



**FRESENIUS  
MEDICAL CARE**

**RECEIVED**

JAN 24 2014

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

January 23, 2014

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

**Re: Modification, Project #12-094, Fresenius Medical Care Prairie  
Meadows**

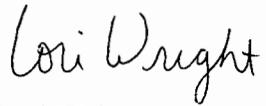
Dear Ms. Avery:

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

- Page 1 Identification page
- Page 3 Site Ownership
- Page 5 Narrative Description
- Page 6 Project Costs and Sources of Funds
- Page 17 Availability of Funds
- Attachment 2 Site Owner & Letter of Intent for Leased Space
- Attachment 5 Flood Plain Determination
- Attachment 6 Historic Determination
- Attachment 7 Itemized Costs
- Attachment 9 Cost Space Requirements
- Attachment 14 Size
- Attachment 39 Availability of Funds, Letter of Intent for Leased Space
- Attachment 42 Economic Feasibility

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

Sincerely,

A handwritten signature in cursive script that reads "Lori Wright".

Lori Wright  
Senior CON Specialist  
Phone 630-960-6807

cc: Clare Ranalli

**RECEIVED**

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

JAN 24 2014

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**  
**This Section must be completed for all projects.**

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

Facility Name: <i>Fresenius Medical Care Prairie Meadows</i>			
Street Address: <i>850-860 Technology Way</i>			
City and Zip Code: <i>Libertyville 60048</i>			
County:	Lake	Health Service Area	8 Health Planning Area:

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

Exact Legal Name: <i>Fresenius Medical Care Prairie Meadows, LLC d/b/a Fresenius Medical Care Prairie Meadows</i>	
Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Name of Registered Agent: <i>CT Systems</i>	
Name of Chief Executive Officer: <i>Ron Kuerbitz</i>	
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Telephone Number: <i>800-662-1237</i>	

**Type of Ownership of Applicant**

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

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

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

**Primary Contact**

[Person to receive all correspondence or inquiries during the review period]

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>3500 Lacey Road, Suite 900, Downers Grove, IL 60515</i>
Telephone Number: <i>630-960-6807</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>630-960-6928</i>

**Additional Contact**

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

Name: <i>Brian Brandenburg</i>
Title: <i>Regional Vice President</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>557 W. Polk Street, Chicago, IL 60607</i>
Telephone Number: <i>312-583-9072</i>
E-mail Address: <i>brian.brandenburg@fmc-na.com</i>
Fax Number: <i>312-583-9081</i>

**Additional Contact**

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

Name: <i>Brian Brandenburg</i>
Title: <i>Regional Vice President</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>557 W. Polk Street, Chicago, IL 60607</i>
Telephone Number: <i>312-583-9072</i>
E-mail Address: <i>brian.brandenburg@fmc-na.com</i>
Fax Number: <i>312-583-9081</i>

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>850 Technology, LLC, c/o RCG Management Services, LLC</i>
Address of Site Owner: <i>2239 W. North Ave., Unit 4A, Chicago IL 60647</i>
Street Address or Legal Description of Site: <i>850 - 860 Technology Way, Libertyville, IL 60048</i>
<b>Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

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

Exact Legal Name: <i>Fresenius Medical Care Prairie Meadows, LLC d/b/a Fresenius Medical Care Prairie Meadows</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
<b>APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Organizational Relationships**

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

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

**2. Narrative Description**

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

*Fresenius Medical Care Prairie Meadows, LLC, proposes to establish a 12 station in-center hemodialysis facility at 850-860 Technology Way, Libertyville, IL. The facility will be in leased space in a multi-tenant building. The interior of the leased space will be built out by the applicant.*

*Libertyville is in HSA 8. As of the December 2013 station inventory there is an excess of 28 stations in HSA 8.*

*This project is "substantive" under Planning Board rule 1110.10(b) as it entails the establishment of a health care facility that will provide chronic renal dialysis services*

### Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	1,296,000	N/A	1,296,000
Contingencies	129,600	N/A	129,600
Architectural/Engineering Fees	139,000	N/A	139,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	296,000	N/A	296,000
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	1,140,000 199,525	1,339,525	N/A
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
<b>TOTAL USES OF FUNDS</b>	3,200,125		3,200,125
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	CLINICAL
Cash and Securities	1,540,600	N/A	1,540,600
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	1,339,525	N/A	1,339,525
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	320,000*	N/A	320,000*
<b>TOTAL SOURCES OF FUNDS</b>	<b>3,200,125</b>	<b>N/A</b>	<b>3,200,125</b>

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

\*Total construction cost is \$1,425,600 however, the landlord is to contribute \$320,000 in tenant improvement allowance to be paid back over the term of the lease, but relates directly to the construction costs.

