E-049-17

ORIGINAL

RECEIVED
NOV 08 2017
HEALTH FACILITIES & SERVICES REVIEW BOARD

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: DaVita Sun Health Dialysis		
Street Address: 2121 Oneida Street		
City and Zip Code: Joliet, IL 60435		
County: Will	Health Service Area 9	Health Planning Area: 9

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

Exact Legal Name: DaVita, Inc.
Street Address: 2000 16th Street
City and Zip Code: Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Registered Agent Street Address: 801 Adlai Stevenson Drive
Registered Agent City and Zip Code: Springfield, Illinois 62703
Name of Chief Executive Officer: Kent Thiry
CEO Street Address: 2000 16th Street
CEO City and Zip Code: Denver, CO 80202
CEO Telephone Number: 303-405-2100

Type of Ownership of Applicants

- ☐ Non-profit Corporation
- ☒ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Bryan Niehaus
Title: Senior Consultant
Company Name: Murer Consultants, Inc.
Address: 19065 Hickory Creek Dr., Suite 115, Mokena, IL 60448
Telephone Number: 708-478-7030
E-mail Address: bniehaus@murer.com
Fax Number: 708-478-7094

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

Name: Tim Tincknell
Title: Administrator
Company Name: DaVita, Inc.
Address: 2484 North Elston Avenue, Chicago, Illinois 60647
Telephone Number: 773-278-4403
E-mail Address: timothy.tincknell@davita.com
Fax Number: 866-586-3214

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: DaVita Sun Health Dialysis		
Street Address: 2121 Oneida Street		
City and Zip Code: Joliet, IL 60435		
County: Will	Health Service Area 9	Health Planning Area: 9

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

Exact Legal Name: Sun Health, Inc.
Street Address: 2121 Oneida Street
City and Zip Code: Joliet, IL 60435
Name of Registered Agent: Brett M. Dale
Registered Agent Street Address: 1755 S. Naperville Rd. Suite 200
Registered Agent City and Zip Code: Wheaton, 60189
Name of Chief Executive Officer: Bhuvan Chawla
CEO Street Address: 2121 Oneida Street, Suite 104
CEO City and Zip Code: Joliet, IL 60435
CEO Telephone Number: (815) 744-9300

Type of Ownership of Applicants

- ☐ Non-profit Corporation
- ☒ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Bryan Niehaus
Title: Senior Consultant
Company Name: Murer Consultants, Inc.
Address: 19065 Hickory Creek Dr., Suite 115, Mokena, IL 60448
Telephone Number: 708-478-7030
E-mail Address: bniehaus@murer.com
Fax Number: 708-478-7094

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

Name: Tim Tincknell
Title: Administrator
Company Name: DaVita, Inc.
Address: 2484 North Elston Avenue, Chicago, Illinois 60647
Telephone Number: 773-278-4403
E-mail Address: timothy.tincknell@davita.com
Fax Number: 866-586-3214

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: DaVita Sun Health Dialysis		
Street Address: 2121 Oneida Street		
City and Zip Code: Joliet, IL 60435		
County: Will	Health Service Area 9	Health Planning Area: 9

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

Exact Legal Name: Secour Dialysis, LLC
Street Address: 2000 16th Street
City and Zip Code: Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Registered Agent Street Address: 801 Adlai Stevenson Drive
Registered Agent City and Zip Code: Springfield, Illinois 62703
Name of Chief Executive Officer: Kent Thiry
CEO Street Address: 2000 16th Street
CEO City and Zip Code: Denver, CO 80202
CEO Telephone Number: 303-405-2100

Type of Ownership of Applicants

☐	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☒	Limited Liability Company	☐	Sole Proprietorship	☐	Other

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Bryan Niehaus
Title: Senior Consultant
Company Name: Murer Consultants, Inc.
Address: 19065 Hickory Creek Dr., Suite 115, Mokena, IL 60448
Telephone Number: 708-478-7030
E-mail Address: bniehaus@murer.com
Fax Number: 708-478-7094

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

Name: Tim Tincknell
Title: Administrator
Company Name: DaVita, Inc.
Address: 2484 North Elston Avenue, Chicago, Illinois 60647
Telephone Number: 773-278-4403
E-mail Address: timothy.tincknell@davita.com
Fax Number: 866-586-3214

Post Exemption Permit Contact

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

Name: Bryan Niehaus
Title: Senior Consultant
Company Name: Murer Consultants, Inc.
Address: 19065 Hickory Creek Dr. Suite 115, Mokena, IL 60448
Telephone Number: 708-478-7030
E-mail Address: bniehaus@murer.com
Fax Number: 708-478-7030

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Triumph Joliet, LLC
Address of Site Owner: 2121 Oneida St. Suite 402, Joliet IL 60435
Street Address or Legal Description of the Site: 2121 Oneida St., Joliet IL 60435 **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.

Operating Identity/Licensee

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

Exact Legal Name: Secour Dialysis, LLC
Address: 2000 16th Street, Denver, CO 80202
☐ Non-profit Corporation ☐ Partnership ☐ For-profit Corporation ☐ Governmental ☒ Limited Liability Company ☐ Sole Proprietorship ☐ Other o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (**http:// www.illinois.gov/sites/hfsrb**).

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification:

- ☒ Change of Ownership
- ☐ Discontinuation of an Existing Health Care Facility or of a category of service
- ☐ Establishment or expansion of a neonatal intensive care or beds

2. Narrative Description

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

The applicants seek authority from the Illinois Health Facilities and Services Review Board ("HFSRB") for a Change in Ownership of Sun Health, which is an approved a 17-station dialysis facility to be located at 2121 Oneida Street, Joliet, IL, 60435.

Currently, Bhuvan Chawla owns 100% of Sun Health, Inc., which is the operating entity for the Sun Health facility. The parties now propose to form Secour Dialysis, LLC as a new Joint Venture entity to own and operate the facility. Total Renal Care, Inc. (a wholly owned subsidiary of DaVita, Inc.) will have a 51% interest in Secour Dialysis, LLC, DuPage Medical Group, Ltd. will have a 34% interest, Sun Health, Inc. will retain a 10% interest, and ESRD LLC will have a 5% interest.

This project has been classified as non-substantive because it involves a Change in Ownership for a health care facility.

Related Project Costs

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

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

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

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

Estimated start-up costs and operating deficit cost is $ _____.

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

☒ None or not applicable ☐ Preliminary

☐ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): As soon as possible following approval by HFSRB.

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): N/A

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

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

State Agency Submittals [Section 1130.620(c)]

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

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of DaVita Inc.* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application 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

Arturo Sida
PRINTED NAME

Assistant Corporate Secretary
PRINTED TITLE

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

See Attached

Signature of Notary

Seal

SIGNATURE

James K. Hilger
PRINTED NAME

Chief Accounting Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 3 day of October 2017

Signature of Notary

Seal

Notary Public
State of Washington
NICOLE BRUMMOND
My Appointment Expires Oct 7, 2019

*Insert the EXACT legal name of the applicant

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

State of California

County of Los Angeles

On October 4, 2017 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

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

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

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
Comm. #2055858
Notary Public - California
Los Angeles County
Comm. Expires Jan 25, 2018

OPTIONAL INFORMATION

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

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: II. CON Application (DaVita Inc. / Total Renal Care, Inc. - Secour Dialysis, LLC)

Document Date: October 4, 2017 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Corporate Secretary / Secretary

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc. / Secour Dialysis, LLC

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Secour 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.

SIGNATURE

Arturo Sida
PRINTED NAME

Secretary of Total Renal Care, Inc.,
Mng. Mbr. of Secour Dialysis, LLC
PRINTED TITLE

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

See Attached

Signature of Notary

Seal

SIGNATURE

James K. Hilger
PRINTED NAME

Chief Accounting Officer of Total Renal Care, Inc.,
Mng. Mbr. of Secour Dialysis, LLC
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 30 day of October 2017

Signature of Notary

Seal

Notary Public
State of Washington
NICOLE BRUMMOND
My Appointment Expires Oct 7, 2019

*Insert the EXACT legal name of the applicant

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

State of California

County of Los Angeles

On October 4, 2017 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

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

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

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
Comm. #2055858
Notary Public · California
Los Angeles County
Comm. Expires Jan 25, 2018

OPTIONAL INFORMATION

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

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: IL CON Application (DaVita Inc. / Total Renal Care, Inc. - Secour Dialysis, LLC)

Document Date: October 4, 2017 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Corporate Secretary / Secretary

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc. / Secour Dialysis, LLC

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

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

B Chawla MD

SIGNATURE
Bhuvan Chawla, M.D.

PRINTED NAME
President

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of November 2017

Lisa Marie Janosek
Signature of Notary

Seal

SIGNATURE

PRINTED NAME

PRINTED TITLE

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

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

OFFICIAL SEAL
LISA MARIE JANOSEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/08/19

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

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

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

Criterion 1110.230 – Purpose of the Project, and Alternatives (Not applicable to Change of Ownership)

PURPOSE OF PROJECT

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

achieving the stated goals **as appropriate**.

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

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.
APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES N/A

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

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

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

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

SECTION V. CHANGE OF OWNERSHIP (CHOW)

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)(2) - 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
1130.520(b)(2) - A statement as to the anticipated benefits of	X

the proposed changes in ownership to the community	
1130.520(b)(2) - 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)(2) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(2) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(2) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(2)- 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

Application for Change of Ownership Among Related Persons

When *a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership.* [20 ILCS 3960/8.5(a)]

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

SECTION X. CHARITY CARE INFORMATION (CHOW ONLY)

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

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

A table in the following format must be provided for all facilities as part of Attachment 41.

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

APPEND DOCUMENTATION AS ATTACHMENT 21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ATTACHMENT 1

Section I – Type of Ownership – Certificate of Good Standing

Certificates of Good Standing for DaVita Inc., Secour Dialysis, LLC, and Sun Health, Inc. are attached below. DaVita Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita Inc. from the state of its incorporation, Delaware is attached.

An organizational chart showing the current and post-closing ownership structure of Sun Health is included in Attachment 4.

