ORIGINAL

13-065

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
OCT 17 2013
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Concerto Dialysis		
Street Address: 14255 South Cicero Avenue		
City and Zip Code: Crestwood, Illinois 60445		
County: Cook	Health Service Area: 7	Health Planning Area: A-04

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

Exact Legal Name: Concerto Dialysis, LLC
Address: 7257 North Lincoln Avenue, Lincolnwood, Illinois 60712
Name of Registered Agent: Barry A. Comin, Much Shelist, P.C., Chicago, Illinois
Name of Chief Executive Officer: David Hartman
CEO Address: 7257 North Lincoln Avenue, Lincolnwood, Illinois 60712
Telephone Number: (847) 767-5200

Type of Ownership of Applicant/Co-Applicant

☐	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 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: Michael Munter
Title: Chief Operating Officer
Company Name: Symphony Healthcare, LLC
Address: 7358 North Lincoln Avenue, Suite 120, Lincolnwood, Illinois 60712
Telephone Number: (847) 767-5200
E-mail Address: mmunter@symphonyhc.com
Fax Number: N/A

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

Name: Joseph J. Hylak-Reinholtz
Title: Attorney at Law
Company Name: Holland & Knight LLP
Address: 131 South Dearborn Street, 30th Floor, Chicago, Illinois 60603
Telephone Number: (312) 715-5885
E-mail Address: jhreinholtz@hklaw.com
Fax Number: (312) 578-6666

Co-Applicant Identification

Exact Legal Name: Symphony Dialysis, LLC
Address: 7358 North Lincoln Avenue, Suite 120, Lincolnwood, Illinois 60712
Name of Registered Agent: Barry A. Comin, Much Shelist, P.C., Chicago, Illinois
Name of Chief Executive Officer: Robert J. Hartman
CEO Address: 7358 North Lincoln Avenue, Suite 120, Lincolnwood, Illinois 60712
Telephone Number: (847) 767-5200

Type of Ownership of Applicant/Co-Applicant

☐	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 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.

Post Permit Contact

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

Name: Seema Jose
Title: Director of Dialysis
Company Name: Concerto Dialysis, LLC
Address: 14255 South Cicero Avenue
Telephone Number: (708) 699-9299
E-mail Address: seema.jose@symphonyhc.com
Fax Number: N/A

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Diana Cicero Avenue, LLC
Address of Site Owner: 3820 Mansell Road, Suite 280, Alphretta, Georgia 30022
Street Address or Legal Description of Site: **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.

Operating Identity/Licensee

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

Exact Legal Name: Concerto Dialysis, LLC

Address: 7257 North Lincoln Avenue, Lincolnwood, Illinois 60712

☐	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 organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** 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 #2005-5 **(http://www.hfsrb.illinois.gov)**.

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

APPEND DOCUMENTATION AS ATTACHMENT-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:

☐ Substantive

☒ Non-substantive

2. Narrative Description

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

The proposed project contemplates a change of ownership and control of a health care facility, an act subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. (the "Act").

Specifically, Concerto Dialysis, LLC, an Illinois limited liability company (the "Applicant"), will acquire control over Direct Dialysis - Crestwood Care Centre, an existing seven (7) station end stage renal disease ("ESRD") facility located at 14255 South Cicero Avenue, Crestwood, Illinois (the "Facility") through two separate transactions. First, the Applicant will acquire substantially all of the personal property assets of the ESRD Facility (i.e., the fixtures, furniture and equipment), which are presently owned by Diana Master Landlord, LLC (the "Landlord") and enter a sublease to rent from the Landlord the real property presently being used by the ESRD Facility. This component of the transaction deals only with the transfer of the Facility's personal property from the Landlord to the Applicant.

Second, through this transaction, the Applicant is beginning to take all necessary steps to obtain full control over the day to day operations of the ESRD facility from the present operator, including all governmental approvals that are required to transfer complete control to the Applicant. The Applicant, through this transaction, will be gaining control over the Facility's Medicare-certified in-center hemodialysis unit and two additional Medicare Part B home dialysis programs. At present, the Applicant in managing the ESRD Facility under a management agreement between the Applicant and Direct Dialysis Crestwood, the current operator of the in center dialysis program.

The total project cost is $594,719.00. The project's cost includes a cash payment from the Applicant to the seller in the amount of $15,719.00, which pays for the acquisition of the personal property assets related to the operations of the in-center hemodialysis program at the Facility and the two home dialysis programs and $20,000.00 for related legal fees. The total project cost also includes an amount of $559,000.00, which represents the fair market value of a sublease that will be entered into between the Applicant and the Landlord of the ESRD Facility.

The anticipated project completion date is January 31, 2014.

The Facility will be renamed "Concerto Dialysis" upon the closing of the anticipated change of ownership transaction.

The project is classified as non-substantive because a change of ownership of a health care facility is not a "substantive" project as such term is defined under Sections 12(8)(a) through (8)(c) of the Act.

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	$0	$0	$0
Site Survey and Soil Investigation	$0	$0	$0
Site Preparation	$0	$0	$0
Off Site Work	$0	$0	$0
New Construction Contracts	$0	$0	$0
Modernization Contracts	$0	$0	$0
Contingencies	$0	$0	$0
Architectural/Engineering Fees	$0	$0	$0
Consulting and Other Fees	$20,000.00	$0	$20,000.00
Movable/Other Equipment (not in construction contracts)	$15,719.00	$0	$15,719.00
Bond Issuance Expense (project related)	$0	$0	$0
Net Interest Expense During Construction (project related)	$0	$0	$0
Fair Market Value of Leased Space or Equipment	$559,000.00	$0	$559,000.00
Other Costs To Be Capitalized	$0	$0	$0
Acquisition of Building or Other Property (excluding land)	$0	$0	$0
TOTAL USES OF FUNDS	**$594,719.00**	**$0**	**$594,719.00**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$35,719.00	$0	$35,719.00
Pledges	$0	$0	$0
Gifts and Bequests	$0	$0	$0
Bond Issues (project related)	$0	$0	$0
Mortgages	$0	$0	$0
Leases (fair market value)	$559,000.00	$0	$559,000.00
Governmental Appropriations	$0	$0	$0
Grants	$0	$0	$0
Other Funds and Sources	$0	$0	$0
TOTAL SOURCES OF FUNDS	**$594,719.00**	**$0**	**$594,719.00**

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

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 $ N/A.