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

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

**VIII. - 1120.120 - Availability of Funds**

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

<u>1,540,600</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and</li> <li>2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;</li> </ol>
<u>N/A</u>	<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
<u>N/A</u>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>1,339,525</u>	<p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> <li>1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;</li> <li>4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>
<u>N/A</u>	<p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;</p>
<u>N/A</u>	<p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p>
<u>320,000</u>	<p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. (Tenant Improvement Allowance – See Attachment 39 – LOI for Lease of premises)</p>
<u>3,200,125</u>	<b>TOTAL FUNDS AVAILABLE</b>

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

## Site Ownership

Exact Legal Name of Site Owner: *850 Technology, LLC, c/o RCG Management Services, LLC*

Address of Site Owner: *2239 W. North Ave., Unit 4A, Chicago IL 60647*

Street Address or Legal Description of Site: *850 - 860 Technology Way, Libertyville, IL 60048*

**Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.**

**APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**



January 21, 2014

Mr. Loren Guzik  
Senior Director  
Cushman & Wakefield of Illinois, Inc.  
200 South Wacker Drive, Suite 2800  
Chicago, IL 60606

**RE: Pine Meadows Corporate Center  
850-860 Technology Way  
Libertyville, IL**

Dear Loren:

In response to your request, we have enclosed a Letter of Intent to Fresenius Medical Care to lease office space at 850-860 Technology Way in the Pine Meadows Corporate Center.

We appreciate your interest and on behalf of ownership, we look forward to working with you to complete this transaction. Please feel free to contact us with any questions or concerns.

Sincerely,

Handwritten signature of Rob Lundin in black ink.

Rob Lundin  
Senior Managing Director

Handwritten signature of John Clark in black ink.

John Clark  
Senior Managing Director

Handwritten signature of John Norris in black ink.

John Norris  
Director

cc: Robert Gienko, Jr.



**BUILDING:** 850 Technology Way, Libertyville, Illinois

**TENANT:** Fresenius Medical Care ( "Tenant")

**PREMISES:** Tenant agrees to lease an area of approximately 8,000 rentable square feet. The Landlord understands that Tenant is in the process of completing its programming requirements and will allow the square footage to vary by plus or minus 10%.

**LEASE TERM:** The lease term will be for a period of ten (10) years and ten (10) months.

**COMMENCEMENT DATE:** The Lease Term shall commence on approximately September 1, 2014.

**NET BASE RENTAL RATE:** \$12.00 per rentable square foot per year.

**RENTAL ESCALATIONS:** The base net rental rate shall escalate at \$0.50 per annum.

**OPERATING EXPENSES & REAL ESTATE TAX:** Tenant will pay their proportionate share of Real Estate Taxes and Operating Expenses. The actual Tax and Operating Expenses for 2012 are as follows:

<b>Real Estate Tax</b>	<b>Operating Expenses</b>
\$1.55 per RSF	\$3.00 per RSF

**RENT ABATEMENT:** The Landlord will agree to abate the gross rental payments for  
Letter of Intent for Leased Space

**ATTACHMENT 2**



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the initial ten (10) months of Lease Term.

**USE:** Tenant shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses.

**TENANT IMPROVEMENT ALLOWANCE:** The Landlord will provide a Tenant Improvement Allowance of \$40.00 per RSF for all costs associated with Tenant's build-out. Tenant shall have the right to use such allowance in the design and construction (including all design and engineering fees, moving expenses, furniture, signage, hard construction costs, audio visual, security systems, and telephone/data cabling consultants.)

Tenant shall have the right to hire a General Contractor of its choice, subject to Landlord approval.

**Space Planning:** The Landlord will agree to provide Tenant with an allowance of \$0.10 per rentable square foot for the preparation of a preliminary space plan.