Delaware

The First State

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

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

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

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

Jeffrey W. Bullock, Secretary of State

2391269 8300

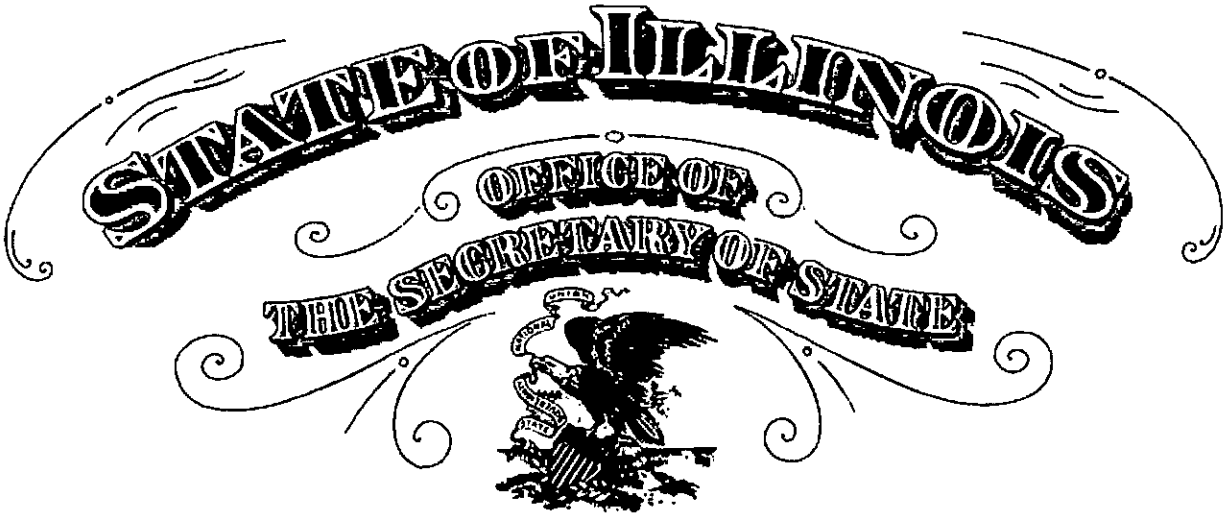
SR# 20165704525

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

Authentication: 202957561

Date: 09-08-16

File Number 0620567-4



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

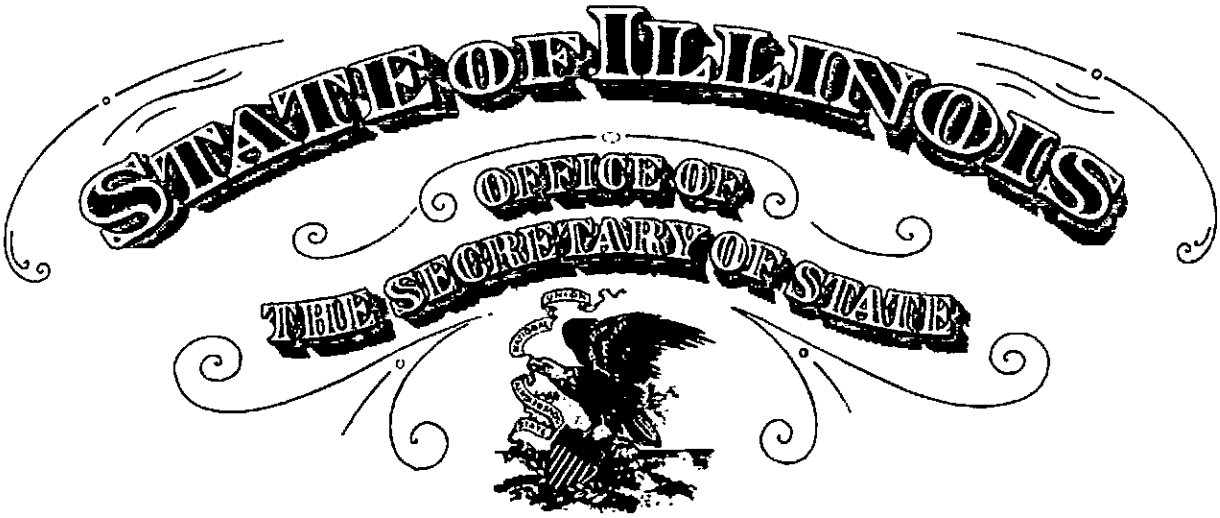
SECOUR DIALYSIS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON APRIL 27, 2017, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 30TH *day of* OCTOBER *A.D.* 2017 .

Authentication #: 1730301442 verifiable until 10/30/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

File Number 5569-864-3



To all to whom these Presents Shall Come, Greeting:

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

SUN HEALTH, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 13, 1989, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION 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* 30TH *day of* OCTOBER *A.D.* 2017 .

Authentication #: 1730301530 verifiable until 10/30/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

ATTACHMENT 2

Section I – Site Ownership

There is no change in the site ownership. Attached is proof of applicants' control of the site.

LEASE AGREEMENT

This Lease Agreement is made and entered into on this 30th day of June, 2015 between Triumph Real Estate Partnership (hereinafter referred to as "Lessor") and Sun Health, Inc (hereinafter referred to as "Lessee")

SECTION 1 – RECITALS

Whereas, the Lessor is presently the real property commonly referred to as 2121 Oneida, Joliet, Illinois, Space A, 1,594 rentable square feet encompassing [redacted] on the first floor of the building.

Whereas, the Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, a portion of the building and appurtenances thereto located on said property (hereinafter referred to as the "Building"); and

Whereas, Lessor and Lessee desire to enter into this Agreement on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the payment to be made by Lessee to Lessor as herein after provided, Lessor and Lessee agree as follows:

SECTION 2 – DEFINITIONS

It is agreed that the following definitions shall apply to terms as used in this agreement:

2.1 The "Premises" means that portion of the real property and building and improvements located thereon commonly referred to as Suite 102 on 1st floor of Triumph Professional Building at 2121 Oneida Street, Joliet, Illinois, as delineated and described on Exhibit A attached hereto and made a part hereof. The Premises shall consist of approximately 1,594 square feet of rentable area..

2.2 "Rental" means the sum to be paid as rent payment for the Premises, being per month, including gas, electric, water, janitorial and maintenance services and Lessee's share of the real estate taxes. No items or services, other than those enumerated in this section, are included in the rental.

2.3 "Building Standard" means the state of condition and repair or capacity, as the case may be, as currently exists in the Building, ordinary wear and tear expected. Lessee shall have, as appurtenant to the Premises, rights to use in common, subject to reasonable rules of general applicability to tenants of the Building from time to time made by Lessor of which Lessee is given notice:

(a) The common lobbies, corridors, stairways, elevators and loading platform of the Building, and the pipes, ducts, conduits, wires and appurtenant meters and equipment servicing the Premises in commons with others,

(b) Common walkways and driveways necessary for access to the building, and

(c) If the Premises includes less than the entire rentable floor area of any floor, the common toilets, corridors and elevator lobby of such floor.

2.4 "Effective Date" shall be July 1st, 2015.

2.5 "Common Area" for each floor in the Building shall mean area within all common facilities which are a fixed part of the plan of said floor including toilets, janitor's closets, electrical and communications closets, elevator lobbies and corridors which serve more than one Lessee, mechanical storage and maintenance facilities.

2.6 "Usable Area" for each floor in the Building shall mean the space actually available for the use of the Lessees for the accommodation of their personnel and equipment.

2.7 "Rentable Area" for each floor in the Building shall mean the Gross Floor Area of the floor less (a) the thickness of the outside wall or one half of the thickness of the perimeter

glass walls where windows represent 50% or more of the wall, and (b) all shafts passing through said floor. The area of the shaft passing through the floor shall include the full thickness of walls surrounding the shafts. Shafts and shaft enclosing walls to be deducted from Gross Floor Area to arrive at Rentable Area shall include elevator shafts, mechanical shafts, plumbing chases where they extend from floor to ceiling and exit stairways.

2.8 "Rentable Area of the Building" shall mean the sum of Rentable Area of all floors in the Building but not including the central building lobby and central mechanical rooms or building service areas, such as loading and receiving area, building shafts, maintenance, central storage or building employee offices, locker or toilet fecilities.

2.9 "Loss Factor" shall mean for each floor in the Building, the Rentable Area of said floor divided by the Usable Area of said floor.

2.10 "Rentable Area for the Premises" shall mean the Usable Area of the Premises multiplied by the Loss Factor for the floor on which the Premises are located. The Rentable Area is subject to adjustment throughout the Term based upon changes in the Loss Factor. Upon notice from Lessor to Lessee of said adjustment, this Lease shall be deemed amended to incorporate the revised Rentable Area as of the date of said notice.

2.11 "Base Year" shall mean the calendar year.

2.12 "Calendar Year" shall mean each calendar year in which any part of the Term falls, through and including the year in which the Term expires.

2.13 "Lessee's Proportionate Share" shall be

2.14 "Taxes" shall mean all real estate taxes and assessments, special or otherwise, levied or assessed upon or with respect to the Land and/or Building and ad valorem taxes for any personal property used in connection therewith. Should the City of Joliet, or any political subdivision thereof, or any other governmental authority, having jurisdiction over the Land and/or Building, (a) impose a tax, assessment, charge or fee, which Lessor shall be required to pay, wholly or partially in substitution for or as a supplement to suck real estate taxes and ad valorem personal property taxes, or (b) impose an income or franchise tax or a tax on rents wholly or partially in substitution for or as a supplement to a tax levied against the Land and/or Building and/or the personal property used in connection with the Land or Building, all such taxes, assessment, fees or charges (hereinafter defined as "In Lieu Taxes") shall be deemed to constitute Taxes hereunder. Except as hereinabove provided with regard to In Lieu Taxes, taxes shall not include an inheritance, estate, succession, transfer, gift, franchise, net income or capital stock tax.

2.15 "Operating Expenses" shall include: (a) operating costs including utility costs, gas, electric, water, professional costs (other than real estate tax appeal), mail, and telephone; (b) maintenance costs: including materials, wages for employees or contracts for services associated with the grounds, building interior, building exterior, building improvements, elevators, electrical systems, windows, window cleaning, heating systems, air conditioning systems, plumbing systems, roof, masonry, full or part-time janitorial staff, full or part-time security staff, repair items not covered by warranty or insurance, snow plowing, snow removal and lawn cutting; (c) cleaning costs: including supplies and equipment, payroll or contract services associated with the cleaning of common areas, bathrooms, entrance and exit, drive-up and exterior grounds, windows exterior and interior, glass and masonry interior and exterior. Operating expenses shall not include: (a) cost of alterations of any lessee's premises; (b) principal or interest payments on loans secured by mortgages or trust deeds on the building and/or on the land; (c) advertising costs; (d) capital improvements.

SECTION 3 – LEASE

3.1 Subject to and upon the terms herein contained, Lessor leases to the Lessee the premises for an initial term as set forth hereafter.

3.2 Lease Term. This lease shall commence on the Effective Date and continue until June 30, 2015 (hereinafter referred to as "Termination Date") unless this Lease is sooner terminated or extended under the terms hereof.

3.3 Lessee shall have the option to continue the Lease for two, one year terms. The first term will commence on July 1st, 2015 and terminate on June 30, 2016 and the second term shall commence on the July 1st, 2016 and terminate on June 30, 2017. ~~Annual escalations shall be at the then current rental rate escalated by 3%.~~ Lessee must notify the Lessor in writing if he opts not to renew 90 days prior to the expiration of the Lease. The Lease shall be automatically renewed for a ten (1) year term if written notice is not received.

3.4 Use. Lessee will use and occupy the premises solely for the purpose of operating a medical therapy service facility, and for office/administrative space directly related thereto. Lessee will not conduct any activities on the Premises which are illegal or contrary to zoning ordinances or any other restrictions applicable to the property or which, in Lessor's reasonable opinion, creates a nuisance or prevents the acquisition of fire or casualty insurance at standard rates.

SECTION 4 – RENTAL

4.1 Lessee shall pay to Lessor during the lease term, without any set off or deduction whatsoever, the rental. Lessee agrees to pay monthly rental in advance and without demand on the first day of each month beginning the first day of the month following the Effective Date; the Lessee shall have a 15 grace period for lease payment. Lessee shall pay such rental to Lessor (or to such other party as Lessor may designate) at such address as may be designated by Lessor in writing from time to time.

4.2 Amount of Base Rent. Lessee shall pay to Lessor or Lessor's agent a the Office of the Building located on the lower level. or at such other place as Lessor may from time to time designate in writing, in coin or currency which, at the time of payment, is legal tender for private or public debts in the United States of America, rent in an amount equal to one-twelfth of the Base Rent calculated below payable in advance on or before the first day of each and every month during the Term; the Lessee shall have a 15 day grace period for lease payment, without any set-off or deduction whatsoever, except that Lessee shall pay the first full monthly installment at the time of execution of this Lease

4.3 The Base Rent for Space A is $15.00 per square foot. The monthly payment for the Base Rent is $1,992.50.
The taxes and maintenance of common areas will be adjusted annually and are considered part of the base rent. ~~There shall be escalations of 3% per annum.~~

SECTION 5 – OTHER EXPENSES

5.1 All other necessary expenses of operation and maintenance of Lessee's business in the premises, including, but not limited to, telephone, fax, copying, and other business equipment, shall be the responsibility of Lessee, it being the intention of the parties that this Lease yield to the Lessor the sums specified herein as rental without deduction and that all costs, expenses, and other charges arising out of, related to or connection with the Lessee's operation and maintenance of its business upon the premises (except as provided otherwise herein) shall be borne and paid by the Lessee. In no event shall there by any abatement or reduction in the rentals required hereunder except as otherwise specifically provided for in this Lease Agreement.

