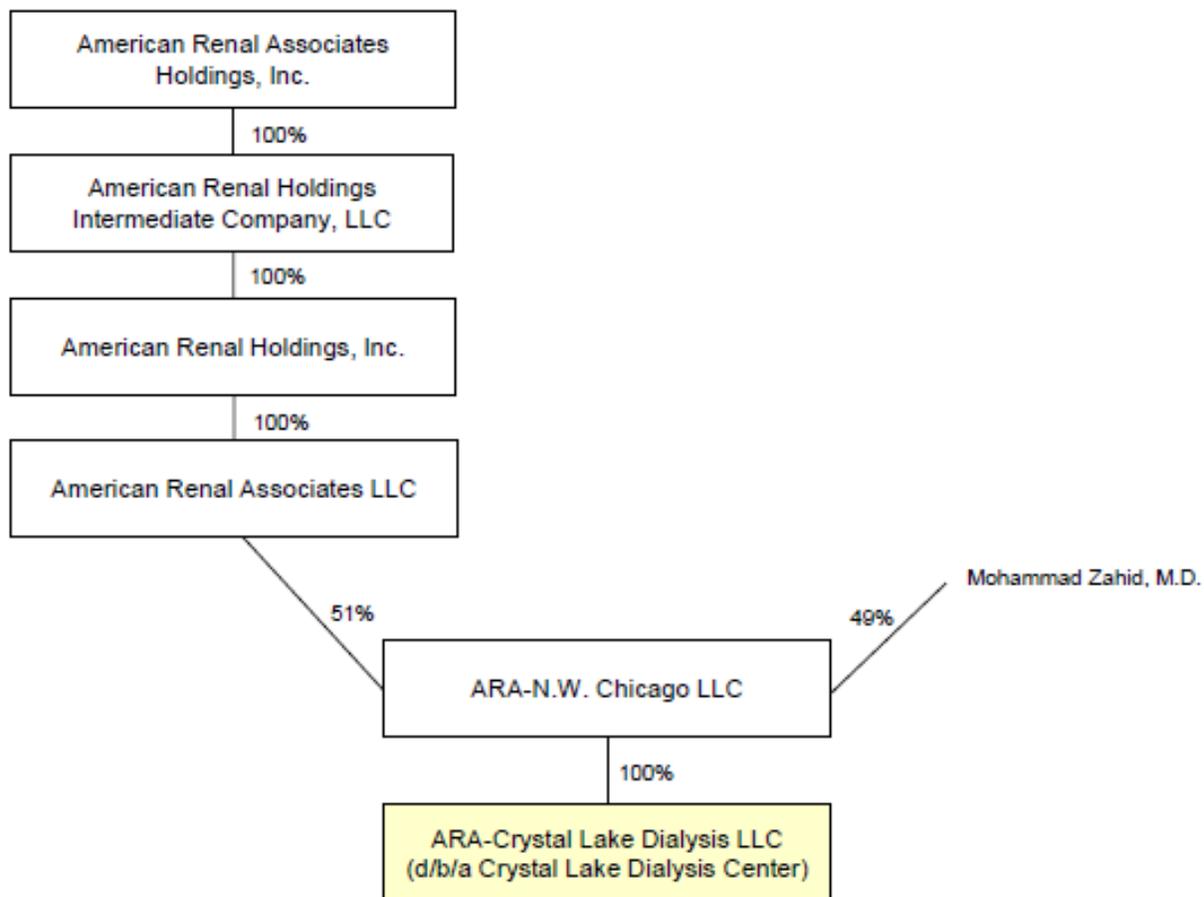
SECRETARY OF STATE

Authentication #: 2026804512 verifiable until 09/24/2021
Authenticate at: <http://www.cyberdriveillinois.com>

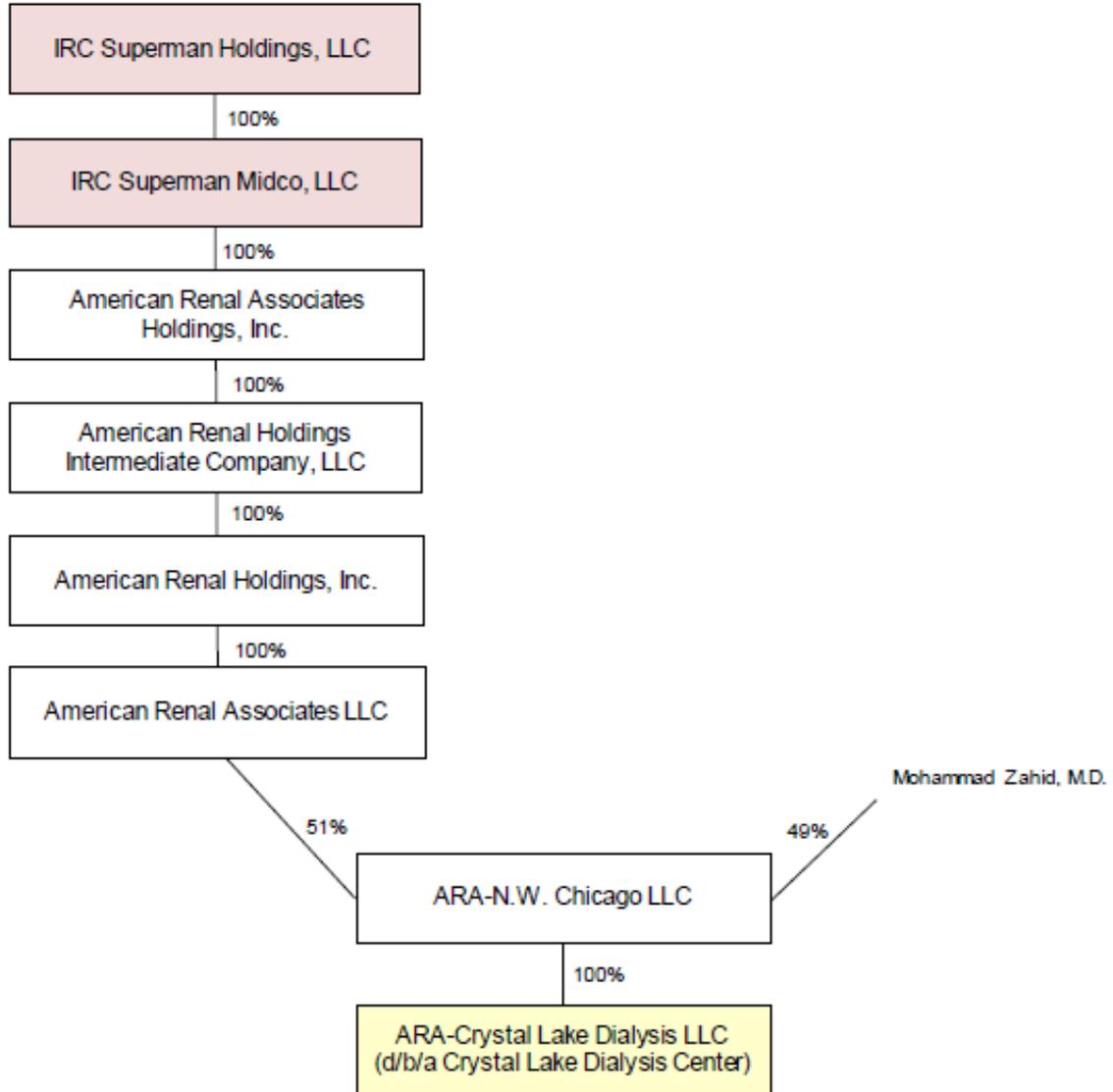
ATTACHMENT 4
ORGANIZATIONAL RELATIONSHIPS