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): January 31, 2014

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

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

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

State Agency Submittals

Are the following submittals up to date as applicable:

☐ Cancer Registry -- ***Not Applicable to ESRD Facilities***
☐ APORS -- ***Not Applicable to ESRD Facilities***
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits

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

Cost Space Requirements -- *Not Applicable*

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

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

Facility Bed Capacity and Utilization -- *Not Applicable (See Comment Below)*

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

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

Note:

The ESRD facility that is the target of this acquisition/change of ownership is Direct Dialysis, an in-center hemodialysis facility located in Crestwood, Illinois (the "Facility"). The Facility is Medicare-certified and has been recently authorized to operate a seven (7) station facility. Until this approval, the Facility operated a six (6) station in-center dialysis facility.

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 manger 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 CONCERTO 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 for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Michael Hunter
PRINTED NAME

COO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15th day of October, 2013

Signature of Notary

Seal

OFFICIAL SEAL
LAURA STARR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/23/17

SIGNATURE

David Hotmer
PRINTED NAME

CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15th day of October, 2013

Signature of Notary

Seal

OFFICIAL SEAL
LAURA STARR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/23/17

*Insert EXACT legal name of the applicant

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 manger 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 SYMPHONY 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 for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Michael Hunter

PRINTED NAME

COO

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15th day of October, 2013

Signature of Notary

Seal

OFFICIAL SEAL
LAURA STARR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/23/17

SIGNATURE

David Hartman

PRINTED NAME

CEO

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15th day of October, 2013

Signature of Notary

Seal

OFFICIAL SEAL
LAURA STARR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/23/17

*Insert EXACT legal name of the applicant

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

PURPOSE OF PROJECT

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

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

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

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

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

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

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

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

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

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership THE COMPLETE TRANSACTION DOCUMENT must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
   a. the location (town and street address);
   b. the number of beds;
   c. a list of services; and
   d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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:**

$35,719.00	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
$559,000.00	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$594,719.00		**TOTAL FUNDS AVAILABLE**

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

IX. 1120.130 - Financial Viability

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

Provide Data for Projects Classified as:	**Category A or Category B (last three years)**			**Category B (Projected)**
Enter Historical and/or Projected Years:				
Current Ratio	***THE APPLICANT MEETS THE FINANCIAL VIABILITY WAIVER CRITERIA BECAUSE ALL OF THE PROJECT'S CAPITAL EXPENDITURES ARE COMPLETELY FUNDED THROUGH INTERNAL RESOURCES; THEREFORE, NO RATIOS ARE PROVIDED.***			
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

XI. Safety Net Impact Statement -- *Not Applicable (Project is Non-Substantive)*

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

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

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

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

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

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

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

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

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

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

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

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

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

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

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

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

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ATTACHMENT 1

Applicant Ownership Information

A Certificate of Good Standing issued by the Illinois Secretary of State for Concerto Dialysis, LLC, an Illinois limited liability company, is attached immediately following this page. Concerto Dialysis, LLC is the certificate of need permit applicant.

A Certificate of Good Standing issued by the Delaware Secretary of State for Symphony Healthcare, LLC, a Delaware limited liability company, is attached immediately following this page. Symphony Healthcare, LLC is a co-applicant to this certificate of need permit application.

File Number 0457001-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

CONCERTO DIALYSIS LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 09, 2013, 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 DOMESTIC LIMITED LIABILITY COMPANY 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* 11TH *day of* OCTOBER *A.D.* 2013 .

Jesse White

SECRETARY OF STATE

Authentication #: 1328400386

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

File Number 0373729-2

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

SYMPHONY HEALTHCARE LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 22, 2011, 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 DOMESTIC LIMITED LIABILITY COMPANY 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* 15TH *day of* OCTOBER *A.D.* 2013 .

Jesse White

SECRETARY OF STATE

Authentication #: 1328802174

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

ATTACHMENT 2

Site Ownership

The site owner of the ESRD Facility is Diana Cicero Avenue, LLC ("Owner"). A copy of the master lease agreement (the "Master Lease"), which documents that the Owner is the party with ownership of and has ultimate control over the real property of the end stage renal disease facility located at 14255 South Cicero Avenue, Crestwood, Illinois 60445 (the "ESRD Facility"), is attached immediately following this page.

The Master Lease is by and between the Owner (the "Landlord") and an affiliate of the Owner, Diana Master Landlord, LLC (the "Tenant"). Concerto Dialysis, LLC, the certificate of need permit applicant (the "Applicant"), is not a party to the Master Lease. The Master Lease will be affected by a new sublease upon the change of ownership of the ESRD Facility. The sublese, which will be between Diana Master Landlord, LLC (as the "Sub-Landlord") and the Applicant (as the "Sub-Tenant"), will become effective upon the closing of the transactions contemplated in this CON permit application (the "Sublease"). An executed copy of the Sublease is attached immediately following the last page of the attached Master Lease.

Structure of Leasing Arrangement for Concerto Dialysis, LLC

MASTER LEASE & SECURITY AGREEMENT

PARTIES:

Diana Cicero Avenue, LLC et al.
(Landlord)
&
Diana Master Landlord, LLC
(Tenant)

↓

SUBLEASE AGREEMENT

PARTIES:

Diana Master Landlord, LLC
(Sub-Landlord)
&
Concerto Dialysis, LLC
(Sub-Tenant)

EXECUTION VERSION

MASTER LEASE AND SECURITY AGREEMENT

By and Between

Diana Monroe Street, LLC
Diana Galeria Blvd, LLC
Diana Cicero Avenue, LLC
Diana Larkin Avenue, LLC
Diana Kickapoo Street, LLC
Diana McKinley Avenue, LLC
Diana Pearl Street, LLC
Diana Castellano Drive, LLC
Diana Squaw Prairie Road, LLC

Each, a Delaware limited liability company

Collectively,

as "Landlord"

and

DIANA MASTER LANDLORD, LLC

a Delaware limited liability company

as "Tenant"

dated as of December 31, 2011

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MASTER LEASE AND SECURITY AGREEMENT