5.2 Lessee shall, at its own expense, maintain the portion of the Building occupied by it, including the mechanical, heating, ventilation, air conditioning, plumbing, waste disposal and electrical systems which relate solely to Lessee's operations and not to the operations of the Building as a whole consistent with the Building Standard as herein defined, and shall at its expense make such repairs as are necessary to maintain such Building Standard. If Lessee fails to make necessary repairs or maintenance, as required herein, Lessor shall have the right to enter the Premises and make such repairs or maintenance, and Lessee shall be obligated to reimburse Lessor for the expenses incurred in so doing within 15 days after notice of the amount thereof. Lessee shall not be responsible for repairs made necessary by the actions of negligence of Lessor or its agents or employees.

SECTION 6 – LIABILITY PROPERTY AND OTHER INSURANCE

6.1 Lessee shall, at Lessee's expense, obtain and keep in force during the Term of the Lease, a policy of comprehensive public liability insurance, with a company or companies reasonably acceptable to Lessor, insuring Lessor and Lessee against any liability arising out of the ownership, use, occupancy or maintenance of the Premises. Such insurance shall be in the amounts and of the types reasonably specified by Lessor. The limit of any such insurance shall not, however, limit the liability of Lessee to Lessor, for any damages for which Lessor may become liable due to Lessee's use of, and transaction of its business upon the leased premises.

Comprehensive General Liability Insurance covering the Lessee and Lessor, Lessor's beneficiary and Lessor's Management Agent for claims of bodily injury, personal injury and property damage arising out of Lessee's operations, assumed liabilities or use of the Premises, for limits of liability not less than:

Personal Injury Liability	$2,000,000 annual aggregate
	0% insured's participation
Property Damage Liability	$2,000,000 each occurrence
	$2,000,000 annual aggregate

6.2 Lessor shall carry fire and extended coverage insurance on the Building, insuring the Improvements thereon (including leasehold improvements) against loss or damage by fire or other hazards with standard extended coverage endorsements in amounts equal to the full replacement value of the improvements. All payments made under such policy shall be made to Lessor and Lessee shall have no right or interest therein. Lessee shall be responsible for obtaining, at its expense, any fire and casualty coverage insuring Lessee's property, including machinery, equipment, and inventory, located on the Premises.

6.3 At all times during the term of the Lease and any renewal term, Lessee, at Lessee's sole cost and expense, shall maintain workers' compensation insurance coverage on all its employees.

6.4 Lessee shall deliver to Lessor, at the time of occupancy, and from time to time, as requested by Lessor, copies of all insurance policies required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Lessor. No policy shall be cancelable or subject to reduction of coverage without thirty (30) days' prior written notice of such fact to the Lessor by the insurance company. All such policies shall be written as primary policies not contributing with and not in excess of coverage which Lessor may carry.

6.5 Lessor agrees to keep in force and effect a risk-financing program, which may be either insured or self-insured, on the Building against fire, vandalism, and malicious mischief, sprinkler leakage and such other risks as may be included in extended coverage insurance from time to time available in an amount not less than the greater of 100% of the full

insurable replacement value of the Building or the amount sufficient to prevent Lessor from becoming a co-insurer under the terms of any applicable policies. Any policies purchased pursuant to said program shall contain a replacement cost endorsement and a clause pursuant to which the insurance carriers waive all right of subrogation against the Lessee with respect to losses payable under such policies.

6.6 Avoid Action Increasing Rates. Lessee shall comply with all applicable laws and ordinances, all orders and decrees of court and all requirements of other governmental or quasi-governmental authorities, and shall not, directly or indirectly, make any use of the Premises which any thereby be prohibited or be dangerous to person or property or which may jeopardize any insurance coverage or may increase the cost of insurance or require additional insurance coverage. If by reason of the failure of Lessee to comply with the provisions of this Section, any insurance coverage is jeopardized or insurance premiums are increased, Lessor shall have the option either to terminate this Lease or to require Lessee to make immediate payment of the increased insurance premium.

6.7 Waiver of Subrogation. Lessor and Lessee hereby waive any and every claim for recovery from the other for any and all loss of or damage to the Building or Premises or to the contents thereof, which loss or damage is covered by valid and collectible physical damage insurance policies, to the extent that such loss or damage is recoverable under said insurance policies. Inasmuch as this mutual walver will preclude the assignment of any such claim b subrogation (or otherwise) to an insurance company (or any other person). Lessor and Lessee each agree to give to each insurance company which has issued, or in the future may issue, to its policies of physical damage insurance, written notice of the terms of this mutual waiver, and to have said insurance policies properly endorsed, if necessary to prevent the invalidation of said insurance coverage by reason of said waiver.

SECTION 7 – CARE AND USE OF THE PREMISES

7.1 Lessee shall use and occupy the Premises solely as an office for Medical Office and no other purpose.

7.2 List of services. Lessor shall provide the following services on all days during the Term, unless otherwise stated:

a. Subject to alt governmental rules, regulations and guidelines applicable thereto, heating and air conditioning when necessary for normal comfort in the Premises.

b. Adequate electrical wiring and facilities pursuant to work letter.

c. City water from the regular Building outlets for drinking, lavatory and toilet purposes, including hot water.

d. Adequate automatic passenger elevator service at all times.

7.3 Interruption of Services. Lessee agrees that Lessor shall not be liable for damages (by abatement of Rent or otherwise) for failure to furnish or delay in furnishing any service, or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, renewals, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort to do so, by any accident or casualty whatsoever, by act or default of Lessee or other parties, or by any other cause beyond Lessor's reasonable control and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of the Lessee's use and possession of the Premises or relieve the Lessee from paying Rent or performing any of its obligations under this Lease.

7.4 Charges for Services. Charges for any service for Lessee is required to pay from time to time hereunder Including but not timited to hoisting services shall be due and payable at the same time as the installment of Rent with which they are billed, or if billed separately,

shall be due and payable within ten (10) days after such billing. If Lessee shall fail to make payment for any such services, Lessor may, with notice to Lessee, discontinue any or all of such services and such discontinuance shall not be deemed to constitute an eviction or disturbance of the Lessee's use and possession of the Premises or relieve Lessee from paying Rent or performing any of its other obligations under this Lease.

7.5 Repairs. Lessee will, at Lessee's own expense, keep Premises in good order, repair and condition at all times during Term, and Lessee shall promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances, under the supervision and subject to the approval of the Lessor, and within any reasonable period of time specified by the Lessor. If the Lessee does not do so, Lessor may, but need not, make such repairs and replacements, and Lessee shall pay Lessor the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building) sufficient reimburse Lessor for all overhead, general conditions, fees and other costs or expenses arising from Lessor's involvement with such repairs and replacements forthwith upon being billed for same. Lessor may, but shall not be required to, enter the Premises at reasonable times to make such repairs, alterations, improvements and additions to the Premises or to the Building or to any equipment located in the Building as Lessor shall desire or deem necessary or as Lessor may be required to do by governmental or quasigovernmental authority or court order or decree, with prior notice and approval from Lessee.

SECTION 8 – ALTERATIONS BY LESSEE

8.1 Lessee shall not, without the prior written consent of Lessor, make any alterations, improvements or additions to the Premises, Lessor's refusal to give said consent shall be conclusive. If Lessor consents to said alterations, improvements or additions, it may impose such conditions with respect thereto as Lessor deems appropriate, including, without limitation, requiring Lessee to furnish Lessor with security for the payment of all costs to be incurred in connection with such work, a lien waiver from Lessee's general contractor, insurance against liabilities which may arise out of such work and plans, specifications and permits necessary for such work. The work necessary to make any alterations, improvements or additions to the Premises, whether prior to or subsequent to the Commencement Date, shall be done at Lessee's expense by employees of or contractors hired by Lessor except to the extent Lessor gives its prior written consent to Lessee's hiring contractors. Lessee shall promptly pay to Lessor or the Lessee's contractors, as the case may be, when due, the cost of all such work and of all repairs to the Building required by reason thereof. Lessee shall also pay to Lessor a percentage of the cost of such work (such percentage to be established on a uniform basis for the Building) sufficient to reimburse Lessor for all overhead, general conditions, fees and other costs and expenses arising from Lessor's involvement with such work. Upon completion of such work, Lessee shall deliver to Lessor, if payment is made directly to contractors, evidence of payment, contractor's affidavits and full and final waivers of all liens for labor, services or materials. Lessee shall defend and hold Lessor harmless from all costs, damages, liens and expenses related to such work. All work done by Lessee or its contractors pursuant to Paragraphs 8 or 9 shall be done in a first-class workmanlike manner using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies.

8.2 All alterations, improvements and additions to the Premises, whether temporary or permanent in character, made or paid for by Lessor or Less, shall without compensation to Lessee become Lessor's property at the termination of this Lease by lapse of time or otherwise and shall, unless Lessor requests their removal (in which case Lessee shall

remove the same as provided in Section 20), be relinquished to Lessor in good condition, ordinary wear excepted.

SECTION 9 – USE OF ELECTRICAL SERVICES BY LESSEE

9.1 Lessee's use of electrical services on the Premises shall not exceed either in voltage, rated capacity or overall load which Lessor deems to be Building Standard. If Lessee shall request that it be allowed to consume electrical services in excess of that deemed by Lessor to the Building Standard, Lessor may refuse to consent to usage unless Lessee shall undertake to cause the electrical capability of the Building to be increased to handle the additional load.

SECTION 10 – PARKING

10.1 Lessee, its guests, and invitees shall have the non-exclusive use of parking spaces, driveways, and footways located on the Premises. Lessee shall have the non-exclusive use of all driveways connecting the Premises to a public way.

SECTION 11 – LAWS, REGULATIONS, AND RULES

11.1 Lessee shall comply with all applicable laws, ordinances, rules and regulations of any governmental entity, agency or authority having jurisdiction of the Premises and all restrictive covenants to which the Premises are subject. Without limiting the generality of the foregoing, the Lessee shall be solely responsible for any damage or loss suffered to Lessor or any other party as a result of its failure to comply with regulations, duties and requirements specified by said agencies. Lessee shall not under any circumstances be entitled to any abatement of rent during any period that its operations are curtailed by action of any regulatory agency. If the operations or use of the Building by Lessor, its subsidiaries, or other occupants are prohibited, restricted, or otherwise affected adversely by administrative or judicial action resulting from the failure of Lessee to comply with all applicable laws, ordinances, regulations and restrictions of any governmental agency or authority, Lessor may immediately terminate his Lease and Lessee shall be liable to the injured party for all losses, damages, and injuries suffered as a consequence thereof.

11.2 Lessor shall comply with all applicable laws, ordinances, rules and regulations of any governmental entity, agency or authority having jurisdiction of the Building and all restrictive covenants to which the Building is subject. Without limiting the generality of the foregoing, the Lessor shall be solely responsible for any damage or loss suffered by Lessee or any other party as a result of its failure to comply with regulations, duties and requirements specified by said agencies.

SECTION 12 – ENTRY BY LANDLORD OR LESSOR

12.1 Lessee shall permit Lessor, or Lessor's agents or representatives with reasonable notice to Lessee to enter into and upon any part of the Premises at all reasonable hours, provided however, such notice shall not be required if Lessor's entry is necessary because of an emergency to inspect the condition, occupancy or use of the Premises; to show the Premises to prospective purchasers, mortgagees, tenants or insurers; or to clean or make repairs, alterations or additions; provided that such entry shall not unreasonably interfere with or disrupt the business operations of Lessee. Lessee shall not be entitled to any abatement or reduction of rent by reason of this right of entry.