The applicant facility is indirectly owned by ARA. As a result of the proposed transaction, ARA will be owned by IRC Midco, as further described in Section 2 (Narrative Description). Current and proposed organizational charts are included with this Attachment. All direct owners of 5% or more interest in the applicant facility are identified in the organization chart.

Pre-Transaction Organizational Chart



Post-Transaction Organizational Chart



ATTACHMENT 5
BACKGROUND OF THE APPLICANTS

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

American Renal Associates Holdings, Inc.'s affiliated Illinois health care facilities are:

ARA – Crystal Lake Dialysis, LLC
6298 Northwest Highway, Suite 300
Crystal Lake, Illinois

McHenry Dialysis Center, LLC
4209 West Shamrock Lane, Unit A
McHenry, Illinois

ARA – South Barrington Dialysis, LLC
33 West Higgins Road, Suite 920-945
South Barrington, Illinois

- 1. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.**

Other than the facilities listed in paragraph 1 above, no health care facilities are currently owned or operated in Illinois by any of the applicants identified in the organizational charts included in Attachment 4 and their respective corporate officers or directors.

- 2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.**

Included with Attachment 6 is the applicants' certification of no adverse action 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.**

Included with Attachment 6 is the applicants' authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted.

- 4. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion.**

The applicants are not relying on information submitted in prior applications.

ATTACHMENT 6
CHANGE OF OWNERSHIP

1. Section 1130.520(b)(1)(A) - Names of the parties

- a. ARA – Crystal Lake Dialysis LLC
- b. American Renal Associates, Inc.
- c. IRC Superman Holdings, LLC

2. Section 1130.520(b)(1)(B) - Background of the parties

The applicants' certification of no adverse action within three years preceding the filing of the application is included with this Attachment. In addition, each of the applicants, by their signatures to the Certification pages of this application, attest that they are fit, willing, able, and have the qualifications, background, and character to adequately provide a proper standard of health service for the community.

3. Section 1130.520(b)(1)(C) - Structure of the transaction

The applicant facility is indirectly owned by American Renal Associates Holdings, Inc., a Delaware corporation ("ARA"), a publicly-traded company.

On October 1, 2020, ARA entered into Agreement and Plan of Merger with Superman Merger Sub, Inc., a Delaware corporation ("Merger Sub") and a direct wholly owned subsidiary of IRC Superman Midco, LLC, a Delaware limited liability company ("IRC Midco"). As a result of the merger, Merger Sub will merge with and into ARA, with ARA as the surviving entity. As a result of the merger, ARA will become a wholly owned subsidiary of IRC Midco and the applicant facility will become an indirect subsidiary of IRC Midco. ARA is, and will continue to be after the completion of the proposed transaction, the indirect owner of the applicant facility.

IRC Midco is a wholly-owned subsidiary of IRC Superman Holdings, LLC ("IRC Superman"). IRC Midco and IRC Superman are newly formed entities, and are affiliated with Nautic Partners, LLC and Innovative Renal Care, LLC. Nautic Partners VIII, L.P., Nautic Partners VIII-A, L.P., Nautic Partners IX, L.P. and Nautic Partners IXA, L.P. have committed to capitalize the IRC Midco with an aggregate equity contribution of up to \$450 million, subject to the terms and conditions set forth in an equity commitment letter. Investment funds and accounts managed by HPS Investments Partners, LLC (the "Lenders") have agreed to provide IRC Midco and Merger Sub with committed debt financing in an aggregate principal amount of up to \$515 million on the terms set forth in a debt commitment letter. The obligations of the Lenders to provide debt financing under the debt commitment letter are subject to customary terms and conditions. Through investment vehicles, the investment funds will have indirect ownership in IRC Superman, however, none of the investment funds will hold a 50% or more interest in the applicant facility.

The applicant facility will continue to exist and serve patients after the proposed transaction. The proposed transaction will not result in change to any of the federal tax

identification numbers. The applicants anticipate closing the proposed transaction in the first quarter of 2021.

4. Section 1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction

There will be no change in the licensed entity as a consequence of the proposed transaction. The licensee will remain ARA – Crystal Lake Dialysis LLC.

5. Section 1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.

Organizational charts showing the current interest structure of the applicant facility and the post-change ownership interest are included with Attachment 4.

6. Section 1130.520(b)(1)(F) - Fair market value of assets to be transferred.

Due to the nature of the transaction, no specific consideration is designated as being for or attributable to the facilities for which certificate of exemption applications are being submitted. The estimated value of the applicant facility is approximately \$1,635,660. The fair market value of the applicant facility was determined based on the product of: (i) the percentage of total revenue for the applicant facility compared to the aggregate total revenue for ARA and (ii) overall purchase price for ARA, which was determined as the result of an arm's length negotiation.