THIS MASTER LEASE AND SECURITY AGREEMENT ("**Lease**") is made and entered into as of the 31st day of December, 2011, by and between **DIANA MONROE STREET, LLC, DIANA GALERIA BLVD, LLC, DIANA CICERO AVENUE, LLC, DIANA LARKIN AVENUE, LLC, DIANA KICKAPOO STREET, LLC, DIANA MCKINLEY AVENUE, LLC, DIANA PEARL STREET, LLC, and DIANA CASTELLANO DRIVE, LLC,** each, a Delaware limited liability company (the "**Landlord**"), **DIANA SQUAW PRAIRIE ROAD, LLC** ("**Diana Squaw Prairie**"), and **DIANA MASTER LANDLORD, LLC,** a Delaware limited liability company (the "**Tenant**"), with reference to the following Recitals:

RECITALS

A. As of the Effective Date, Landlord is the owner of that certain real property, all improvements thereon and all appurtenances thereto, as located, identified and more specifically described on Exhibit A attached hereto (the "**Property**"), the legal description of which is set forth in Exhibit B attached hereto.

B. As of the Effective Date, Diana Squaw Prairie has assumed the obligations of the tenant under that certain Lease Agreement dated February 1, 1999 (as amended and assigned, the "**Maple Crest Lease**") by and between the County of Boone, Illinois, an Illinois municipality (the "**County**"), and Maple Crest Care Centre L.L.C., an Illinois limited liability company ("**Maple Crest**") for that certain real property, all improvements thereon and all appurtenances thereto, as located, identified and more specifically described on Exhibit A-1 attached hereto (the "**Leased Property**"), the legal description of which is set forth on Exhibit B-1 attached hereto, pursuant to that certain Assignment and Assumption Agreement dated of even date herewith by

and among Maple Crest, Diana Squaw Prairie and the County (the "**Maple Crest Assignment**"). Diana Squaw Prairie intends to sublease the Leased Property to Tenant, as sublessee. Upon the effective date of the Maple Crest Assignment (the "**Maple Crest Effective Date**"), the Leased Property shall automatically become part of the Premises and subject to the Lease.

C. Landlord is the owner of all the furniture, machinery, equipment (including but not limited to the renal dialysis equipment located at the Crestwood Care Centre), appliances, fixtures, supplies, inventory and other personal property located on and used or required in connection with the operation of the Property, except for any assets owned by the manager of the Property and the Leased Property, (the "**Landlord Personal Property**") for the Healthcare Use (as defined below). Upon the Maple Crest Effective Date, Diana Squaw Prairie shall become the lessee of all the furniture, machinery, equipment, appliances, fixtures, supplies, inventory and other personal property located on and used or required in connection with the operation of the Leased Property, pursuant to the Maple Crest Assignment, and all such personal property shall automatically be included as part of the Landlord Personal Property.

D. Landlord desires to lease the Property and the Landlord Personal Property to Tenant, and Tenant desires to lease the Property and the Landlord Personal Property from Landlord. The Property and the Landlord Personal Property shall be referred to herein collectively as the "**Premises**."

E. Tenant intends to sublease the Premises to Symphony M.L., LLC, an Illinois limited liability company ("**Master Tenant**") by entering into a Master Sublease and Security Agreement of even date herewith (the "**Master Sublease**"). The Master Tenant intends to further sublease the Premises to Symphony Healthcare, LLC, an Illinois limited liability company, as master subtenant ("**Symphony**") and Symphony intends to further sublease each

facility included in the Premises (each, a "**Facility**" and together, the "**Facilities**") pursuant to eight (8) sub-sublease agreements with certain subtenant operator entities. Upon the Maple Crest Effective Date, Tenant shall sublease the Leased Property to a subtenant operator.

RECOGNITION OF MASTER LEASE;

IRREVOCABLE WAIVER OF CERTAIN RIGHTS

Tenant, in order to induce Landlord to enter into this Lease, to the extent permitted by law:

A. Agrees that: (i) this Lease is a single lease under which the collective Premises are demised as a whole to Tenant and Tenant is estopped to assert that this Lease is anything other than a unitary, indivisible, unseverable instrument pertaining to all, and not less than all, of the Premises; and (ii) neither this Lease nor the duties, obligations or rights of Tenant may be allocated or otherwise divided among the Properties comprising the Premises by Tenant, except to the extent expressly set forth in this Lease;

B. Agrees and is estopped to assert that this Lease in any manner makes Tenant the partner, joint venturer or agent of Landlord;

C. Knowingly waives and relinquishes all rights under or benefits of the provisions of Section 365 of the United States Bankruptcy Code (11 U.S.C. § 365), or any successor or replacement provision or any analogous state law, to selectively assume or reject this Lease with respect to individual Properties as listed on Exhibit A and Exhibit A-1, should, notwithstanding the provisions above, this Lease be determined or found to be in any proceeding, action or arbitration under state or federal bankruptcy, insolvency, debtor-relief or other applicable laws to constitute multiple leases demising multiple properties;

D. Agrees that: (i) this Lease is a "true lease" and is estopped to assert that it is a mortgage, equitable mortgage, deed of trust, trust agreement or other financing or trust arrangement; (ii) the economic realities of this Lease are those of a true lease; (iii) the business relationship created by this Lease is solely that of a long-term commercial lease between Landlord and Tenant and has been entered into by both parties in reliance on the economic and legal bargains contained in it; and (iv) the parties intend that this Lease be regarded as a commercial lease and that upon making a motion for assumption or rejection of the Lease in the event of bankruptcy, Landlord shall have such rights as are applicable to non-residential real estate;

E. Agrees and is estopped to assert to the contrary that: (i) from an economic point of view the portions of the Premises leased under this Lease constitute one economic unit and the rent and all other provisions have been negotiated and agreed based on a demise of all of the Premises covered by this Lease as a single, composite, inseparable transaction; (ii) except as expressly set forth in this Lease, all provisions of this Lease shall apply equally and uniformly to all the Premises as one unit and are not severable; (iii) the economic terms of this Lease would have been substantially different had separate leases for a "divisible" lease been acceptable to Landlord; (iv) except as expressly set forth in this Lease, a default in any of the terms or conditions of this Lease occurring with respect to any portion of the Premises shall be a default under this Lease with respect to all of the Premises; and (v) the provisions of this Lease shall at all times be construed, interpreted and applied such that the intention of Landlord and Tenant to create a unitary lease shall be preserved and maintained; and