SECTION 13 – ASSIGNMENT AND SUBLETTING

13.1 Lessee shall not, without the prior written consent of Lessor: (i) assign, convey or mortgage this Lease or any interest hereunder; (ii) suffer to occur or permit to exist any assignment of this Lease, or any lien upon Lessee's interest, involuntarily or by operation

of law; (iii) sublet the Premises or any part thereof, or (iv) permit the use of the Premises by any parties other than Lessee and its employees. Any such action on the part of Lessee shall be void and of no effect. Lessor's consent to any assignment, subletting or transfer or Lessor's election to accept any assignee, subtenant or transferee as the Lessee hereunder and to collect rent from such assignee, subtenant or transferee shall not release Lessee or any subsequent lessee from any covenant or obligation under this Lease. Lessor's consent to any assignment, subletting or transfer shall not constitute a waiver of Lessor's right to withhold its consent to any future assignment, subletting or transfer.

13.2 At least ninety (90) days' prior to any proposed subletting or assignment, Lessee shall submit to Lessor a statement seeking Lessor's consent and containing the name and address of the proposed subtenant or assignee, the terms of the proposed sublease or assignment and such financial and other information with respect to the proposed subtenant as Lessor reasonably may request. Lessor shall indicate its consent or non-consent within sixty (60) days of its receipt of said statement.

13.3 In addition to withholding its consent, Lessor shall have the additional right to terminate this Lease as t that portion of the Premises, which Lessee seeks to assign, or sublet, whether by requesting Lessor's consent thereto or otherwise. Lessor may exercise such right to terminate by giving written notice to Lessee at any time prior to Lessor's written consent to such assignment or sublease. In the event that Lessor exercises such right to terminate, Lessor shall be entitled to recover possession of such portion of the Premises on the later of (i) the proposed date for possession by such assignee or subtenant, or (ii) ninety (90) days after the date of Lessor's notice of termination to Lessee and Lessor shall have the further right to re-configure the remaining portion of the Premises for the purpose of maintaining access thereto.

13.4 Surrender of Possession. Upon the expiration of the Term or upon the termination of Lessee's right of possession, whether by lapse of time or otherwise, Lessee shall forthwith surrender the Premises to Lessor in good order, repair and condition, ordinary wear excepted. Any interest of Lessee in the alterations, improvements and additions to the Premises made or paid for by Lessor or Lessee shall without compensation to Lessee, become Lessor's property at the termination of this Lease by lapse of time or otherwise and such alterations, improvements and additions shall be relinquished to Lessor in good condition, ordinary wear excepted. Upon the termination of the Term or of Lessee right fo possession, Lessee shall remove office furniture, trade fixtures, office equipment and all other items of Lessee's property on the Premises. Lessee shall pay to Lessor upon demand the cost of repairing any damage to the Premises and to the Building caused by any such removal. If Lessee shall fail or refuse to remove any such property from the Premises, Lessee shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to Lessor without any cost either by setoff, credit, allowance or otherwise. the Landlord may at its option accept the title to such property, or at Lessee's expense may (i) remove the same or any part thereof in any manner that Lessor shall choose. (ii) repair any damage to the Premises caused by such removal. and (iii) store, destroy, or otherwise dispose of the same without incurring liability to Lessee or any other person.

SECTION 14 – COVENANT AGAINST LIEN

14.1 Lessee has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Lessee, operation of law or otherwise, to attach to or be placed upon Lessor's title or interest in the Land, Building or Premises, and any and all liens and encumbrance created by Lessee shall attach to Lessee's interest only. Lessee covenants and agrees not to suffer or permit any lien of mechanics or material men or others to be placed against the Land, Building or the Premises with respect to work or

services claimed to have been performed for or materials claimed to have been furnished to Lessee or the Premises, and, in case of any such lien attaching or notice of any, Lessee covenants and agrees to cause it to be immediately released and removed of record. In the event that such lien is not immediately released and removed, Lessor, at its sole option, may take all action necessary to release and remove such lien (without any duty to investigate the validity thereof) and Lessee shall promptly upon notice reimburse Lessor for all sums, costs and expenses (including reasonable attorney's fees) incurred by Lessor in connection with such lien.

SECTION 15 – ASSUMPTION OF RISK, INDEMNIFICATION AND HOLD HARMLESS

15.1 Except to the extent caused by Lessor's negligence or intentional acts, Lessor shall not be liable to Lessee or Lessee's customers, licensees, agents, guests or employees for any injury or damages to its, his or their persons or property by reason of any obligation of Lessor's part to be performed under the terms of this Lease, or arising from injury or damages to person or property caused by the intentional or negligent acts or omissions of Lessee, its agents, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in connection with any cause whatsoever including, but not limited to, construction effects, water, rain, sleet, fire, storms, negligence and accidents, breakage, stoppage, or leaks of gas, water, heating, sewer or other waste disposal pipes, boilers, wiring or plumbing or any other defect in, on, under or about the Premises.

15.2 Lessee shall indemnify and hold harmless the Lessor, their agents, servants and employees, against and from any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from injury or damage to person or property caused by the intentional or negligent acts of omissions of Lessee, or of its agents or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in connection with such claim, or any action or proceeding brought thereon against Lessor, by reason of such claim.

SECTION 16 – CASUALTY DAMAGE

16.1 Fire or Casualty. Section 7.5 hereof notwithstanding, if the Premises or the Building (including machinery or equipment used in its operation) shall be damaged by fire or other casualty (except fires or other casualties resulting from Lessee's fault or neglect) and if such damage does not render all or a substantial portion (for the purpose of this Section, a substantial portion shall mean a portion which requires more than 90 days for repair and restoration) of the Premises or Building untenantable, then Lessor shall repair and restore the same with reasonable promptness, subject to reasonable delays for insurance adjustments and delays caused by matters beyond Lessor's reasonable control. If any such damage renders 50% or more of the Premises or Building untenantable, Lessor shall have the right to terminate this Lease as of the date of such damage (with appropriate prorations of Rent being made for Lessee's possession subsequent to the date of such damage of those tenantable portions of the premises) upon giving written notice to the Lessee at any time within one hundred twenty days after the date of such damage. Lessor shall have no liability to Lessee, and Lessee shall not be entitled to terminate this Lease by virtue of any delays in completion of such repairs and restoration. Rent, however, shall abate on those portions of the Premises as are, from time to time, untenantable as a result of such damage. In the event the Building is damaged by fire or other casualty resulting from, Lessee's failure or neglect, Lessor shall have no obligation to repair or restore the Building or any part thereof and Lessee shall not be released from any of its obligations hereunder including, without limitations, its duty to repair the Premises and its liability to Lessor for damages caused by such fire or other casualty.

Lessee hereby acknowledges that Lessor is under no obligation to insure Lessor's interests in the Premises or the Building.

16.2 Lessee shall indemnify and hold harmless the Lessor, their agents, servants and employees, against and from any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from injury or damage to person or property caused by the intentional or negligent acts of omissions of Lessee, or of its agents or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in connection with such claim, or any action or proceeding brought thereon against Lessor, by reason of such claim.

SECTION 17 - CONDEMNATION

17.1 If the Land or the Building or any portion thereof shall be taken or condemned by any competent authority for any public or quasi-public use or purpose (a "taking"), or if the configuration of any street adjacent to the Building is changed by any competent authority and such taking or change in configuration makes it necessary or desirable to remodel or reconstruct the Building, Lessor shall have the right, exercisable at its sole discretion, to cancel this Lease upon not less than ninety (90) days' notice prior to the date of cancellation designated in the notice. No money or other consideration shall be payable by Lessor to Lessee for the right of cancellation and Lessee shall have no right to share in the condemnation award or in any judgment for damages caused by such taking or change in configuration: provided, however, this provision shall not preclude Lessee from claiming special damages such as moving expenses so long as such claim does not serve to reduce Lessor's award.

SECTION 18 - EVENTS OF DEFAULT/REMEDIES

18.1 If defaults shall be made in the payment of the Rent or any installment thereof or in the payment of any other sum required to be paid by Lessee under this Lease or under the terms of any other agreement between Lessor and Lessee and such default shall continue for fifteen (15) days after written notice to Lessee, or if default shall be made in the observance or performance of any of the other covenants or conditions in this Lease which Lessee is required to observe and perform and such default shall continue for fifteen (15) days after written notice to Lessee, or if a default involves a hazardous condition and is not cured by Lessee immediately upon written notice to Lessee, or if the interest of Lessee in this Lease shall be levied on under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Lessee, or if any involuntary petition in bankruptcy shall be filed against Lessee, under any federal or state bankruptcy or insolvency act and shall not have been dismissed within thirty days from the filing thereof, or if a receiver shall be appointed for Lessee or any of the property of Lessee by any court and such receiver shall not have been dismissed within thirty days from the date of his appointment, or if Lessee shall make an assignment for the benefit of creditors, or if Lessee shall admit in writing Lessee's inability to meet Lessee's debts as they mature, or if Lessee shall make an assignment for the benefit of creditors, or if Lessee shall cease to occupy the Premises for a period of seven days during the Term, then Lessor may treat the occurrence of any one or more of the foregoing events as a breach if this Lease, and thereupon at its option may, without notice or demand of any kind to Lessee or any other person have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere therein.

a. Lessor may terminate this Lease and the Term created hereby, in which event Lessor may forthwith repossess the Premises and be entitled to recover forthwith, in addition to any other sums or damages for which Lessee may be liable to

Lessor, as liquidated damages a sum of money equal to the excess of the value of the Rent provided to be paid by Lessee for the balance of the Term over the fair market value of the Premises, after deduction of all anticipated expenses of reletting, for said period. Should the fair market rental value of the Premises, after deduction of all anticipated expenses of reletting, for the balance of the Term exceed Value of the Rent provided to be paid by Lessee for the balance of the Term, Lessor shall have no obligation to pay to Lessee the excess or any part thereof or to credit such excess or any part thereof against any other sums or damages for which Lessee may be liable to Lessor.

b. Lessor may terminate Lessee's right of possession and may repossess the Premises by a forcible entry and detainer suit or by taking peaceful possession or otherwise, without terminating this Lease, in which event Lessor may, but shall be under no obligation to, relet the same or a portion thereof for the account of Lessee, for such rent and upon such terms as shall be satisfactory to Lessor. For the purpose of such reletting, Lessor is authorized to decorate, repair, remodel or alter the Premises or a portion thereof. If Lessor shall fail to relet the Premises, Lessee shall pay to Lessor a sum equal to the amount of the Rent reserved in this Lease for the balance of the Term. If the Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the costs and expenses of such reletting and of the collection of the rent accruing therefrom to satisfy the Rent provided for in this Lease, Lessee shall satisfy and pay the sum upon demand therefore from, time to time. Lessee shall not be entitled to any rents received by Lessor in excess of the Rent provided for in this Lease. Lessee agrees that Lessor may file suit to recover any sums falling due under the terms of Section 18.2 hereof from time to time and that no suit or recovery of any portion due Lessor hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Lessor.

c. Lessor, without thereby waiving such default, may perform the same for the account and at the expense of Lessee, without notice in a case of emergency or in case of correction of a dangerous or hazardous condition, and in any other case if such default continues after fifteen (15) days from the date of the giving by Lessor to Lessee of written notice of intentions so to do. Bills for any expense incurred by Lessor in connection with any such performance by Lessor for the account of Lessee, and shall be due and payable in accordance with the terms of said bills, and if not paid when due, the amounts thereof shall immediately become due and payable as Additional Rent under this Lease.

d. Lessee further waives the right to any notices to quit as may be specified in the Landlord and Tenant Act and agrees that fifteen (15) days notice shall be sufficient in any case where a longer period may be statutorily specified.