7. Section 1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets.

See paragraph 6 above.

8. Section 1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section

In accordance with 77 Ill. Admin. Code 1130.520, the applicants, by their signatures to the Certification pages of this application, affirm that any projects for which permits have been issued by the Review Board have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Admin. Code 1130.520.

9. Section 1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction

Not applicable.

10. Section 1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community

The applicant facility will continue its operations and its mission to deliver high quality dialysis services to all of its patients. The resources gained through this acquisition will further the mission to provide high quality, cost effective care. The applicant facility will continue to conduct business at the same location, under the same legal entity and federal tax identification number. The proposed transaction is not expected to change or alter any of the applicant facility's policies or procedures, equipment, personnel or operations.

11. Section 1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership

The applicant facility will continue its operations and its mission to deliver high quality dialysis services to all of its patients. The resources gained through this acquisition will further the mission to provide high quality, cost effective care. No quantifiable cost savings generated as a result of the proposed transaction have been identified at this time.

12. Section 1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control

The applicant facility's quality improvement program mechanism will not change as a result of the proposed transaction.

13. Section 1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body

The selection process of the applicant facility's governing body will not change as a result of the proposed transaction. IRC Superman Holdings, LLC will not be involved in the day-to-day operations of the applicant facility.

14. Section 1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.

The applicants are not anticipating changes to the scope of services or levels of care currently provided at the facility to occur within 24 months after closing as a result of the proposed transaction.

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

Dear Ms. Avery:

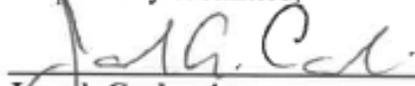
On behalf of the applicant facility and American Renal Associates Holdings, Inc. ("ARA"), I hereby certify that no adverse action has been taken against the applicant facility or any other Illinois facility owned, operated and/or controlled by ARA during the three years prior to the filing of this application for change of ownership.

The applicants affirm that all ARA owned Illinois health care facilities are identified in this application and that no other health care facilities are currently owned or operated in Illinois by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the applicant facility.

The applicants hereby permit the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health ("IDPH") to have access to any documents necessary to verify the information submitted in the application for change of ownership of the facility including, but not limited to: (i) official records of IDPH or other State of Illinois agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally recognized accreditation organizations.

The applicants further attest that the facilities will not adopt a more restrictive charity care policy that was in effect one year prior to the transaction.

Respectfully submitted,



Joseph Carlucci
CEO

American Renal Associates Holdings, Inc.

10-8-2020
Dated

10/2/2020

American Renal Associates Enters Into Definitive Agreement to be Acquired by Nautic Partners – American Renal



American Renal Associates Enters Into Definitive Agreement to be Acquired by Nautic Partners

Oct 02, 2020

ARA Shareholders to Receive \$11.50 Per Share in Cash

BEVERLY, Mass.--(BUSINESS WIRE)-- American Renal Associates Holdings, Inc. (NYSE: ARA) ("ARA" or the "Company"), a leading provider of outpatient dialysis services, today announced that it has entered into a definitive agreement to be acquired by Innovative Renal Care, LLC ("IRC"), an affiliate of Nautic Partners, LLC ("Nautic"), a middle market private equity firm, in an all-cash transaction that values the Company at an aggregate enterprise valuation of approximately \$853 million excluding non-controlling interest. Under the terms of the agreement, ARA shareholders will receive \$11.50 per share in cash. This consideration represents an approximate premium of 66% to the Company's closing price on October 1st, 2020.

"At ARA, we have created a unique platform for delivering superior quality care to patients by partnering with physicians around the country. This transaction recognizes the value of the Company and delivers a meaningful premium to shareholders," said Joe Carlucci, Chairman and Chief Executive Officer of ARA. "I have decided to delay my previously announced retirement in order to guide the Company through this transaction and into its next stage. Nautic is a firm with significant healthcare expertise and we are excited by their support as we engage with members of the IRC team for the next chapter of our Company's growth -- drawing on our deep relationships with our physician partners and our talented staff to continue providing excellent care to end-stage renal disease patients across the U.S. We also want to thank Centerbridge Partners for their thoughtful support over these past 10 years."

Scott Hilinski, Managing Director at Nautic, said, "ARA has established itself as a leading provider of high-quality patient care for those suffering from end-stage renal disease. Since its founding, the Company has built a successful track record working with leading nephrologists around the country while staying focused on its Core Values."

Dan Killeen, Principal at Nautic, added, "We are excited to bring together ARA management and IRC's complementary team of executives as we look to support the Company in executing against its strategic plan built on a differentiated, patient-centric approach to the renal care market."

The Board of Directors of ARA unanimously approved the agreement. The transaction is expected to close in the first quarter of 2021, subject to shareholder and regulatory approvals, as well as the satisfaction of customary closing conditions. Centerbridge Partners has entered into a voting agreement pursuant to which it has agreed to vote in favor of the transaction.

The agreement includes a 40-day "go-shop" period, which permits ARA's Board of Directors, with the assistance of independent financial and legal advisors, to actively solicit alternative acquisition proposals from third parties, and potentially enter into negotiations with parties that make alternative acquisition proposals. The Board has appointed a special committee of independent directors to oversee the go-shop process. ARA will have the right to terminate the agreement with Nautic to enter into a superior proposal subject to the terms and conditions of the agreement. There

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American Renal Associates Enters Into Definitive Agreement to be Acquired by Nautic Partners – American Renal

can be no assurance that this process will result in a superior proposal, and ARA does not intend to disclose developments with respect to the solicitation process unless and until its special committee or the Board of Directors makes a determination requiring further disclosure. The period commences on the date of the agreement.

Investment funds and accounts managed by HPS Investment Partners, LLC provided committed financing for the transaction.

Goldman Sachs & Co. LLC is serving as financial advisor to ARA, and Latham & Watkins LLP is serving as legal advisor to ARA. BofA Securities is serving as financial advisor to the special committee of the Board of Directors of ARA managing the go-shop process and Richards, Layton & Finger, PA is serving as its legal advisor. Guggenheim Securities, LLC is serving as financial advisor to Nautic, and Goodwin Procter LLP and Epstein, Becker & Green, P.C. are serving as its legal advisors. Raymond James & Associates, Inc. also served as an investment banking advisor to IRC.