F. Agrees that this Lease is intended as, and shall constitute, an agreement of lease, and nothing herein shall be construed as conveying to the Tenant any right, title or interest

in or to the Premises or to any remainder or reversionary estates in the Premises held by any Person, except, in each instance, as a tenant. Under no circumstances shall this Lease be regarded as an assignment of all of Landlord's interest in and to the Premises; instead Landlord and Tenant shall have the relationship between them of landlord and tenant, pursuant to the provisions of this Lease. In no event shall Tenant or any affiliate of Tenant claim depreciation, amortization or interest deductions as owner of the Premises for United States federal, state or local income tax purposes (except as to alterations not financed by Landlord).

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein, Landlord and Tenant hereby agree as follows:

1. Definitions. As used herein (including any Exhibits and Schedules attached hereto), the following terms shall have the following meanings:

"**Adjusted EBITDAR**" shall mean, for any period, the sum of the following items: (i) Excess Cash Flow plus (ii) an amount equal to the actual amount deposited by Tenant for Capital Expenditures not to exceed the Capital Expenditure Amount as defined in Section 6.1.3 below plus any sum expended in excess of such amount that is required by Landlord or Senior Lender for Capital Expenditures plus (iii) the actual amount of all Minimum Rent paid by Tenant for such period plus (iv) interest in connection with the Working Capital Financing made to Tenant described in Section 8.4 below.

"**Affiliate**" shall mean, with respect to any Person, any other Person which Controls, is Controlled by or is under common Control with the first Person.

"**Auditors**" means any of the "Big Four" accounting firms, Frost, Ruttenberg & Rothblatt and RSM McGladrey or such other regional or national accounting firms selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld.

"**Business Day(s)**" shall mean Monday through Friday of each week, exclusive of Holidays.

"**Capital Event**" shall mean the sale, recapitalization, refinancing, change in Control, transfer, merger, conveyance or other capital event with respect to the Premises or the entities comprising Landlord or Tenant in a single transaction or a series of transactions.

"**Capital Expenditures**" shall mean expenditures with respect to the Premises (i) that are for the benefit of such property, (ii) that are capitalized in accordance with GAAP and (iii) that shall include Initial Capital Improvements as set forth in Section 6.6.

"**Capital Expenditure Documents**" shall mean (i) copies of paid invoices for the amounts of the Capital Expenditures then being requested ("**Cap Ex Costs**"), (ii) a brief description of the items (including evidence that pursuant to GAAP such expenditure should be capitalized), (iii) any contracts for Capital Expenditures, (iv) lien waivers and releases from all parties furnishing materials and/or services for the Cap Ex Costs, (v) evidence that all required consents or approvals from government authorities have been obtained, and (vi) such other documents as Senior Lender may reasonably require.

"**Control**" or "**Controlled**" shall mean, as applied to any Person, the possession, directly or indirectly, of the power to direct the management and policies of that Person, whether through ownership, voting control, by contract or otherwise.

"**Current Assets**" means all assets of Tenant and Subtenants that in conformity with GAAP and past practices should be classified as current assets on the balance sheet of Tenant and Subtenants, respectively, during such period.

"**Current Liabilities**" means all liabilities of Tenant and Subtenants that in conformity with GAAP and past practices should be classified as current liabilities on the balance sheet of Tenant and Subtenants, respectively, for such period.

"**Current Ratio**" means, at any time, the ratio of Current Assets at such time to Current Liabilities at such time.

"**Debt**" means, as of any date, all of the following: (a) obligations of a Person for borrowed money, whether current or long term, that in accordance with GAAP should be included as liabilities on such Person's balance sheet; (b) the capitalized amount (determined in accordance with GAAP) of obligations of such Person under leases required to be capitalized in accordance with GAAP for financial reporting purposes, excluding any Minimum Rent payments due under this Lease and Capital Expenditures; (c) obligations of others for which such Person is liable directly or indirectly by way of guaranty (whether by direct guaranty, suretyship, discount, endorsement, take-or-pay agreement, agreement to purchase or advance or other agreement having the effect of a guaranty) or otherwise; (d) liabilities and obligations secured by liens on any assets of such Person, whether those liabilities or obligations are recourse to such Person; and (e) liabilities of such Person, direct or contingent, with respect to letters of credit issues for the account of such Person or others or with respect to bankers' acceptances created for such Person; provided, however, "Debt" shall not include trade payables incurred or guaranteed in the ordinary course of business or as otherwise permitted by this Lease.

"**Effective Date**" shall mean December 31, 2011.

"**Encumbrance**" shall have the meaning set forth in Section 18.

"**Environmental Activities**" shall mean the use, generation, spilling, depositing, leaching, dumping, transportation, handling, discharge, production, treatment, storage, release or disposal of any Hazardous Materials to or from any portion of the Premises or caused to be located on or present on or under any portion of the Premises during the Term.

"**Environmental Costs**" include interest, costs of response, removal, remedial action, containment, cleanup, investigation, design, engineering and construction, damages (including actual, consequential and punitive damages) for personal injuries and for injury to, destruction of or loss of property or natural resources, relocation or replacement costs, penalties, fines, charges or expenses, attorney's fees, expert fees, consultation fees, and court costs, and all amounts paid in investigating, defending or settling any of the foregoing.

"**Event of Default**" shall have the meaning set forth in Section 11.1.