18.2 Expenses of Enforcement. The tenant shall pay upon demand all Lessor's costs, charges and expenses including the fees and out-of-pocket expenses of counsel, agents and others retained by Lessor incurred in enforcing the Lessee's obligations hereunder or incurred by the Lessor in any litigation, negotiation or transaction in which the Lessee causes the Lessor without the Lessor's fault to become involved or concerned.

SECTION 19 – PEACEFUL ENJOYMENT

19.1 The Lessor covenants that the Lessee, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of the Lessee to be kept, observed and performed, shall, during the Term, peaceably an quietly

have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof.

SECTION 20 – HOLDING OVER

20.1 Lessee shall pay to Lessor an amount as Rent equal to 200% of three hundred sixty-five (365) of the Base Rent and 200% of three hundred sixty-five (365) the Additional Rent paid by Lessee during the previous Calendar Year herein provided during each month or portion thereof for which Lessee shall retain possession of the Premises or any part thereof after the termination of the Term or of Lessee's right of possession, whether by lapse of time or otherwise, and also shall pay all damages sustained by Lessor, whether direct or consequential, on account thereof. The provisions of this Section shall not be deemed to limit or constitute a waiver of any other rights or remedies of Lessor provided herein or at law.

SECTION 21 – SUBORDINATION TO MORTGAGE AND ESTOPPEL LETTER

21.1 Subordination. This Lease is subject and subordinate to all present and future ground or underlying leases of the Land and to the lien of any mortgages or trust deeds, now or hereafter force against the Land and Building, or either, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such Mortgages or trust deeds, or the Lessors under such ground lease underlying leases require in writing that this Lease shall be superior thereto. Lessee covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage, to attorney, without any deductions or setoffs whatsoever, to the purchaser upon any such foreclosure sale if so requested to do so by such purchaser, and to recognize such purchaser as the Lessor under this Lease. Lessee shall at Lessor's request execute such further instruments or assurances as Lessor may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Lessee hereby irrevocably authorizes Lessor to execute and deliver in the name of Lessee any such instrument or instruments if Lessee fails to do so, provided that such shall in no way relieve Lessee from the obligation of executing such instruments of subordination or superiority.

21.2 Estoppel Certificate. Upon refinancing or pending sale of the property by Lessor, Lessee agrees that, upon not less than ten days, prior request by Lessor, the Lessee, or Lessee's duly authorized representative having knowledge of the following facts, will deliver to Lessor a certificate in writing certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease as modified is in full force and effect); (ii) the dates to which Rent and other charges have been paid; (iii) that the Lessor is not in default under any provisions of this Lease, or, if in default, the nature thereof in detail, and (iv) such further matters as are set forth on the form of estoppels certificate attached hereto as Exhibit C and made a part hereof, it being intended that any such statement may be relied upon by any prospective assignee of any lessee of the Building, any mortgages or prospective mortgages thereof, or any prospective assignee of any mortgage thereof or any purchase of the Building or an interest therein. Lessee shall execute and deliver whatever other instruments may be reasonably required for such purposes, and in the event Lessee falls so to do within ten (10) days after demand in writing, Lessee shall be considered in default under this Lease.

SECTION 22 – ATTORNEY IN FACT

22.1 Upon request by Lessor. Lessee agrees to execute all further agreements required by Lessor's mortgagees which provide for subordination of this Lease to Lessor's mortgages. If Lessee shall fail to execute any subordination or other agreement required by this within ten (10) days from request, Lessee hereby irrevocably constitutes Lessor as its attorney-in-fact to execute such instrument in Lessee's name, place and stead, it bring agreed that such power is one coupled with an interest.

22.2 Lessee agrees that it will from time to time, within ten(10) days from request by Lessor, execute and deliver to such persons as Lessor shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid. stating the Lessor is not in default under this Lease (or if Lessee alleges a default stating the nature of such alleged default) and further stating such other matters as Lessor's mortgagee(s) shall reasonably require.

22.3 In the event of the sale or assignment of Lessor's interest in the Premises, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Lessor covering the Premises, then Lessee shall recognize the purchaser as Lessor under this Lease.

22.4 Attorney's Fees. In the event that it becomes necessary to file suit to enforce this Lease, the prevailing party shall recover all reasonable attorney's fees and court costs to compensate it for the expense of litigation.

SECTION 23 – NO IMPLIED WAIVER

23.1 No waiver of any provision of this Lease shall be implied by any failure of Lessor to enforce any remedy on account of the violation of such provision, even if such violation be continued or repeated subsequently, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of moneys by Lessor from Lessee after the termination of this Lease shall in any way alter the length of the Term or of Lessee's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect an notice given Lessee prior to the receipt of such moneys, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Lessor may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

SECTION 24 – SECURITY DEPOSIT

24.1 No Security deposit shall be required of Lessee.

SECTION 25 – RELATIONSHIP OF PARTIES

25.1 Nothing contained in this lease shall be deemed or construed by the parties hererto: nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hererto, it being understood and agreed that neither the method of computation of rent, nor, any other provision contained herein nor any acts of the parties herein, shall be deemed to create any relationship between the parties hererto other than the relationship of Lessor and Lessee.

SECTION 26 – CERTAIN RIGHTS RESERVED BY LESSOR

26.1 Lessor shall have the following rights, each of which Lessor may exercise without notice to Lessee and without liability to Lessee for damage or injury to property, person or business on account of the exercise thereof, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Lessee's use or possession of the

Premises and shall not give rise to any claim for setoff or abatement of rent and any other claim:

a. To change the Building's name or street address.

b. To install, affix and maintain any and all signs on the exterior and on the interior of the Building.

c. To decorate or to make repairs, alterations, additions, or improvements, whether structural or otherwise (including alterations in the configuration of the Common Area), in and about the Building, or any part thereof, and for such purposes to enter upon the Premises, and during the continuance of any of said work, to temporarily close doors, entryways, public space and corridors in the Building and to interrupt or temporarily suspend services or use of facilities, all without affecting any of Lessee's obligations hereunder, so long as the Premises are reasonably accessible and usable.

d. To designate and approve all window coverings used in the Building.

e. To approve the weight, size and location of safes, vaults and other heavy equipment and articles in and about the Premises and the Building so as not to exceed the live load per square foot designated by the structural engineers for the Building, and to require all such items and furniture and similar items to be moved into or out of the Building and Premises only as such times and in such manner as Lessor shall direct in writing. Lessee shall not install or operate machinery or any mechanical devices of a nature not directly related to Lessee's ordinary use of the Premises without the prior written consent of Lessor. Lessee's movements of property into or out of the Building or Premises and within the Building are entirely at the risk and responsibility of Lessee, and Lessor reserves the right to require permits before allowing any property to be moved into or out of the Building or Premises.

f. To regulate delivery and service of supplies in order ot insure the cleanliness and security of the Premises and to avoid congestion of the loading docks, and receiving areas.

g. To show the Premises to prospective tenants at reasonable hours during the last twelve months of the Term and, if vacated or abandoned, to show the Premises at any time and to prepare the Premises for re-occupancy.

h. To erect, use and maintain pipes, ducts, wiring, conduits, and appurtenances thereto, in and through the Premises at reasonable locations.

SECTION 27 – NOTICES

27.1 The Lessee shall forward all notices to Lessor, Triumph Real Estate Partnership, c/o Noel M. Bass, MD, 9 Ribaut Drive Hilton Head, SC 29926, or at such other place as Lessor may hereafter designate in writing.

27.2 The Lessor shall forward all notices to: Sun Health/Sun Nephrology 2121 Oneida, Joliet IL.

27.3 Any notice provided for in this Lease shall, unless otherwise expressly provided herein, be in writing, and shall, unless otherwise expressly provided, be given or be served by depositing the same in the U.S. Mail, be certified or registered with postage thereon prepaid and addressed to the party to be notified, or be delivered in person to an officer of executive employee of such party.

27.4 Notice deposited in the mail in the manner hereinabove required shall be effective upon receipt, unless such mail is unclaimed, in which event notice shall be effective five (5) days after the date of mailing.

SECTION 28 – MISCELLANEOUS

28.1 Right Cumulative. All right and remedies of Lessor under this Lease shall be cumulative and none shall exclude any other rights and remedies allowed by law.

28.2 Interest. All payments becoming due under this Lease and remaining unpaid when due shall bear interest until paid at the rate of the greater of (i) ten percent per annum, or (ii) two percent per annum above the prime rate of interest charged from time to time by the First Nation Bank of Chicago (but in no event at a rate which is more than the highest rate which is at the time lawful in the State of Illinois). Lessee shall have a thirty (30) day grace period to the commencement of the interest charge.

28.3 Terms. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as thought in each case fully expressed .

28.4 Binding Effect. Each of the provisions of this Lease shall extend to all shall, as the case may require, bind or inure to the benefit not only of the Lessor and of the Lessee, but also their respective successors or assigns, provided this clause shall not permit any assignment by Lessee contrary to the provisions of Section 13 hereof.

28.5 Lease Contains all Terms. All of the representations and obligations of Lessor are contained herein and in the Work Letter, and no modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding upon the Lessor unless in writing signed by Lessor or by a duly authorized agent of Lessor empowered by a written authority signed by Lessor.

28.6 Delivery for Examination. Submission of the form of the Lease for examination shall not bind Lessor in any manner, and no Lease or obligations of the Lessor shall arise until this instrument is signed by both Lessor and Lessee and delivery is made to each.

28.7 No Air Rights. No rights to any view or to light or air over any property, whether belonging to Lessor or any other person, are granted to Lessee by this Lease.

28.8 Modification of Lease. If any lender requires, as a condition to its lending funds the repayment of which is to be secured by a mortgage or trust deed on the Land and Building or either, that certain modifications be made to this Lease, which modifications will not require Lessee to pay any additional amounts or otherwise change materially the rights or obligations of Lessee hereunder, Lessee shall, upon Lessor's request, execute appropriate instruments effecting such modifications.

28.9 Transfer of Lessor's Interest. Lessee acknowledges that Lessor has the right to transfer its interest in the Land and Building and in this Lease, and Lessee agrees that in the event of any such transfer Lessor shall automatically be released from all liability under this Lease and Lessee agrees to look solely to such transferee for the performance of Lessor's obligations hereunder after the date of transfer. Lessee further acknowledges that Lessor may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Lessor from its obligations hereunder and that Lessee shall continue to look to Lessor for the performance of its obligations hereunder.

28.10 Prohibition Against Recording. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Lessee or by anyone acting through, under or on behalf of Lessee, and the recording thereof in violation of this provision shall make this Lease null and void at Lessor's election.

28.11 Captions. The captions of Sections and subsections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Sections and subsections.

28.12 Covenants and Conditions. All of the covenants of Lessee hereunder shall be deemed and construed to be "conditions", if Lessor so elects, as well as "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate instance.

28.13 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, join venture or any association between Lessor and Lessee, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hererto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of Lessor and essee.

28.14 Application of Payments. Lessor shall have the right to apply payments received from Lessee pursuant to this Lease (regardless of Lessee's designation of such payments) to satisfy any obligations of Lessee hereunder, in such order and amounts, as Lessor, in its sold discretion, may elect.

28.15 Time of Essence. Time is of the essence of this Lease and each of its provisions.

28.16 Governing Law. Interpretation of this Lease shall be governed by the law of the state in which the Premises is located.

28.17 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

SECTION 29 – LESSOR COVENANTS

29.1 The Lessor covenants that the professional character of the complex will be maintained with the utmost consideration given to the occupants of the other units.