Additional Information and Where to Find It

This communication may be deemed solicitation material in respect of the proposed acquisition of ARA by Nautic. This communication does not constitute a solicitation of any vote or approval. In connection with the proposed merger, ARA plans to file with the Securities and Exchange Commission (the "SEC") and mail or otherwise provide to its stockholders a proxy statement regarding the proposed transaction. ARA may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the proxy statement or any other document that may be filed by ARA with the SEC. **ARA'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED BY ARA WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE THEREIN BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED TRANSACTION BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION.** Investors and stockholders may obtain a free copy of the proxy statement and other documents ARA files with the SEC (when available) through the website maintained by the SEC at www.sec.gov. ARA makes available free of charge at www.americanrenal.com (in the "SEC Filings" section under the "Investor Relations" heading), copies of materials it files with, or furnishes to, the SEC.

Participants in the Solicitation

ARA and its directors, executive officers and certain employees and other persons may be deemed to be participants in the solicitation of proxies from ARA's stockholders in connection with the proposed merger. Security holders may obtain information regarding the names, affiliations and interests of ARA's directors and executive officers in ARA's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on March 16, 2020, and its definitive proxy statement for the 2020 annual meeting of stockholders, which was filed with the SEC on March 20, 2020, including the definitive additional materials filed with the SEC on April 24, 2020. To the extent the holdings of ARA securities by ARA's directors and executive officers have changed since the amounts set forth in ARA's proxy statement for its 2020 annual meeting of stockholders, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Additional information regarding the interests of such individuals in the proposed merger will be included in the proxy statement relating to the proposed merger when it is filed with the SEC. These documents (when available) may be obtained free of charge from the SEC's website at www.sec.gov and ARA's website at www.americanrenal.com.

Cautionary Statement Regarding Forward-Looking Statements

ir.americanrenal.com/news-releases/2020/10-02-2020-135017137

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This communication contains certain information, including financial estimates and statements as to, among other things, the expected timing, completion and effects of the proposed merger between ARA and IRC Superman Midco, Inc. ("Parent"), which may constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties, and actual results may materially differ. All statements other than statements of historical fact or relating to present facts or current conditions included in this communication are forward-looking statements. Such forward-looking statements include, among others, ARA's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "seek," "plan," "intend," "believe," "will," "may," "could," "continue," "likely," "should" and other similar words.

The forward-looking statements contained in this communication, including without limitation statements regarding anticipated benefits and effects of the anticipated merger of ARA and Parent, are based on assumptions that ARA has made in light of its industry experience and its perceptions of historical trends, current conditions, expected future developments and other factors that ARA believes are appropriate under the circumstances. These statements are not guarantees of performance or results. These assumptions and ARA's future performance or results involve risks and uncertainties, many of which are beyond ARA's control. Such risks and uncertainties include, among others, the inability to consummate the Merger within the anticipated time period, or at all, due to any reason, including the failure to obtain required regulatory approvals or the failure to satisfy the other conditions to the consummation of the Merger; the failure by Parent or Merger Sub to obtain the necessary debt and equity financing arrangements set forth in the commitment letters received in connection with the Merger; the risk that the Merger Agreement may be terminated in circumstances requiring ARA to pay a termination fee; the risk that the Merger disrupts ARA's current plans and operations or diverts management's attention from its ongoing business; the effect of the announcement of the Merger on the ability of ARA to retain and hire key personnel and maintain relationships with its customers, suppliers, physician partners and others with whom it does business; the effect of the announcement of the Merger on ARA's operating results and business generally; the amount of costs, fees and expenses related to the Merger; the risk that ARA's stock price may decline significantly if the Merger is not consummated; the nature, cost and outcome of any litigation and other legal proceedings, including any such proceedings related to the Merger and instituted against ARA and others; the effect of the ongoing COVID-19 pandemic and responses thereto; the effect of the restatement of ARA's previously issued financial results and related matters and the related SEC investigation; ARA's ability to remediate material weaknesses in ARA's internal control over financial reporting; continuing decline in the number of patients with commercial insurance or any regulatory or other changes leading to changes in the ability of patients with commercial insurance coverage to receive charitable premium support; decline in commercial payor reimbursement rates; reduction of government-based payor coverage and reimbursement rates or insufficient rate increases or adjustments that do not cover all of ARA's operating costs; ARA's ability to successfully develop de novo clinics, acquire existing clinics and attract new nephrologist partners; ARA's ability to compete effectively in the dialysis services industry; the performance of ARA's joint venture subsidiaries and their ability to make distributions to ARA; federal or state healthcare laws that could adversely affect ARA; ARA's ability to comply with all of the complex federal, state and local government regulations that apply to its business, including those in connection with federal and state anti-kickback laws and state laws prohibiting the corporate practice of medicine or fee-splitting; heightened federal and state investigations and enforcement efforts; changes in the availability and cost of erythropoietin-stimulating agents and other pharmaceuticals used in ARA's business; development of new technologies or government

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10/2/2020

American Renal Associates Enters Into Definitive Agreement to be Acquired by Nautic Partners – American Renal

regulation that could decrease the need for dialysis services or decrease ARA's in-center patient population; ARA's ability to timely and accurately bill for ARA's services and meet payor billing requirements; claims and losses relating to malpractice, professional liability and other matters; the sufficiency of ARA's insurance coverage for those claims and rising insurances costs, and negative publicity or reputational damage arising from such matters; loss of any members of ARA's senior management; damage to ARA's reputation or ARA's brand and ARA's ability to maintain brand recognition; ARA's ability to maintain relationships with its medical directors and renew its medical director agreements; shortages of qualified skilled clinical personnel, or higher than normal turnover rates; competition and consolidation in the dialysis services industry; deterioration in economic conditions, particularly in states where we operate a large number of clinics, or disruptions in the financial markets or the effects of natural or other disasters, public health crises or adverse weather events; the participation of ARA's physician partners in material strategic and operating decisions and ARA's ability to favorably resolve any disputes; ARA's ability to honor obligations under the joint venture operating agreements with its physician partners were they to exercise certain put rights and other rights; unauthorized disclosure of personally identifiable, protected health or other sensitive or confidential information; ARA's ability to meet its obligations and comply with restrictions under its substantial level of indebtedness; and the ability of ARA's principal stockholder, whose interests may conflict with yours, to strongly influence or effectively control ARA's corporate decisions. For additional information, please see ARA's filings with the SEC. Additional factors or events that could cause ARA's actual performance to differ from these and other forward-looking statements may emerge from time to time, and it is not possible for ARA to predict all of them. Should one or more of these risks or uncertainties materialize, or should any of its assumptions prove incorrect, ARA's actual financial condition, results of operations, future performance and business may vary in material respects from the performance projected in these forward-looking statements.