"**Excess Cash Flow**" shall mean, for any period, all gross operating revenues with respect to the Premises (including, without limitation, all allowances for contractual discounts and bad debt allowance) less Operating Expenses (defined below) with respect to the Premises and less the following additional items: (i) an amount equal to the actual amount deposited by Tenant for Capital Expenditures not to exceed the Capital Expenditure Amount as defined in Section 6.1.3 below plus any sum expended in excess of such amount that is required by Landlord or Senior Lender; (ii) interest in connection with the Working Capital Financing made to Tenant described in Section 8.4 below; (iii) Minimum Rent; (iv) the Management Fee; (v) any amounts expended to complete Tenant's Repair Obligation pursuant to Section 14.2 of

this Lease; and (vi) the Remainder disbursed by Tenant in accordance with Section 6.6(a)(4) of this Lease. "**Operating Expenses**" shall mean all normal and customary operating expenses incurred by Tenant in connection with the Premises (specifically including the applicable state tax on Licensed Beds, impounds for property Taxes as set forth in Section 4.6 below and interest paid in connection with the Working Capital Financing to support operation of the Premises) during any applicable period but excluding the following items: (a) any interest expense and loan fees in connection with any loans other than the Working Capital Financing described above; (b) any management fees other than the Management Fee; (c) federal and state income taxes, whether paid or deferred, made during such period; and (d) the aggregate amount of depreciation and amortization expenses for such period. The determination of Excess Cash Flow and Operating Expenses as described herein shall be made in accordance with GAAP. Any exclusions or deductions from Operating Expenses shall not be excluded or deducted again in the calculation of Excess Cash Flow.

"**Fixed Charge Coverage Ratio**" means, at any time, the ratio of Excess Cash Flow at such time to Fixed Charges at such time.

"**Fixed Charge**" means, at any time, the sum of (i) all interest expense obligations of Tenant and Subtenants; plus (ii) scheduled principal payments on all debt obligations of Tenant and Subtenants; plus (iii) expenses relating to all capitalized leases of Tenant and Subtenants but excluding any expenses of Tenant and Subtenants under this Lease, except as provided herein; plus (iv) Percentage Rent under this Lease; plus (v) dividends and distributions of Tenant and Subtenants, if any; plus (vi) income tax obligations of Tenant and Subtenants (but not less than zero), all determined on a consolidated basis and in conformity with GAAP.

"**Full Insurable Value**" shall mean the actual, full replacement value of the Premises (including all improvements, but excluding land) and every portion thereof, including the cost of compliance with changes in zoning and building codes and other laws and regulations, demolition and debris removal and increased cost of construction.

"**GAAP**" shall mean generally accepted accounting principles consistently applied.

"**Hazardous Materials**" shall mean (a) any petroleum products and/or by-products (including any fraction thereof), flammable substances, explosives, radioactive materials, hazardous or toxic wastes, substances or materials, known carcinogens or any other materials, contaminants or pollutants which pose a hazard to any portion of the Premises or to Persons on or about any portion of the Premises or cause any portion of the Premises to be in violation of any Hazardous Materials Laws; (b) asbestos in any form which is friable; (c) urea formaldehyde in foam insulation or any other form; (d) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million or any other more restrictive standard then prevailing; (e) medical wastes and biohazards; (f) radon gas; and (g) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of any portion of the Premises or the owners and/or occupants of property adjacent to or surrounding any portion of the Premises, including, without limitation, any materials or substances that are listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) as amended from time to time.

"**Hazardous Materials Claims**" shall mean any and all enforcement, clean-up, removal or other governmental or regulatory actions, or notices of material violations, or orders

threatened, instituted or completed pursuant to any Hazardous Material Laws, together with all claims, causes of actions, demands, proceedings or suits made or threatened by any third party against any portion of the Premises, Landlord or Tenant relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

"**Hazardous Materials Laws**" shall mean any federal, state and local laws, ordinances, regulations, rules, orders, guidelines or policies relating to the environment, health and safety, Environmental Activities, Hazardous Materials, air and water quality, waste disposal and other environmental matters as any of the foregoing now exist or may hereafter be changed, amended, reauthorized or come into effect.

"**Healthcare Requirements**" shall mean all applicable requirements imposed by federal, state and local statutes, rules and regulations for the maintenance and operation of the Premises as a skilled nursing or assisted living facility.

"**Healthcare Use**" shall mean the use and operation by Tenant of the Premises as a skilled nursing or assisted living facility.

"**Holidays**" means New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, Rosh Hashanah (two days), Yom Kippur, first two and last two days of Passover and Succot and two days of Shavuot and any other nationally or regionally recognized holiday.

"**Initial Capital Improvements**" shall have the meaning set forth in Section 6.6.

"**Initial Term**" shall have the meaning set forth in Section 2.2.

"**Intangible Property**" shall mean all accounts, proceeds of accounts, rents, profits, income or revenue derived from the use of rooms or other space within the Premises or the providing of services in or from any portion of the Premises; documents, chattel paper, instruments, contract rights, deposit accounts, general intangibles, now owned or hereafter acquired by Tenant or any Subtenant (including any right to any refund of any taxes or other charges heretofore or hereafter paid to any governmental authority) arising from or in connection with Tenant's or any Subtenant's operation or use of any portion of the Premises; Tenant's or any Subtenant's rights in any personal property leases affecting the Premises, management agreements, service contracts, equipment leases, maintenance agreements and construction equipment and other warranties affecting the Premises; all licenses and permits now owned or hereinafter acquired by Tenant or any Subtenant, necessary or desirable for Tenant's use of any portion of the Premises under this Lease; and the right to use any trade or other name now or hereafter associated with the operation of any portion of the Premises by Tenant or Subtenants, including, without limitation, the name set forth on Exhibit A attached hereto.

"**Landlord**" shall mean, collectively, Diana Monroe Street, LLC, Diana Galeria Blvd, LLC, Diana Cicero Avenue, LLC, Diana Larkin Avenue, LLC, Diana Kickapoo Street, LLC, Diana McKinley Avenue, LLC, Diana Pearl Street, LLC and Diana Castellano Drive, LLC, each a Delaware limited liability company, and its successors and assigns. Upon the Maple Crest Effective Date, Diana Squaw Prairie shall also be deemed to be included as "Landlord."

"**Landlord Personal Property**" shall have the meaning set forth in the Recitals, including any replacements or substitutes for the items described in the Recitals.

"**Lease**" shall mean this Master Lease and Security Agreement as the same may be amended from time to time in accordance with the terms hereof.

"**Lease Year**" shall mean the twelve (12) month periods commencing on the Effective Date and each anniversary thereof for the remainder of the Term.