SECTION 31- RENT ABATMENT:

Two (2) months gross rent abatement shall be provided to Tenant by Landlord on the renewal Space A, 1,594 rentable square feet which encompasses Suite 102 on the main (1st) floor of the building.

SECTION 32- SECURITY DEPOSIT:

Landlord and Tenant acknowledge that there is no security deposit on file for this lease or previous transactions on this space.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease Agreement personally or by their duly authorized representatives to be effective as of the day and year first above written.

LESSOR

Noel M Bass

Triumph Real Estate Partnership
Noel M. Bass, MD, Managing Partner

Date: Jan 1-2016 NB

LESSEE

R Clark MD

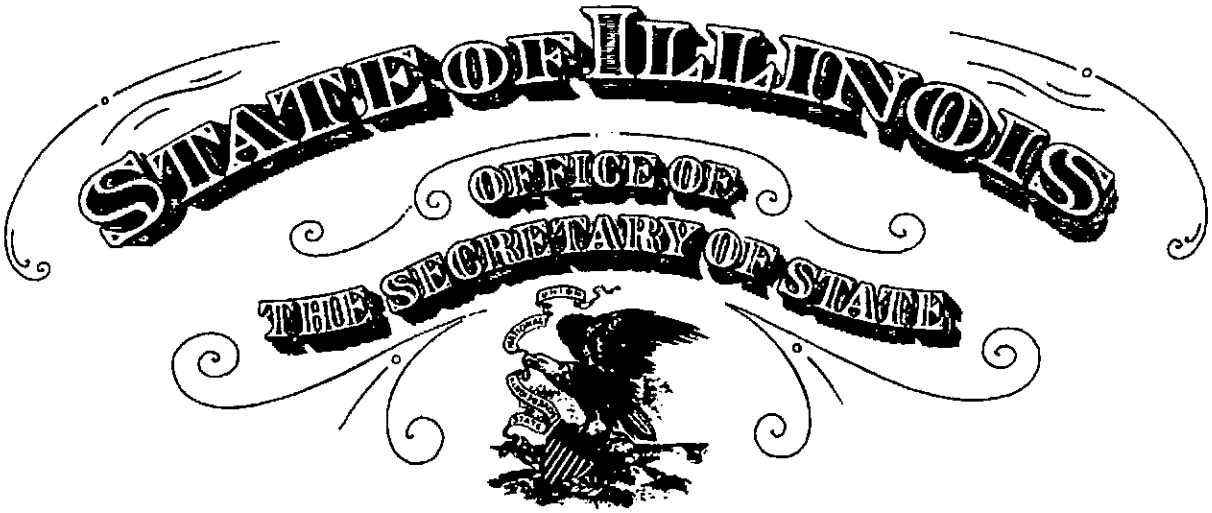
Date: 10/16/2015 -R

ATTACHMENT 3

Section I – Operating Identity/Licensee

Sun Health, Inc. is currently the approved operating entity for the Sun Health facility. Following the transaction, Secour Dialysis, LLC will be the operating entity for the facility. A copy of Secour Dialysis, LLC's Certificate of Good Standing is attached.

File Number 0620567-4



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

SECOUR DIALYSIS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON APRIL 27, 2017, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 30TH *day of* OCTOBER *A.D.* 2017 .

Authentication #: 1730301442 verifiable until 10/30/2018
Authenticate at: http://www.cyberdriveillinois.com

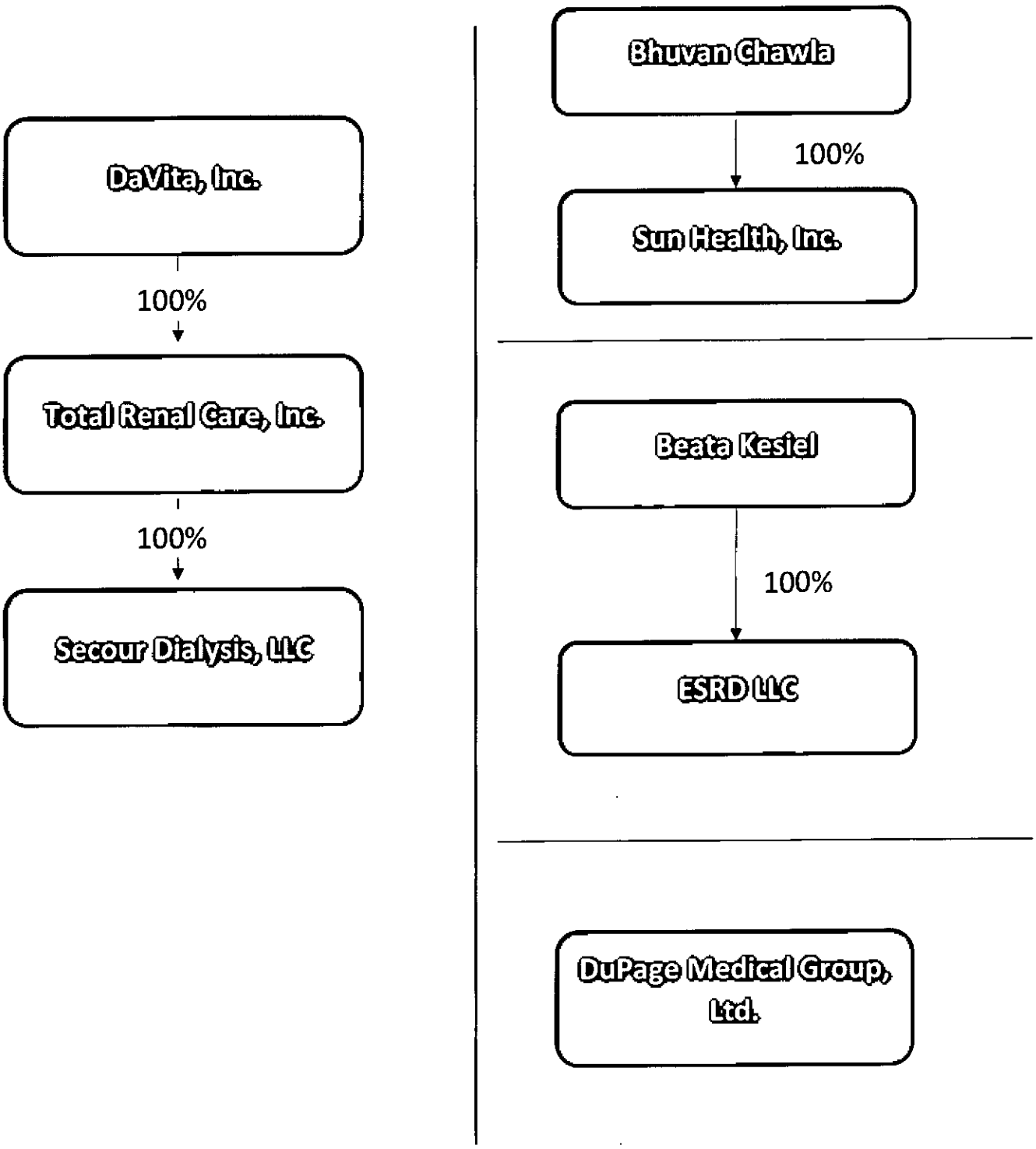
Jesse White
SECRETARY OF STATE

ATTACHMENT 4

Section I – Organizational Relationship

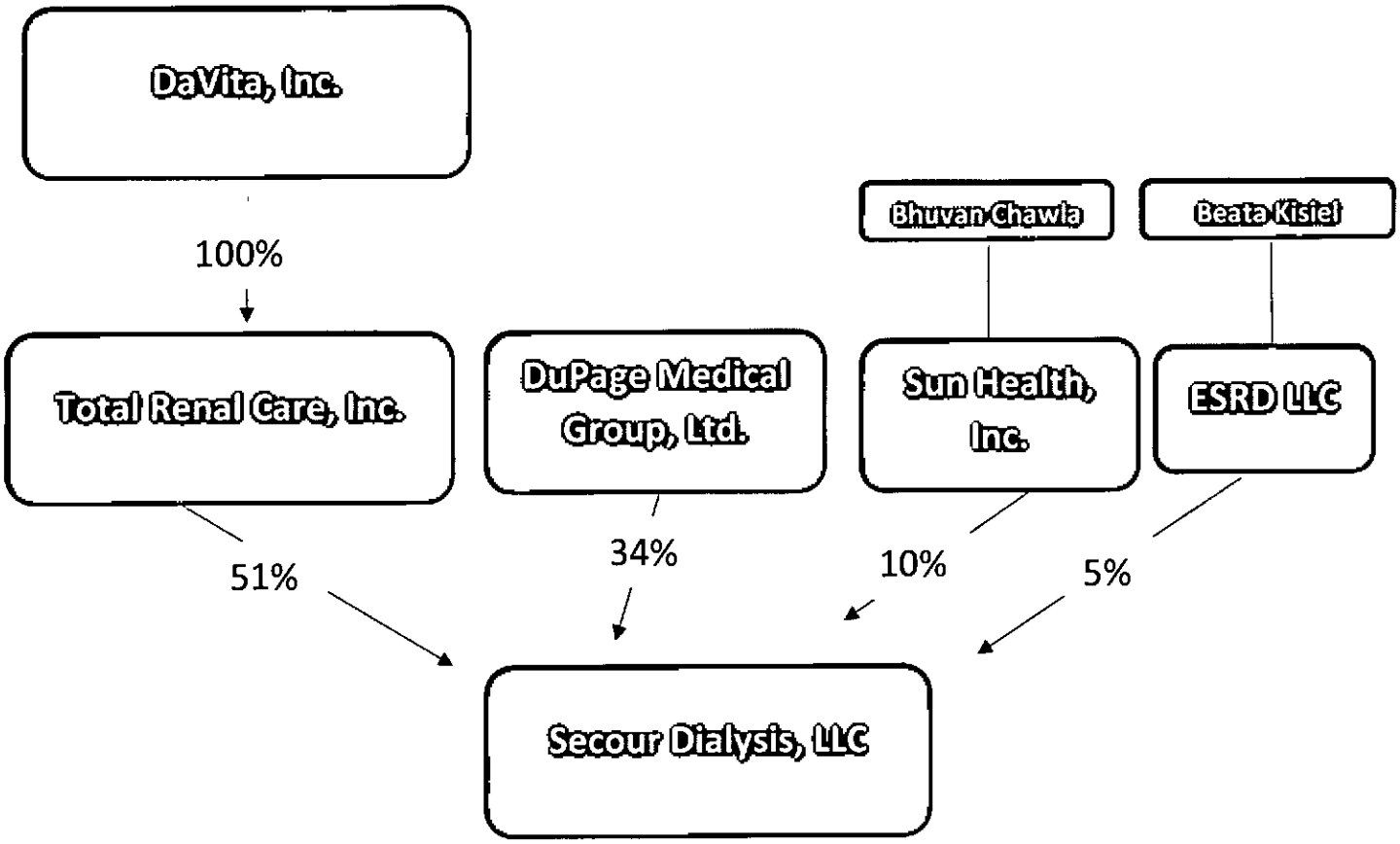
An organizational chart showing the current ownership structure of Sun Health, along with the post-closing ownership structure is attached.