**SIGNAGE:** Tenant will have the right to building signage subject to local codes and Landlord approval, at Tenant's cost.

**PARKING:** The parking ratio is 4.65 spaces per one thousand (1,000) RSF. Tenant shall have the right to eight (8) reserved parking spaces for employees or visitors at the suite entrance (specific location of stalls to be determined).

**ELECTRICITY:** Tenant's electricity for lights, outlets and HVAC will be separately metered.

**OPTION TO RENEW:** Provided Tenant is not in default under the lease, Tenant shall  
Letter of Intent for Leased Space

**ATTACHMENT 2**



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receive one (1) five (5) year option to renew the lease for all of the space then under lease by Tenant in the building. The rent payable for the renewal option shall be equal to then-prevailing fair market rate to be further defined in the lease document. Tenant shall give Landlord twelve (12) months prior written notice.

**EXCLUSIVITY:**

Landlord will not lease space to any other provider of hemodialysis services during the term of this Lease and any option terms.

**HAZARDOUS MATERIALS:**

To the best of Landlord's knowledge, there are no hazardous substances in the Premises or Property.

**AMERICANS WITH DISABILITIES ACT:**

Tenant shall not pay, as an operating expense or capital improvement, any of the expenses of bringing the Building into compliance with the Americans with Disabilities Act, in its current form.

**SECURITY DEPOSIT:**

The Landlord will determine the appropriate security deposit based upon review of tenant's most recent financial statements.

**SUBLET AND ASSIGNMENT:**

Tenant reserves the right to sublease to any of its subsidiaries, affiliates, working partnerships or successor company as occupants of the Premises without the Landlord's consent.

Tenant shall also have the right, at any time, to sublease or assign all or any portion of the Tenant's Premises to any unrelated entities with Landlord's consent, which is not to be unreasonably withheld, conditioned or delayed. Sublet and assignment to be further negotiated in Lease.



**JANITORIAL / MAINTANANCE SERVICES:**

Janitorial service is provided five (5) days per week by Landlord and will be included in Operating Expenses. Tenant shall have the right to contract directly with vendor of its choice and exclude from Operating Expenses.

**BUILDING SERVICES/ACCESS:**

Tenant will have access to the building seven (7) days per week, twenty-four (24) hours per day.

**EMERGENCY GENERATOR:**

Tenant will have the right, at its cost, to install an emergency generator to service the Premises in a location to be mutually agreed upon by both parties.

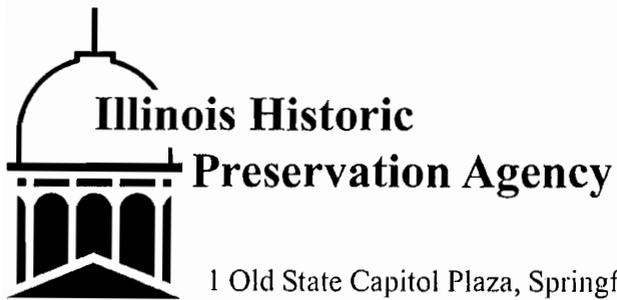
**BROKERAGE:**

Landlord acknowledges that Cushman & Wakefield of Illinois represents the Tenant as its Broker. Landlord agrees to pay Broker a full standard market leasing commission in accordance with a separate written agreement.

**DISCLAIMER:**

This proposal is not to be construed as a lease, but merely as an outline of some of the terms and conditions that will be contained in a lease. Any binding agreement will consist of a lease that is fully executed by both parties. The terms contained herein are subject to final approval by the Landlord. This offer will expire in fifteen (15) days.

The new chosen site, 850 - 860 Technology Way, Libertyville, is not new construction will be a build out of the interior of existing leased space, therefore this criterion is not applicable.