Any forward-looking statement made in this communication speaks only as of the date on which it is made. ARA undertakes no obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, except as may be required by law.

About American Renal Associates

American Renal Associates ("ARA") is a leading provider of outpatient dialysis services in the United States. As of June 30, 2020, ARA operated 251 dialysis clinic locations in 27 States and the District of Columbia serving more than 17,300 patients with end stage renal disease. ARA operates principally through a physician partnership model, in which it partners with local nephrologists to develop, own and operate dialysis clinics. ARA's Core Values emphasize taking good care of patients, providing physicians with clinical autonomy and support, hiring the best possible staff and providing best practices management. For more information about American Renal Associates, visit www.americanrenal.com.

About Nautic Partners, LLC

Nautic Partners, LLC ("Nautic") is a middle-market private equity firm that focuses on three industries: healthcare, industrials, and services. Nautic has completed over 140 platform transactions throughout its 34-plus year history. Nautic's strategy is to partner with management teams to accelerate the growth trajectory of its portfolio companies via add-on acquisitions, targeted operational initiatives, and increased management team depth. For more information, please visit www.nautic.com.

10/2/2020

American Renal Associates Enters Into Definitive Agreement to be Acquired by Nautic Partners – American Renal

In September 2019, Nautic supported an experienced management team in the formation of Innovative Renal Care ("IRC"), a new platform entity focused on deploying a more comprehensive and integrated renal care model.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20201002005131/en/>

For American Renal Associates:

Investors:

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For Nautic Partners and IRC:

Allan M. Petersen, Managing Director, Investor Relations

APetersen@nautic.com

Source: American Renal Associates Holdings, Inc.



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 1, 2020

American Renal Associates Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-37751	27-2170749
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

500 Cummings Center	01915
Beverly, Massachusetts	(Zip code)
(Address of principal executive offices)	

(978) 922-3080
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 144-12 under the Exchange Act (17 CFR 240.144-12)
- Pre-commencement communications pursuant to Rule 144-2(b) under the Exchange Act (17 CFR 240.144-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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Common Stock, \$0.01 par value per share

ARA

New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Explanatory Note

This Amendment No. 1 on Form 8-K/A is being filed by American Renal Associates Holdings, Inc. to amend and restate the Current Report on Form 8-K filed on October 2, 2020 (the "Original Report"), to correct errors found in the Original Report. The aggregate principal amount of committed debt financing of up to "\$150 million" in the seventh paragraph of Item 1.01 of the Original Report should be "\$515 million." This Amendment No. 1 also corrects typographical errors found in Item 1.01 and Exhibit 99.1 of the Original Report.

Item 1.01 Entry into a Material Definitive Agreement.

Agreement and Plan of Merger

On October 1, 2020, American Renal Associates Holdings, Inc., a Delaware corporation ("ARA"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with IRC Superman Midco, LLC, a Delaware limited liability company ("Parent") and an affiliate of Nautic Partners, LLC, and Superman Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub"). The Merger Agreement provides that, upon the terms and subject to the satisfaction or waiver of the conditions set forth therein, Merger Sub will merge with and into ARA (the "Merger"), with ARA continuing as the surviving corporation in the Merger as a wholly owned subsidiary of Parent. The board of directors of ARA (the "ARA Board") has unanimously approved the Merger Agreement and the transactions contemplated thereby (including the Merger) and has directed that the Merger Agreement be submitted to the stockholders of ARA for their adoption.

Pursuant to the terms of the Merger Agreement, at the effective time of the Merger (the "Effective Time") and as a result of the Merger, each share of common stock of ARA issued and outstanding immediately prior to the Effective Time (other than (i) shares owned by Parent, Merger Sub or any other direct or indirect wholly owned subsidiary of Parent immediately prior to the Effective Time and shares owned by ARA, including shares held in treasury by ARA, and in each case not held on behalf of third parties, and (ii) shares as to which the holders thereof have properly demanded appraisal with respect thereto under Delaware law and have not effectively withdrawn such demand) will be converted automatically into and will thereafter represent the right to receive \$11.50 in cash, without interest (the "Per Share Merger Consideration"). In addition, immediately prior to the Effective Time and as a result of the Merger, (a) each option to purchase shares of ARA common stock that is outstanding and unexercised immediately prior to the Effective Time will automatically become immediately vested and, at the Effective Time, will automatically be converted into the right to receive a cash payment equal to the product of (x) the total number of shares subject to the option multiplied by (y) the excess, if any, of the Per Share Merger Consideration over the exercise price per share under such option, and (b) each outstanding award of restricted stock and each outstanding award of restricted stock units that is outstanding immediately prior to the Effective Time will automatically become immediately vested and, at the Effective Time, will automatically be converted into the right to receive a cash payment equal to the product of (x) the total number of shares subject to such award immediately prior to the Effective Time multiplied by (y) the Per Share Merger Consideration, in each case of (a) and (b) without interest and less applicable taxes required to be withheld.

The consummation of the Merger is subject to customary closing conditions, including, among others, the following conditions to the obligations of either party: (i) the adoption of the Merger Agreement by the holders of a majority of ARA's outstanding shares of common stock; (ii) the absence of any applicable law or governmental order prohibiting, restraining or enjoining the consummation of the Merger; (iii) the expiration or termination of any applicable waiting period (and extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and receipt of any required approvals thereunder; (iv) the accuracy of the other party's representations and warranties in the Merger Agreement, subject to customary exceptions; and (v) the other party's performance and compliance with its covenants and obligations under the Merger Agreement in all material respects. Furthermore, the consummation of the Merger is subject to the following additional conditions to the obligations of Parent and Merger Sub: (i) the absence of a "Material Adverse Effect" (as defined in the Merger Agreement) with respect to ARA and its subsidiaries, taken as a whole, and (ii) the receipt of certain specified healthcare regulatory approvals.