"**Licensed Bed**" shall mean beds that are licensed by the State for either skilled nursing or assisted living facility use that are either occupied by residents or immediately available for occupancy by residents.

"**Management Fee**" shall mean an amount equal to four and one half percent (4.5%) of the annual gross revenues realized from the operation of the Premises (after adjustments for contractual adjustments and overpayment by providers), subject to increases pursuant to Section 40 below.

"**Manager**" shall mean Symphony Financial Services LLC, its successors and assigns.

"**Minimum Rent**" shall have the meaning set forth in Section 3.

"**Percentage Rent**" shall mean, for any period, fifty percent (50%) of Excess Cash Flow for such period, but in no event less than zero, and which constitutes a material portion of the rent to be paid to Landlord for the Premises hereunder.

"**Percentage Rent Report**" shall have the meaning set forth in Section 3.

"**Person**" shall mean any individual, partnership, association, corporation, limited liability company or other entity.

"**Portfolio Coverage Ratio**" shall mean, at any time, the ratio of Adjusted EBITDAR at such time, to Minimum Rent.

"**Premises**" shall have the meaning set forth in the Recitals.

"**Property**" shall have the meaning set forth in the Recitals.

"**Qualifying Letter of Credit**" shall mean an irrevocable, direct pay letter of credit with a face value of the Security Deposit Amount, in form and substance reasonably satisfactory to Landlord and Senior Lender, issued by Private Bank or a commercial bank organized under the federal laws of the United States of America and having a minimum long-term unsecured debt rating at all times of "AA" from Standard & Poor's Rating Group ("**S&P**") or "Aa3" from Moody's Investors Service ("**Moody's**") and which provides for assignment without consent or fee.

"**REIT**" shall mean a real estate investment trust under Sections 856 through 860 of the Code.

"**REIT Event**" shall mean any event by which Landlord (a) becomes a REIT; (b) becomes wholly or partially owned, directly or indirectly, by a REIT; or (c) sells or conveys all or part of the Premises to a REIT.

"**REIT Event Notification Date**" shall mean the date of which Landlord notifies Tenant of the occurrence or anticipated occurrence of a REIT Event.

"**Renewal Term**" shall have the meaning set forth in Section 2.3.

"**SEC**" shall mean the Securities and Exchange Commission.

"**Senior Lender**" shall mean any senior lender(s) providing a Senior Loan.

"**Senior Loan**" shall mean any loan secured by a first priority mortgage on the Premises.

"**State**" means the State of Illinois where the Premises are located.

"**Sub-Subleases**" means the subleases which are reasonably acceptable to Landlord and Tenant pursuant to which the Premises are sublet to the Subtenants.

"**Subtenant(s)**" means Symphony Healthcare LLC, an Illinois limited liability company, and the operator entities described on Exhibit F attached hereto and their successors and assigns as permitted under this Lease.

"**Tenant**" shall mean **DIANA MASTER LANDLORD, LLC**, a Delaware limited liability company, and its permitted successors and assigns.

"**Tenant Personal Property**" shall have the meaning set forth in Section 8.1.

"**Term**" shall mean the Initial Term and, if applicable, the Renewal Term(s).

"**Working Capital Financing**" shall have the meaning set forth in Section 8.4.

2. Demise; Term.

2.1 Demise. Landlord hereby leases unto Tenant the Premises for the Term and upon the conditions and provisions set forth herein.

2.2 Maple Crest. Landlord and Tenant agree that from and after the Maple Crest Effective Date, (i) the Leased Property shall be included in the Premises and the Maple Crest Facility shall be subject to the Maple Crest Lease, the Prime Lease and to this Lease and (ii) Tenant shall be obligated to perform all of the obligations of the tenant under the Maple Crest Lease. In the event of an express conflict between the provisions of the Maple Crest Lease and this Lease, the Maple Crest Lease provisions shall control, as to the Maple Crest Facility, unless otherwise specifically stated herein; provided, however, the provisions of Section 2.1, Section 2.4, Section 3.1 and Article 11 of this Lease shall control over any express conflicts with the

provisions of the Maple Crest Lease. Notwithstanding the foregoing, Tenant will not be responsible or liable for costs or damages incurred as a result of defaults under the Maple Crest Lease that are caused by the actions or omissions of Assignee. In the event that the Maple Crest Effective Date has not occurred within three (3) years after the Effective Date, then neither party shall have any further obligation with respect to the Leased Property and all references to the Maple Crest Lease and Maple Crest Facility shall be automatically deleted from this Lease.

2.3 Crestwood. The Crestwood Facility is a permitted use in the Village of Crestwood, Illinois pursuant to a special use permit issued in the name of a prior owner of the Crestwood Facility. Diana Cicero Avenue, LLC (the "**Crestwood Owner**"), and Symphony Crestwood LLC (the "**Crestwood Operator**") have applied for a new special use permit which will allow the continued operation of the Crestwood Facility as a skilled nursing facility (the "**SUP**"). On the date that the Crestwood Owner and the Crestwood Operator receive the SUP, issued without condition by the Village (the "**Crestwood Effective Date**"), the Crestwood Facility, the parcel of real property on which the Crestwood Facility is located, and all tangible personal property owned by the Crestwood Owner which is located thereon, shall each become part of the Premises and subject to the Prime Lease and to this Lease. In the event that the Crestwood Effective Date has not occurred on or before June 30, 2012, then neither party shall have any further obligation with respect to the Crestwood Facility and all references to the Crestwood Facility shall be automatically deleted from this Lease.

2.4 Term. The term of this Lease shall commence at 12:01 a.m. on the Effective Date and shall end on December 31, 2021 (the "**Initial Term**"), unless extended pursuant to Sections 2.3 or 22.6 or earlier terminated in accordance with the provisions hereof.

2.5 **Renewal Terms**. The Term may be extended for two (2) separate renewal terms (each, a "**Renewal Term**" and collectively, the "**Renewal Terms**") of five (5) years each, upon the satisfaction of all of the following terms and conditions:

2.5.1 Tenant shall provide written notice to Landlord not earlier than twenty-four (24) months and not later than six (6) months before the expiration of the Initial Term or the applicable Renewal Term, as applicable, of Tenant's intention to extend the Initial Term or the then current Renewal Term, as applicable.