Current Organizational Structure



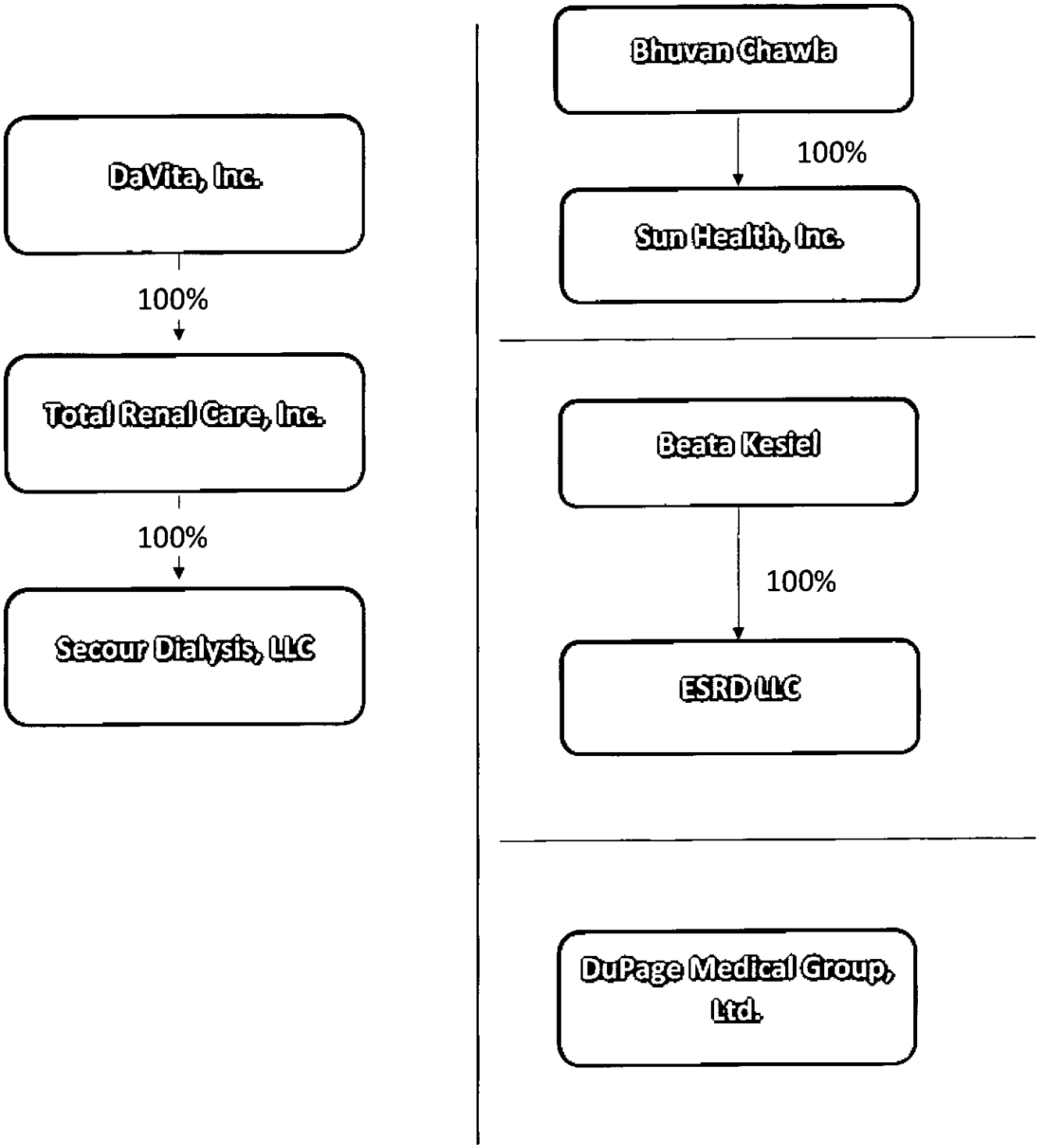
Attachment 4

Proposed Organizational Structure

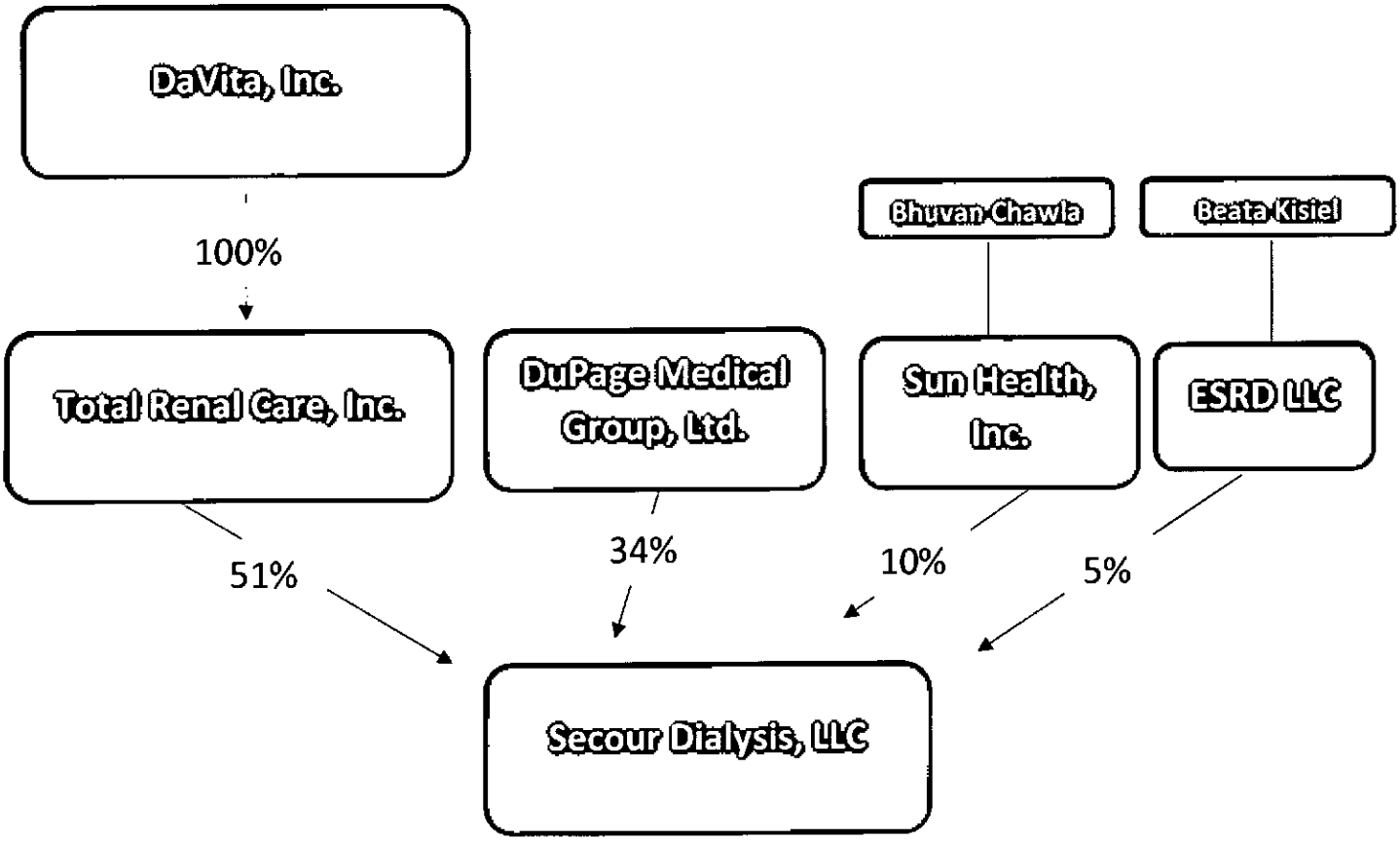


Attachment 4

Current Organizational Structure



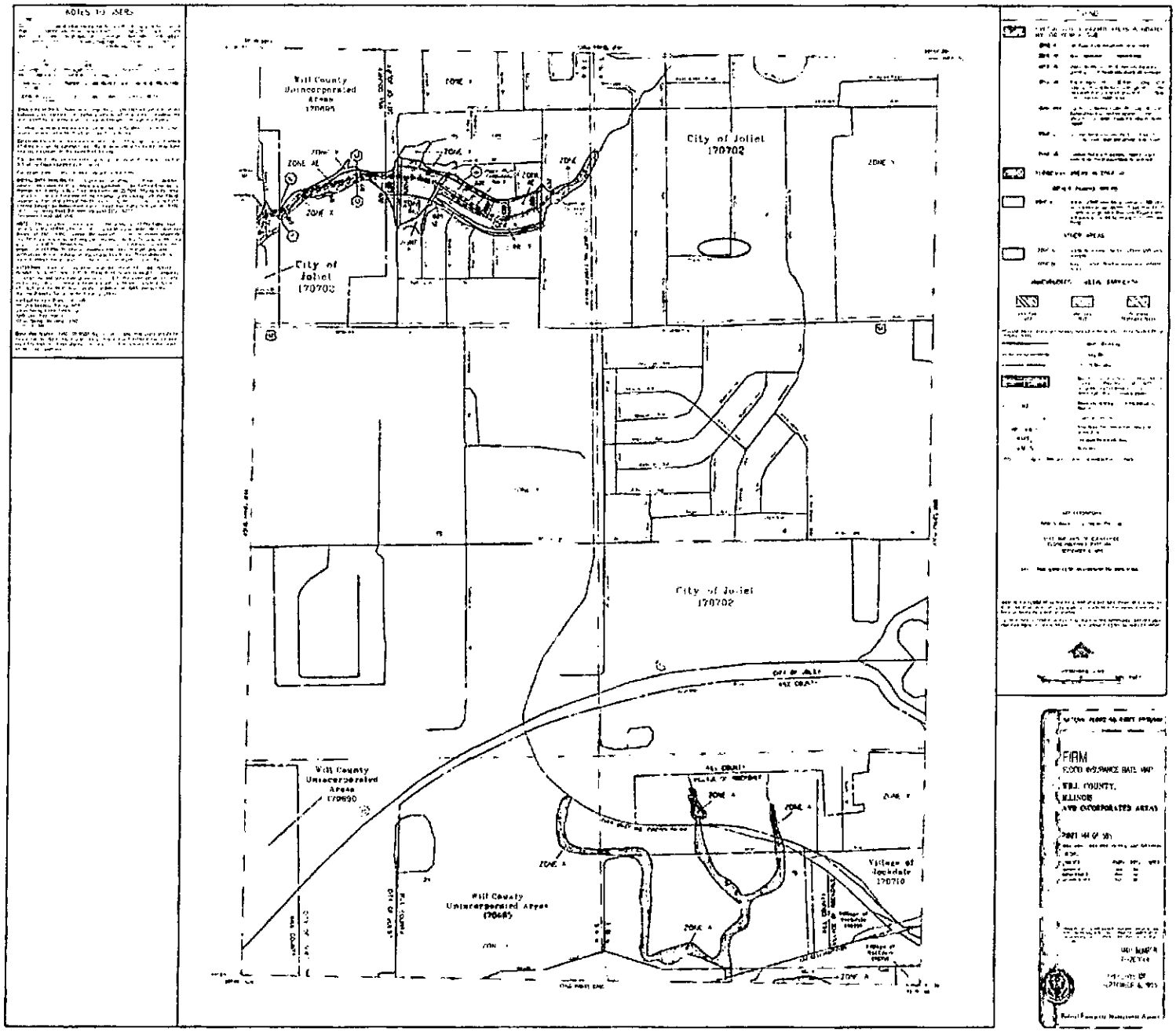
Proposed Organizational Structure



ATTACHMENT 5

By their signature on the certification page for this application, applicants certify that the facility located at 2121 Oneida St., Joliet IL 60435 is not located in a special flood hazard area and this project complies with the requirement of the Flood Plain Rule under Illinois Executive Order #2006-5.

There has been no change since the project was approved by the HFSRB.


Will County
Unincorporated
Areas
170695
ZONE X
ZONE AE
City of
Joliet
170703
City of Joliet
170702
City of Joliet
170702
Will County
Unincorporated
Areas
170690
Will County
Unincorporated Areas
170685
Village of
Romeoville
170710
FIRM

ATTACHMENT 6

The proposed project does not involve or include the demolition of any structures; the construction of any new building; or the modernization of any existing buildings and will not affect historic resources.