FAX (217) 524-7525  
[www.illinoishistory.gov](http://www.illinoishistory.gov)

Lake County  
Libertyville  
CON - Establish a 12-Station Dialysis Facility  
850 Technology Way  
IHPA Log #012011514

January 21, 2014

Lori Wright  
Fresenius Medical Care  
3500 Lacey Road  
Downers Grove, IL 60515

Dear Ms. Wright:

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

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

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

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker  
Deputy State Historic  
Preservation Officer

## SUMMARY OF PROJECT COSTS

### Modernization

General Conditions	64,800
Temp Facilities, Controls, Cleaning, Waste Management	3,000
Concrete	16,500
Masonry	19,700
Metal Fabrications	10,000
Carpentry	114,000
Thermal, Moisture & Fire Protection	23,000
Doors, Frames, Hardware, Glass & Glazing	88,800
Walls, Ceilings, Floors, Painting	209,000
Specialities	16,200
Casework, FI Mats & Window Treatments	8,000
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	415,000
Wiring, Fire Alarm System, Lighting	250,000
Miscellaneous Construction Costs	58,000
<b>Total</b>	<b>1,296,000</b>

### Contingencies

Contingencies **\$129,600**

### Architectural/Engineering

Architecture/Engineering Fees **\$139,000**

**Movable or Other Equipment**

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

**Fair Market Value Leased Space & Equipment**

FMV Leased Space (8,000 GSF)	\$1,140,000
FMV Leased Dialysis Machines	187,525
FMV Leased Computers, Copier, Fax	12,000
<b>Total</b>	<b>\$1,339,525</b>

### Cost Space Requirements

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
In-Center Hemodialysis	3,200,125	8,000			8,000		
Total Clinical	3,200,125	8,000			8,000		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	3,200,125	8,000			8,000		

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

**Criterion 1110.234, Size of Project**

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD IN-CENTER HEMODIALYSIS	8,000 (12 Stations)	360-520 DGSF	86 DGSF	No

As seen in the chart above, the State Standard for ESRD is between 360-520 DGSF per station. This project is being accomplished in leased space with the interior to be built out by the applicant therefore the standard being applied is expressed in departmental gross square feet. The proposed 8,000 DGSF amounts to 667 DGSF per station and is over the State Standard. The additional space is needed for the home training department and office space.

A suitable site for exactly the allowable square footage was not found and Fresenius Medical Care prefers to have extra space available to expand its facilities when future need arises. Having the extra space to expand at the forefront is more cost effective than having to build a new facility or relocate one. The majority of our facilities are expanded at some point.

Also, when choosing a site, there are many variables involved such as accessibility, ample parking, patient drop off area, availability of ground floor space and workable interior space suitable for a dialysis center. It is often difficult to meet all this criteria and still stay within State Board standards for allowable square footage.



January 21, 2014

Mr. Loren Guzik  
Senior Director  
Cushman & Wakefield of Illinois, Inc.  
200 South Wacker Drive, Suite 2800  
Chicago, IL 60606

**RE: Pine Meadows Corporate Center  
850-860 Technology Way  
Libertyville, IL**

Dear Loren:

In response to your request, we have enclosed a Letter of Intent to Fresenius Medical Care to lease office space at 850-860 Technology Way in the Pine Meadows Corporate Center.

We appreciate your interest and on behalf of ownership, we look forward to working with you to complete this transaction. Please feel free to contact us with any questions or concerns.

Sincerely,

Rob Lundin  
Senior Managing Director

John Clark  
Senior Managing Director

John Norris  
Director

cc: Robert Gienko, Jr.



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**BUILDING:** 850 Technology Way, Libertyville, Illinois

**TENANT:** Fresenius Medical Care ( "Tenant" )

**PREMISES:** Tenant agrees to lease an area of approximately 8,000 rentable square feet. The Landlord understands that Tenant is in the process of completing its programming requirements and will allow the square footage to vary by plus or minus 10%.

**LEASE TERM:** The lease term will be for a period of ten (10) years and ten (10) months.

**COMMENCEMENT DATE:** The Lease Term shall commence on approximately September 1, 2014.

**NET BASE RENTAL RATE:** \$12.00 per rentable square foot per year.

**RENTAL ESCALATIONS:** The base net rental rate shall escalate at \$0.50 per annum.

**OPERATING EXPENSES & REAL ESTATE TAX:** Tenant will pay their proportionate share of Real Estate Taxes and Operating Expenses. The actual Tax and Operating Expenses for 2012 are as follows:

<b>Real Estate Tax</b>	<b>Operating Expenses</b>
\$1.55 per RSF	\$3.00 per RSF

**RENT ABATEMENT:** The Landlord will agree to abate the gross rental payments for  
Letter of Intent for Leased Space

**ATTACHMENT 39**



the initial ten (10) months of Lease Term.