The Merger Agreement contains customary representations, warranties and covenants, including covenants obligating ARA to conduct its business in the ordinary course and not engage in certain specified transactions or activities without Parent's prior consent. In addition, the Merger Agreement obligates ARA to call and hold a meeting of its stockholders for the purpose of adopting the Merger Agreement and, subject to certain exceptions, requires the ARA Board to recommend to the ARA stockholders that they vote in favor of the adoption of the Merger Agreement and approval of the Merger (and not withdraw, rescind or materially adversely change or qualify such recommendation). However, subject to the satisfaction of certain terms and conditions, ARA and the ARA Board, as applicable, are permitted to take certain actions which may, as more fully described in the Merger Agreement, include changing the ARA Board's recommendation and entering into a definitive agreement with respect to a Superior Proposal (as defined in the Merger Agreement) if, among other things, the ARA Board (or a duly authorized committee

thereof) has determined after consultation with its outside legal counsel and financial advisors that the failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties under applicable law. The Merger Agreement also contains a "go-shop" provision pursuant to which ARA retains the right to initiate, solicit, facilitate and encourage any inquiry or acquisition proposal from third parties and engage in discussions and negotiations with respect to such alternative acquisition proposals through November 10, 2020 (the "No-Shop Period Start Date").

From the No-Shop Period Start Date until the Effective Time, ARA has agreed not to initiate, solicit, knowingly facilitate or knowingly encourage any inquiries or discussions with respect to, or the making of, any proposal or offer that constitutes or would be reasonably likely to result in an Acquisition Proposal (as defined in the Merger Agreement), or take certain other restricted actions in connection therewith. Notwithstanding the foregoing, if ARA receives a bona fide Acquisition Proposal that did not result from a material breach of the non-solicitation provisions of the Merger Agreement that the ARA Board (or a duly authorized committee thereof) determines in good faith, after consultation with its financial advisors and outside legal counsel, constitutes a Superior Proposal, ARA may take certain actions to participate in discussions and negotiations and furnish information with respect to such Acquisition Proposal, after providing written notice to Parent of such determination.

The Merger Agreement also contains certain termination rights for ARA and Parent, including the right of ARA to terminate the Merger Agreement to accept a Superior Proposal after complying with certain requirements. In addition, either party may terminate the Merger Agreement if the Merger is not consummated on or before March 1, 2021 (subject to extension as set forth in the Merger Agreement). The Merger Agreement further provides that, in the event of the termination of the Merger Agreement in connection with an Acquisition Proposal that the ARA Board determines is a Superior Proposal and in other certain specified circumstances, ARA may be required to pay Parent a termination fee of approximately \$12.1 million or, under certain specified circumstances in connection with a bona fide written Acquisition Proposal received prior to the No-Shop Period Start Date, a termination fee of approximately \$5 million. The Merger Agreement also provides that Parent may be required to pay ARA a reverse termination fee of approximately \$32.2 million under certain specified circumstances.

Parent has obtained financing commitments for the purpose of financing the transactions contemplated by the Merger Agreement and paying related fees and expenses (the "Financing"). Nautic Partners VIII, L.P., Nautic Partners VIII-A, L.P., Nautic Partners IX, L.P. and Nautic Partners IX-A, L.P. have committed to capitalize Parent, prior to the closing of the Merger (the "Closing"), with an aggregate equity contribution of up to \$450 million, subject to the terms and conditions set forth in an equity commitment letter. Investment funds and accounts managed by HPS Investment Partners, LLC (the "Lenders") have agreed to provide Parent and Merger Sub with committed debt financing in an aggregate principal amount of up to \$515 million on the terms set forth in a debt commitment letter. The obligations of the Lenders to provide debt financing under the debt commitment letter are subject to customary terms and conditions. The Merger Agreement provides that Parent and Merger Sub will use reasonable best efforts to take all actions and to do all things necessary, proper or advisable to arrange, obtain and consummate the Financing on or prior to the Closing. The Merger is not conditioned on Parent's receipt of the Financing.

This summary of the principal terms of the Merger Agreement and the copy of the Merger Agreement filed as an exhibit to this report are intended to provide information regarding the terms of the Merger Agreement and are not intended to modify or supplement any factual disclosures about ARA in its public reports filed with the Securities and Exchange Commission ("SEC"). In particular, the Merger Agreement and related summary are not intended to be, and should not be relied upon as, disclosures regarding any facts and circumstances relating to ARA, Parent or Merger Sub or their respective affiliates.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement, which is filed as Exhibit 2.1 hereto and incorporated herein by reference. The Merger Agreement and the foregoing description thereof have been included to provide investors and stockholders with information regarding the terms of the Merger Agreement. They are not intended to provide any other factual information about ARA. The representations, warranties and covenants contained in the Merger Agreement were made only as of specified dates for the purposes of such agreement, were solely for the benefit of the parties to such agreement and may be subject to qualifications and limitations agreed upon by such parties. In particular, in reviewing the representations, warranties and covenants contained in the Merger Agreement and discussed in the foregoing description, it is important to bear in mind that such representations, warranties and covenants were negotiated with the principal purpose of allocating risk between the parties, rather than establishing matters as facts. Such representations, warranties and covenants may also be subject to a contractual standard of materiality different from those generally applicable to stockholders and reports and documents filed with the SEC, and are also qualified in important part by a confidential disclosure schedule delivered by ARA to Parent in connection with the Merger Agreement. Investors and stockholders are not third-party beneficiaries under the Merger Agreement. Accordingly, investors and stockholders should not rely on such representations, warranties and covenants as characterizations of the actual state of facts or circumstances described therein. Information concerning the subject matter of such representations, warranties and covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the parties' public disclosures.