2.5.2 There shall be no Event of Default, or the occurrence of any event which except for the proper notice or the passage of time would become an Event of Default, under this Lease, either on the date of Tenant's notice to Landlord pursuant to Section 2.3.1 above, or on the last day of the Initial Term or first Renewal Term, as applicable.

2.5.3 Tenant shall occupy the Premises and use the Premises for the Healthcare Use.

All other provisions of this Lease shall remain in full force and effect and shall continuously apply throughout the Renewal Term.

3. **Rent**. During the Term, Tenant shall pay to Landlord rent as follows:

3.1 **Initial Term Minimum Rent**.

(a) Prior to the Maple Crest Effective Date, during the first two (2) years of the Initial Term, Tenant shall pay to Landlord annualized rent in the amount of NINE MILLION SEVENTY-FIVE THOUSAND DOLLARS ($9,075,000.00), less the Maple Crest Minimum Rent set forth in subsection (c) below, as applicable ("**Minimum**

Rent") for each of the first and second Lease Year. Such Minimum Rent shall be paid in advance, without notice, demand or offset, by wire or ACH transfer only, as directed by Landlord, in equal monthly installments of SEVEN HUNDRED FIFTY-SIX THOUSAND TWO HUNDRED FIFTY AND 00/100 DOLLARS ($756,250.00) on the first day of each calendar month. In the event that the Effective Date of the Lease is other than the first day of a calendar month, such monthly installment of Minimum Rent shall be pro-rated and payable on the Effective Date.

(b) Commencing with the third Lease Year, prior to the Maple Crest Effective Date, Tenant shall pay to Landlord Minimum Rent in the amount of NINE MILLION SEVEN HUNDRED SEVENTY-FIVE THOUSAND DOLLARS ($9,775,000.00), less the Maple Crest Minimum Rent set forth in subsection (c) below, as applicable. Such Minimum Rent shall be paid in advance, without notice, demand or offset, by wire or ACH transfer only, as directed by Landlord, in equal monthly installments of EIGHT HUNDRED FOURTEEN THOUSAND FIVE HUNDRED EIGHTY-THREE AND 34/100 DOLLARS ($814,583.34) on the first day of each calendar month.

(c) The Minimum Rent payable by Tenant to Landlord for the Maple Crest Facility for each of the first Lease Year and the second Lease Year shall be equal to FIVE HUNDRED TEN THOUSAND AND 00/100 DOLLARS ($510,000.00) and the Minimum Rent payable by Tenant to Landlord for the Maple Crest Facility for the third Lease Year shall be equal to FIVE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS ($550,000.00) (as applicable, the "**Maple Crest Minimum Rent**") and prior to the Maple Crest Effective Date, the Minimum Rent due and payable to

Landlord hereunder shall be reduced by the amount of the Maple Crest Minimum Rent. After the Maple Crest Effective Date, the Minimum Rent shall be payable in full by Tenant to Landlord without any reduction for the Maple Crest Minimum Rent. In the event that the Maple Crest Effective Date has not occurred within three (3) years after the Effective Date, then the Minimum Rent shall be reduced by the amount of the Maple Crest Minimum Rent, and all references to the Minimum Rent going forward under this Lease shall mean the Minimum Rent less the Maple Crest Minimum Rent.

(d) The Minimum Rent payable by Tenant to Landlord for the Crestwood Facility for the first Lease Year shall be equal to ONE MILLION EIGHT HUNDRED THOUSAND AND 00/100 DOLLARS ($1,800,000.00)(the "**Crestwood Minimum Rent**"). In the event that the Crestwood Effective Date has not occurred on or before June 30, 2012, then Tenant may elect, by written notice provided to Landlord on or before July 15, 2012 (provided that the Crestwood Effective Date has not occurred before such notice is given), to reduce the Minimum Rent by the amount of the Crestwood Minimum Rent, and all references to the Minimum Rent going forward under this Lease shall mean the Minimum Rent less the Crestwood Minimum Rent.

(e) Commencing with the fourth Lease Year, and continuing for each Lease Year thereafter during the Initial Term, Minimum Rent (including the Maple Crest Minimum Rent and the Crestwood Minimum Rent, as applicable) shall increase by an amount equal to two percent (2%) of the prior Lease Year's Minimum Rent, compounded annually.

(f) With regard to the Maple Crest Lease, after the Maple Crest Effective Date, there shall be no adjustment to Minimum Rent hereunder in the event of a termination of the Maple Crest Lease due to the act or omission of Tenant. If the Maple Crest

Lease is terminated for any other reason, Minimum Rent shall be adjusted pursuant to Schedule 13.1 attached hereto.

3.2 **Percentage Rent.**

(a) Commencing with the first Lease Year on a quarterly basis and continuing on a quarterly basis during each Lease Year thereafter, within thirty (30) days after the end of each quarter, and concurrent with its payment of Minimum Rent for the month in which such payment is due, Tenant shall pay the estimated Percentage Rent, based on the monthly financial statements for such quarter prepared in accordance with Section 10.1 herein, due for the preceding quarter (ex. estimated Percentage Rent for the first quarter shall be due on or before May 1 of each Lease Year). Notwithstanding anything herein to the contrary, Percentage Rent shall be calculated on a consolidated basis for all Facilities.

(b) Excess Cash Flow shall be determined quarterly by Tenant and annually by the Auditors, who shall also prepare the audited financial statements required in Section 10. Tenant shall provide (i) quarterly Excess Cash Flow statements within sixty (60) days following each fiscal quarter and (ii) annual Excess Cash Flow report of the Auditors to Landlord within ninety (90) days following the end of each Lease Year ("**Percentage Rent Report**").