**USE:** Tenant shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses.

**TENANT IMPROVEMENT ALLOWANCE:** The Landlord will provide a Tenant Improvement Allowance of \$40.00 per RSF for all costs associated with Tenant's build-out. Tenant shall have the right to use such allowance in the design and construction (including all design and engineering fees, moving expenses, furniture, signage, hard construction costs, audio visual, security systems, and telephone/data cabling consultants.)

Tenant shall have the right to hire a General Contractor of its choice, subject to Landlord approval.

**Space Planning:** The Landlord will agree to provide Tenant with an allowance of \$0.10 per rentable square foot for the preparation of a preliminary space plan.

**SIGNAGE:** Tenant will have the right to building signage subject to local codes and Landlord approval, at Tenant's cost.

**PARKING:** The parking ratio is 4.65 spaces per one thousand (1,000) RSF. Tenant shall have the right to eight (8) reserved parking spaces for employees or visitors at the suite entrance (specific location of stalls to be determined).

**ELECTRICITY:** Tenant's electricity for lights, outlets and HVAC will be separately metered.

**OPTION TO RENEW:** Provided Tenant is not in default under the lease, Tenant shall

Letter of Intent for Leased Space

**ATTACHMENT 39**



receive one (1) five (5) year option to renew the lease for all of the space then under lease by Tenant in the building. The rent payable for the renewal option shall be equal to then-prevailing fair market rate to be further defined in the lease document. Tenant shall give Landlord twelve (12) months prior written notice.

**EXCLUSIVITY:**

Landlord will not lease space to any other provider of hemodialysis services during the term of this Lease and any option terms.

**HAZERDOUS MATERIALS:**

To the best of Landlord's knowledge, there are no hazardous substances in the Premises or Property.

**AMERICANS WITH DISABILITIES ACT:**

Tenant shall not pay, as an operating expense or capital improvement, any of the expenses of bringing the Building into compliance with the Americans with Disabilities Act, in its current form.

**SECURITY DEPOSIT:**

The Landlord will determine the appropriate security deposit based upon review of tenant's most recent financial statements.

**SUBLET AND ASSIGNMENT:**

Tenant reserves the right to sublease to any of its subsidiaries, affiliates, working partnerships or successor company as occupants of the Premises without the Landlord's consent.

Tenant shall also have the right, at any time, to sublease or assign all or any portion of the Tenant's Premises to any unrelated entities with Landlord's consent, which is not to be unreasonably withheld, conditioned or delayed. Sublet and assignment to be further negotiated in Lease.



**JANITORIAL / MAINTANANCE SERVICES:**

Janitorial service is provided five (5) days per week by Landlord and will be included in Operating Expenses. Tenant shall have the right to contract directly with vendor of its choice and exclude from Operating Expenses.

**BUILDING SERVICES/ACCESS:**

Tenant will have access to the building seven (7) days per week, twenty-four (24) hours per day.

**EMERGENCY GENERATOR:**

Tenant will have the right, at its cost, to install an emergency generator to service the Premises in a location to be mutually agreed upon by both parties.

**BROKERAGE:**

Landlord acknowledges that Cushman & Wakefield of Illinois represents the Tenant as its Broker. Landlord agrees to pay Broker a full standard market leasing commission in accordance with a separate written agreement.

**DISCLAIMER:**

This proposal is not to be construed as a lease, but merely as an outline of some of the terms and conditions that will be contained in a lease. Any binding agreement will consist of a lease that is fully executed by both parties. The terms contained herein are subject to final approval by the Landlord. This offer will expire in fifteen (15) days.

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

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		\$162.00			8,000			1,296,000	1,296,000
Contingency		16.20			8,000			129,600	129,600
<b>TOTALS</b>		178.20			8,000			1,425,600	1,425,600

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

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

#### Year 2017

Salaries	\$290,974
Benefits	72,744
Supplies	<u>53,379</u>
Total	\$417,097

Annual Treatments 8,986

Cost Per Treatment \$46.42

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

#### Year 2017

Depreciation/Amortization	\$151,974
Interest	<u>0</u>
<b>CAPITAL COSTS</b>	<b>\$151,974</b>

Treatments: 8,986

Capital Cost per treatment \$16.91