Voting and Support Agreement

Concurrently with the execution of the Merger Agreement, Centerbridge Capital Partners, L.P. and certain of its affiliates (collectively, the "Centerbridge Stockholders"), which together beneficially own approximately 53.4% of the outstanding shares of common stock of ARA, entered into a Voting and Support Agreement with Parent (the "Voting Agreement") pursuant to which, among other things and subject to the terms and conditions therein, the Centerbridge Stockholders agreed to vote their shares of ARA common stock (i) in favor of the adoption and approval of the Merger Agreement and the transactions contemplated thereby, including the Merger, (ii) against any action or agreement that would reasonably be expected to result in a breach of any obligation of ARA or any of its subsidiaries or affiliates under the Merger Agreement or that would reasonably be expected to result in any of the conditions to ARA's or any of its subsidiaries' or affiliates' obligations under the Merger Agreement not being fulfilled, and (iii) against (a) any Acquisition Proposal, (b) any agreement, transaction or other matter intended to or reasonably expected to materially and adversely affect the consummation of the transactions contemplated by the Merger Agreement, including the Merger, (c) any reorganization, recapitalization, dissolution or liquidation of ARA or its subsidiaries, (d) any change in the majority of the ARA Board, and (e) any material change in ARA's capitalization or corporate structure. In addition, each Centerbridge Stockholder waived appraisal rights.

The Centerbridge Stockholders have also agreed, to the extent requested by the ARA Board (or an independent committee of disinterested members of the ARA Board) in connection with any Acquisition Proposal which the ARA Board or such committee has determined in good faith, after consultation with its financial advisors and outside legal counsel, constitutes a Superior Proposal, to enter into a supplemental agreement in favor of the person or group that submitted such Acquisition Proposal on the same terms and conditions as the supplemental agreement that the Centerbridge Stockholders entered into with Parent on the date hereof, pursuant to which the Centerbridge Stockholders agreed, subject to the limitations therein, to reimburse the Company for fifty percent of any fines, penalties or reasonable and documented out-of-pocket expenses incurred in connection with the SEC investigation previously disclosed by the Company in its public reports filed with the SEC, subject to a \$5 million aggregate reimbursement cap.

The Voting Agreement terminates upon the earliest to occur of (i) the Effective Time, (ii) the termination of the Merger Agreement in accordance with its terms, (iii) in the event the Merger Agreement is amended without the prior consent of the Centerbridge Stockholders and such amendment (a) decreases the Per Share Merger Consideration, (b) changes the form of consideration payable under the Merger Agreement to the Centerbridge Stockholders, (c) imposes any additional material restrictions on or additional conditions on the payment of the Per Share Merger Consideration to ARA's stockholders, (d) imposes any additional material restrictions or obligations on the Centerbridge Stockholders, or (e) otherwise materially and adversely affects the Centerbridge Stockholders, (iv) mutual consent by the Centerbridge Stockholders and Parent, (v) the conclusion of the vote in favor of the adoption and approval of the Merger Agreement and the transactions contemplated thereby and the shares held by the Centerbridge Stockholders have been voted as specified therein, or (vi) the ARA Board changing its recommendation that ARA's stockholders adopt the Merger Agreement in accordance with the terms of and to the extent permitted by the Merger Agreement.

The foregoing description of the Voting Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Voting Agreement, which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On October 2, 2020, ARA announced that it had entered into the Merger Agreement. A copy of the press release containing the announcement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

As provided in General Instruction B.2 of Form 8-K, the information in this Item 7.01 and the exhibit contained in this report shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall this item or the exhibit be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
2.1*	Agreement and Plan of Merger, dated as of October 1, 2020, by and among IRC Superman Midco, LLC, Superman Merger Sub, Inc. and American Renal Associates Holdings, Inc.
10.1	Voting and Support Agreement, dated as of October 1, 2020, by and among IRC Superman Midco, LLC, the stockholders of American Renal Associates Holdings, Inc. ("ARA") party thereto and solely for purposes of Sections 8 and 21 therein, ARA.
99.1	Press release, dated October 2, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).

*The schedules to the Agreement and Plan of Merger have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. ARA will furnish copies of any such schedules to the SEC upon request.

* * *

Additional Information and Where to Find It

This communication relates to the proposed merger (the "Merger") of American Renal Associates Holdings, Inc., a Delaware corporation ("ARA"), with IRC Superman Midco, LLC, a Delaware limited liability company ("Parent") and portfolio company of Nautic Partners, LLC, and Superman Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub"), pursuant to the terms of that certain Agreement and Plan of Merger, dated as of October 1, 2020, by and among ARA, Parent and Merger Sub (the "Merger Agreement").

This communication may be deemed solicitation material in respect of the Merger. This communication does not constitute a solicitation of any vote or approval. In connection with the proposed merger, ARA plans to file with the Securities and Exchange Commission (the "SEC") and mail or otherwise provide to its stockholders a proxy statement regarding the proposed transaction. ARA may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the proxy statement or any other document that may be filed by ARA with the SEC. **ARA'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED BY ARA WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE THEREIN BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION.** Investors and stockholders may obtain a free copy of the proxy statement and other documents ARA files with the SEC (when available) through the website maintained by the SEC at www.sec.gov. ARA makes available free of charge at www.americanrenal.com (in the "SEC Filings" section under the "Investor Relations" heading), copies of materials it files with, or furnishes to, the SEC.

Participants in the Solicitation

ARA and its directors, executive officers and certain employees and other persons may be deemed to be participants in the solicitation of proxies from ARA's stockholders in connection with the proposed merger. Security holders may obtain information regarding the names, affiliations and interests of ARA's directors and executive officers in ARA's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on March 16, 2020, and its definitive proxy statement for the 2020 annual meeting of stockholders, which was filed with the SEC on March 20, 2020, including the definitive additional materials filed with the SEC on April 24, 2020. To the extent the holdings of ARA securities by ARA's directors and executive officers have changed since the amounts set forth in ARA's proxy statement for its 2020 annual meeting of stockholders, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Additional information regarding the interests of such individuals in the proposed merger will be included in the proxy statement relating to the proposed merger when it is filed with the SEC. These documents (when available) may be obtained free of charge from the SEC's website at www.sec.gov and ARA's website at www.americanrenal.com.

Cautionary Statement Regarding Forward-Looking Statements

This communication contains certain information, including financial estimates and statements as to, among other things, the expected timing, completion and effects of the proposed merger between ARA and Parent, which may constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties, and actual results may materially differ. All statements other than statements of historical fact or relating to present facts or current conditions included in this communication are forward-looking statements. Such forward-looking statements include, among others, ARA's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "seek," "plan," "intend," "believe," "will," "may," "could," "continue," "likely," "should" and other similar words.