This criteria is not applicable.

ATTACHMENT 11

Section III- Background of the Applicant

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

   A list of health care facilities owned or operated by the applicant, DaVita is attached. The applicants Sun Health, Inc. and Secour Dialysis do not own or operate any other health care facilities.

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

   By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken by IDPH, CMS, or any other State or federal agency against any facility owned and/or operated by them during the three years prior to the filing of this application.

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

   By their signatures to the Certification pages to this applications, each of the applicants authorize the HFSRB and IDPH to access any documents necessary to verify the information submitted, including, but not limited to: (i) official records of IDPH or other State agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally recognized accreditation organizations.

DaVita HealthCare Partners Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Arlington Heights Renal Center	17 WEST GOLF ROAD		ARLINGTON HEIGHTS	COOK	IL	60005-3905	14-2628
Barrington Creek	28160 W. NORTHWEST HIGHWAY		LAKE BARRINGTON	LAKE	IL	60010	14-2736
Belvidere Dialysis	1755 BELOIT ROAD		BELVIDERE	BOONE	IL	61008	14-2795
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
Brighton Park Dialysis	4729 SOUTH CALIFORNIA AVE		CHICAGO	COOK	IL	60632	
Buffalo Grove Renal Center	1291 W. DUNDEE ROAD		BUFFALO GROVE	COOK	IL	60089-4009	14-2650
Calumet City Dialysis	1200 SIBLEY BOULEVARD		CALUMET CITY	COOK	IL	60409	
Carpentersville Dialysis	2203 RANDALL ROAD		CARPENTERSVILLE	KANE	IL	60110-3355	14-2598
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Chicago Ridge Dialysis	10511 SOUTH HARLEM AVE		WORTH	COOK	IL	60482	14-2793
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715
Collinsville Dialysis	101 LANTER COURT	BLDG 2	COLLINSVILLE	MADISON	IL	62234	
Country Hills Dialysis	4215 W 167TH ST		COUNTRY CLUB HILLS	COOK	IL	60478-2017	14-2575
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	14-2599
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
Driftwood Dialysis	1808 SOUTH WEST AVE		FREEPORT	STEPHENSON	IL	61032-6712	14-2747
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529
Evanston Renal Center	1715 CENTRAL STREET		EVANSTON	COOK	IL	60201-1507	14-2511
Forest City Rockford	4103 W STATE ST		ROCKFORD	WINNEBAGO	IL	61101	
Grand Crossing Dialysis	7319 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60619-1909	14-2728
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Foxpoint Dialysis	1300 SCHAEFER ROAD		GRANITE CITY	MADISON	IL	62040	
Garfield Kidney Center	3250 WEST FRANKLIN BLVD		CHICAGO	COOK	IL	60624-1509	14-2777
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537

DaVita HealthCare Partners Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Harvey Dialysis	16641 S HALSTED ST		HARVEY	COOK	IL	60426-6174	14-2698
Hazel Crest Renal Center	3470 WEST 183rd STREET		HAZEL CREST	COOK	IL	60429-2428	14-2622
Huntley Dialysis	10350 HALIGUS ROAD		HUNTLEIY	MCHENRY	IL	60142	
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Irving Park Dialysis	4323 N PULASKI RD		CHICAGO	COOK	IL	60641	
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Kenwood Dialysis	4259 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60653	14-2717
Lake County Dialysis Services	565 LAKEVIEW PARKWAY	STE 176	VERNON HILLS	LAKE	IL	60061	14-2552
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lawndale Dialysis	3934 WEST 24TH ST		CHICAGO	COOK	IL	60623	14-2768
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	2484 N ELSTON AVE		CHICAGO	COOK	IL	60647	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD	MONTGOMERY	IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2838 NORTH KIMBALL AVE		CHICAGO	COOK	IL	60618	14-2534
Loop Renal Center	1101 SOUTH CANAL STREET		CHICAGO	COOK	IL	60607-4901	14-2505
Machesney Park Dialysis	7170 NORTH PERRYVILLE ROAD		MACHESNEY PARK	WINNEBAGO	IL	61115	14-2806
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Marengo City Dialysis	910 GREENLEE STREET	STE B	MARENGO	MCHENRY	IL	60152-8200	14-2643
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 DEVELOPMENT DRIVE		CHARLESTON	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST		BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Montgomery County Dialysis	1822 SENATOR MILLER DRIVE		HILLSBORO	MONTGOMERY	IL	62049	
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
O'Fallon Dialysis	1941 FRANK SCOTT PKWY E	STE B	O'FALLON	ST. CLAIR	IL	62269	
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674
Olympia Fields Dialysis Center	4557B LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548

DaVita HealthCare Partners Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Palos Park Dialysis	13155 S LaGRANGE ROAD		ORLAND PARK	COOK	IL	60462-1162	14-2732
Park Manor Dialysis	95TH STREET & COLFAX AVENUE		CHICAGO	COOK	IL	60617	
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708
Red Bud Dialysis	LOT 4 IN 1ST ADDITION OF EAST INDUSTRIAL PARK		RED BUD	RANDOLPH	IL	62278	14-2772
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Schaumburg Renal Center	1156 S ROSELLE ROAD		SCHAUMBURG	COOK	IL	60193-4072	14-2654
Shiloh Dialysis	1095 NORTH GREEN MOUNT RD		SHILOH	ST CLAIR	IL	62269	14-2753
Silver Cross Renal Center - Morris	1551 CREEK DRIVE		MORRIS	GRUNDY	IL	60450	14-2740
Silver Cross Renal Center - New Lenox	1890 SILVER CROSS BOULEVARD		NEW LENOX	WILL	IL	60451	14-2741
Silver Cross Renal Center - West	1051 ESSINGTON ROAD		JOLIET	WILL	IL	60435	14-2742
South Holland Renal Center	16136 SOUTH PARK AVENUE		SOUTH HOLLAND	COOK	IL	60473-1511	14-2544
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Springfield South	2930 SOUTH 6th STREET		SPRINGFIELD	SANGAMON	IL	62703	14-2733
Stonecrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	CODK	IL	60617-2709	14-2718
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
Tazewell County Dialysis	1021 COURT STREET		PEKIN	TAZEWELL	IL	61554	14-2767
Timber Creek Dialysis	1001 S. ANNIE GLIDDEN ROAD		DEKALB	DEKALB	IL	60115	14-2763
Tinley Park Dialysis	16767 SOUTH 80TH AVENUE		TINLEY PARK	COOK	IL	60477	
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604

DaVita HealthCare Partners Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693
Vermilion County Dialysis	22 WEST NEWELL ROAD		DANVILLE	VERMILION	IL	61834	
Washington Heights Dialysis	10620 SOUTH HALSTED STREET		CHICAGO	COOK	IL	60628	
Waukegan Renal Center	1616 NORTH GRAND AVENUE	STE C	Waukegan	COOK	IL	60085-3676	14-2577
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719
West Side Dialysis	1600 W 13TH STREET		CHICAGO	COOK	IL	60608	14-2783
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648
Woodlawn Dialysis	5060 S STATE ST		CHICAGO	COOK	IL	60609	14-2310

ATTACHMENT 15

Section V. Change of Ownership

1. **1130.520(b)(1)(A), Names of the Parties:**

   The Applicants are: (1) DaVita, Inc.; ("DaVita") (2) Secour Dialysis, LLC ("Secour") and (3) Sun Health, Inc.

2. **1130.520(b)(1)(B), Background of the Parties:**

   Each of the Applicants, by their signatures to the Certification pages of this applications, 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.

   By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken by IDPH, CMS, or any other State or federal agency against any facility owned and/or operated by them during the three years prior to the filing of this application.

3. **1130.520(b)(1)(C), Structure of the Transaction:**

   Currently, Sun Health, Inc. is the operating entity for the Sun Health facility. The parties now propose to form Secour as a new Joint Venture entity to own and operate the facility. Total Renal Care, Inc. will have a 51% direct interest in Secour, DuPage Medical Group, Ltd. will have a 34% direct interest, Sun Health, Inc. will have a 10% direct interest, and ESRD, LLC. will have a 5% interest. DaVita, as the 100% owner of Total renal Care, Inc., will be the indirect owner of 51% of the facility.

4. **1130.520(b)(1)(D), Name of Licensed Entity after Transaction:**

   Secour Dialysis, LLC will be the certified, operating entity for the facility following the transaction.

5. **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:**

   An organizational chart showing the current organizational structure of each applicant, as well as the post-closing structure is provided within Attachment 4.

6. **1130.520(b)(1)(F), Fair market value of assets to be transferred:**

   The fair market value of the transferred assets is $4,350,000.

7. **1130.520(b)(1)(G), Purchase Price or Other Forms of Consideration to be Provided:**

   At closing, Total Renal Care, Inc. will contribute its pro rata share, $2,218,500, of the fair market value of the assets in cash to Secour, plus additional cash of $1,289,280, representing its pro rata share of the aggregate estimated working capital needs for the facility.
   DMG will contribute its pro rata share, $1,479,000, of the fair market value of the assets in cash to Secour, plus additional cash of $859,520, representing its pro rata share of the aggregate estimated working capital needs for the facility.
   ESRD LLC will contribute its pro rata share, $217,500, of the fair market value of the assets in cash to Secour, plus additional cash of $126,400, representing its pro rata share of the aggregate estimated working capital needs for the facility.
   Sun Health, Inc. will contribute the assets to Secour in exchange for (1) cash in the amount of $3,662,200 reflecting the difference between the value of the assets and it's pro rata share of the aggregate estimated working capital needs for the facility, and (2) receive a 10% membership interest in Secour.

8. **1130.520(b)(2), Affirmations:**

   In accordance with 77 Ill. Adm. Code §1130.520, each of the Applicants affirm that any project for which permits have been issued have been completed, or will be completed, or altered in accordance with the provision of this Section.

9. **1130.520(b)(2), 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. **1130.520(b)(2), A statement as to the anticipated benefits of the proposed changes in ownership to the community:**

    DaVita consistently differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes. DaVita's proprietary patient care tools, educational resources, quality initiatives, and in-center hemodialysis operational expertise, DMG's medical staff collaboration, integrated EHR systems, patient-oriented health portal,

11. **1130.520(b)(2), The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership:**

The applicants have not identified empirically quantifiable cost savings at the outset of the Joint Venture.

12. **1130.520(b)(2), A description of the facility's quality improvement program mechanism that will be utilized to assure quality control:**

There is no change to the quality improvement program. The applicants intend to continue utilizing DaVita's established quality control mechanisms.

13. **1130.520(b)(2), A description of the selection process that the acquiring entity will use to select the facility's governing body:**

The governing body will consist of the medical director, the facility administrator and the regional operations director.

14. **1130.520(h)(2), Statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility:**

The Applicants have or will prepare a written response addressing the review criteria contained in **77 Ill. Adm. Code 1110.240** that will be available for public review at the facility.

15. **1130.520(b)(2), 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:**

There are no proposed changes to the scope of services or levels of care that were planned to be provided at the facility that are anticipated to occur within twenty-four (24) months.

ATTACHMENT 21

Section X. Charity Care

The table below provides charity care information for all dialysis facilities located in the State of Illinois that are owned or operated by DaVita, Inc., which also owns 100% of Total Renal Care, Inc.

CHARITY CARE – DaVita, Inc.			
	2014	**2015**	**2016**
Net Patient Revenue	**$266,319,949**	**$311,351,089**	**$353,226,322**
Amount of Charity Care (charges)	$2,477,363	$2,791,566	$2,400,299
Cost of Charity Care	$2,477,363	$2,791,566	$2,400,299

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

INDEX OF ATTACHMENTS