The forward-looking statements contained in this communication, including without limitation statements regarding the anticipated benefits and effects of the anticipated merger of ARA and Parent, are based on assumptions that ARA has made in light of its industry experience and its perceptions of historical trends, current conditions, expected future developments and other factors that ARA believes are appropriate under the circumstances. These statements are not guarantees of performance or results. These assumptions and ARA's future performance or results involve risks and uncertainties, many of which are beyond ARA's control. Such risks and uncertainties include, among others, the inability to consummate the Merger within the anticipated time period, or at all, due to any reason, including the failure to obtain required regulatory approvals or the failure to satisfy the other conditions to the consummation of the Merger; the failure by Parent or Merger Sub to obtain the necessary debt and equity financing arrangements set forth in the commitment letters received in connection with the Merger; the risk that the Merger Agreement may be terminated in circumstances requiring ARA to pay a termination fee; the risk that the Merger disrupts ARA's current plans and operations or diverts management's attention from its ongoing business; the effect of the announcement of the Merger on the ability of ARA to retain and hire key personnel and maintain relationships with its customers, suppliers, physician partners and others with whom it does business; the effect of the announcement of the Merger on ARA's operating results and business generally; the amount of costs, fees and expenses related to the Merger; the risk that ARA's stock price may decline significantly if the Merger is not consummated; the nature, cost and outcome of any litigation and other legal proceedings, including any such proceedings related to the Merger and instituted against ARA and others; the effect of the ongoing COVID-19 pandemic and responses thereto; the effect of the restatement of ARA's previously issued financial results and related matters and the related SEC investigation; ARA's ability to remediate material weaknesses in ARA's internal control over financial reporting; continuing decline in the number of patients with commercial insurance or any regulatory or other changes leading to changes in the ability of patients with commercial insurance coverage to receive charitable premium support; decline in commercial payor reimbursement rates; reduction of government-based payor coverage and reimbursement rates or insufficient rate increases or adjustments that do not cover all of ARA's operating costs; ARA's ability to successfully develop de novo clinics, acquire existing clinics and attract new nephrologist partners; ARA's ability to compete effectively in the dialysis services industry; the performance of ARA's joint venture subsidiaries and their ability to make distributions to ARA; federal or state healthcare laws that could adversely affect ARA; ARA's ability to comply with all of the complex federal, state and local government regulations that apply to its business, including those in connection with federal and state anti-kickback laws and state laws prohibiting the corporate practice of medicine or fee-splitting; heightened federal and state investigations and enforcement efforts; changes in the availability and cost of erythropoietin-stimulating agents and other pharmaceuticals used in ARA's business; development of new technologies or government regulation that could decrease the need for dialysis services or decrease ARA's in-center patient population; ARA's ability to timely and accurately bill for ARA's services and meet payor billing requirements; claims and losses relating to malpractice, professional liability and other matters; the sufficiency of ARA's insurance coverage for those claims and rising insurances costs, and negative publicity or reputational damage arising from such matters; loss of any members of ARA's senior management; damage to ARA's reputation or ARA's brand and ARA's ability to maintain brand recognition; ARA's ability to maintain relationships with its medical directors and renew its medical director agreements; shortages of qualified skilled clinical personnel, or higher than normal turnover rates; competition and consolidation in the dialysis services industry; deterioration in economic conditions, particularly in states where we operate a large number of clinics, or disruptions in the financial markets or the effects of natural or other disasters, public health crises or adverse weather events; the participation of ARA's physician partners in material strategic and operating decisions and ARA's ability to favorably resolve any disputes; ARA's ability to honor obligations under the joint venture operating agreements with its physician partners were they to exercise certain put rights and other rights; unauthorized disclosure of personally identifiable, protected health or other sensitive or confidential information; ARA's ability to meet its obligations and comply with restrictions under its substantial level of indebtedness; and the ability of ARA's principal stockholder, whose interests may conflict with yours, to strongly influence or effectively control ARA's corporate decisions. For additional information, please see ARA's filings with the SEC. Additional factors or events that could cause ARA's actual performance to differ from these and other forward-looking statements may emerge from time to time, and it is not possible for ARA to predict all of them. Should one or more of these risks or uncertainties materialize, or should any of its assumptions prove incorrect, ARA's actual financial condition, results of operations, future performance and business may vary in material respects from the performance projected in these forward-looking statements.

Any forward-looking statement made in this communication speaks only as of the date on which it is made. ARA undertakes no obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, except as may be required by law.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 2, 2020

AMERICAN RENAL ASSOCIATES HOLDINGS, INC.

By: /s/ Joseph A. Carlucci
Name: Joseph A. Carlucci
Title: Chief Executive Officer and Chairman of the Board of
Directors

ATTACHMENT 7

CHARITY CARE INFORMATION

The amount of charity care for the last three years provided by each of American Renal Associates Holdings, Inc.'s affiliated facilities are included in the tables below.

ARA – CRYSTAL LAKE DIALYSIS LLC			
	2016	2017	2018
Net Patient Revenue (\$)	543,026	2,023,830	1,360,393
Amount of Charity Care (charges)	0	0	0
Cost of Charity Care (\$)	0	0	0

MCHEMRY DIALYSIS CENTER, LLC			
	2016	2017	2018
Net Patient Revenue (\$)	4,123,073	1,957,037	1,488,692
Amount of Charity Care (charges)	0	0	0
Cost of Charity Care (\$)	0	0	0

ARA – SOUTH BARRINGTON DIALYSIS LLC			
	2016	2017	2018
Net Patient Revenue (\$)	3,336,180	3,089,991	2,681,981
Amount of Charity Care (charges)	0	0	0
Cost of Charity Care (\$)	0	0	0

The above charity care information is from the 2016, 2017 and 2018 ESRD Facility Profiles for each facility.

Financial statements for ARA – Crystal Lake Dialysis LLC, McHenry Dialysis Center, LLC, and ARA – South Barrington Dialysis LLC and audited financial statements for American Renal Associated Holdings, Inc., have been provided under separate cover.