(c) Within ninety (90) days following the end of each Lease Year, including the first Lease Year, Tenant shall cause the Auditors to prepare the Percentage Rent Report for such Lease Year in accordance with GAAP and the Percentage Rent Report shall be certified true and correct by the Chief Financial Officer or the Managing

Member of the Manager of the Tenant and the Auditor and delivered to Landlord. In the event that the Percentage Rent is greater than the estimated Percentage Rent paid to Landlord during such Lease Year, Tenant shall within thirty (30) days of receipt of such Percentage Rent Report pay to Landlord an amount equal to the Percentage Rent less the estimated Percentage Rent paid to Landlord during such Lease Year. In the event that the estimated Percentage Rent paid to Landlord during the Lease Year is greater than the Percentage Rent due for such Lease Year, Tenant shall receive a credit against the Minimum Rent due for the next successive two period(s) equal to the difference between the estimated Percentage Rent paid to Landlord during the Lease Year and the Percentage Rent due for such Lease Year and any amount owed in excess of the credit against Minimum Rent for such two periods shall be refunded directly to the Tenant; provided, however, that Tenant's credit in any month shall not exceed an amount that would cause Landlord to violate any of the financial covenants contained in any of the loan documents between Landlord and Senior Lender.

(d) Landlord reserves the right to object to the Percentage Rent Report. In the event Landlord objects to the Percentage Rent Report, Landlord shall provide Tenant written notice within thirty (30) days of receipt of the Percentage Rent Report. Landlord and Tenant shall confer and attempt to resolve such dispute within thirty (30) days of the date of such notice.

(e) Landlord and its accountants and representatives, at Landlord's expense except as hereinafter provided, shall have the right within sixty (60) days from the date of delivery of the Percentage Rent Report to review such records and to audit the Percentage Rent Report for the immediately preceding Lease Year provided by Tenant,

subject to any legal prohibitions or limitations on disclosure of any such records under applicable law or regulation, including, without limitation, such limitations as may be necessary to preserve the confidentiality of the physician-patient privilege. If any such audit discloses a deficiency of greater than five percent (5%) in the payment of Percentage Rent, Tenant shall promptly pay to Landlord any reasonable costs incurred by Landlord in conducting the audit. If any such audit discloses a deficiency of any amount in the payment of Percentage Rent, Tenant shall promptly pay to Landlord the amount of the deficiency, together with interest thereon at the Agreed Rate, as defined in Section 11.4, from the date when such payment should have been made to the date of payment thereof. If Tenant objects to the results of Landlord's audit, Tenant shall provide Landlord written notice within ten (10) days of receipt of Landlord's notice to Tenant of a deficiency in the amount of Percentage Rent. Landlord and Tenant shall confer and attempt to resolve such difference within thirty (30) days of the date of Tenant's notice. In the event such difference is not resolved, the results of Landlord's audit shall control.

(f) At Landlord's sole option in connection with a Capital Event or REIT Event, Landlord may either: (i) assign to a third party the right to receive Percentage Rent by providing written notice of such intent to Tenant at least thirty (30) days prior to the beginning of a calendar quarter, and Tenant and such Landlord's assignee shall enter into a written agreement pursuant to which Tenant shall pay to such assignee all Percentage Rent on the same terms and conditions, and subject to the same rights and obligations, set forth herein, but Landlord shall not be released from any obligations hereunder. In such event, commencing on the first day of such calendar quarter, Tenant shall no longer be obligated to pay Percentage Rent under this Lease to Landlord and shall pay such Percentage Rent instead to such assignee; or (ii) terminate

Tenant's obligation to pay Percentage Rent and increase Minimum Rent to an amount equal to the sum of Minimum Rent in effect for the Lease Year in which such conversion occurs ("**Termination Year**") plus an amount equal to the average annual Percentage Rent paid during the immediately preceding twenty-four (24) month period, by providing written notice of such termination to Tenant at least thirty (30) days prior to the beginning of a Lease Year quarter, and in such event, the parties will enter into an amendment modifying this Lease to effect such changes in Minimum Rent commencing on the first day of such quarter; provided, however, in the event that Percentage Rent is converted pursuant to subsection (ii) herein ("**Percentage Rent Conversion**"), Minimum Rent shall not be greater than the amount required for Tenant to satisfy a lease coverage ratio (Adjusted EBITDAR to Minimum Rent) (the "**Lease Coverage Ratio**") of not less than 1.40 to 1 if Percentage Rent Conversion occurs during the first two (2) Lease Years; not less than 1.3625 to 1 if Percentage Rent Conversion occurs during the first quarter of the third Lease Year; not less than 1.3250 to 1 if Percentage Rent Conversion occurs during the second quarter of the third Lease Year; not less than 1.2875 to 1 if Percentage Rent Conversion occurs during the third quarter of the third Lease Year; and not less than 1.25 to 1 if Percentage Rent Conversion occurs during or any time after the fourth quarter of the third Lease Year. Notwithstanding any provision to the contrary in this Section 3.2(f), upon the occurrence of a Percentage Rent Conversion, the calculation of Minimum Rent shall be subject to certain reasonable adjustments, as mutually agreed upon by Landlord and Tenant, to account for any recent material changes (within the immediately preceding twenty-four month period) either (i) in the annual operating budget for the Premises or (ii) with regard to rate changes for federally or state funded reimbursement programs, which are not within Tenant's reasonable ability to control.

(g) During each Renewal Term, Tenant shall continue to pay to Landlord Percentage Rent in addition to Minimum Rent in accordance with this Section 3.2 unless Landlord has exercised its option to either assign or terminate Percentage Rent as set forth above in Section 3.2(f).

3.3 Renewal Term Minimum Rent.

3.3.1 The Minimum Rent for the first Lease Year of each Renewal Term shall be reset and expressed as an annual amount but shall be payable in advance in equal monthly installments by wire or ACH transfer only on the first day of each calendar month. Beginning in the second Lease Year, and continuing each Lease Year during the Initial Term thereafter, Minimum Rent shall increase by two percent (2%) per year compounded annually.

3.3.2 Beginning in the second Lease Year of the applicable Renewal Term, and continuing each Lease Year of the applicable Renewal Term thereafter, Minimum Rent shall increase by 2% per year compounded annually.

3.4 Proration for Partial Periods; Business Days. The rent for any month during the Term which begins or ends on other than the first or last calendar day of a calendar month shall be prorated based on actual days elapsed. If the date for payment of any installment of Minimum Rent or Percentage Rent falls on a non-Business Day, such installment shall be due on the first Business Day immediately preceding such payment date.

3.5 Absolute Net Lease. (a) All rent payments shall be absolutely net to Landlord free of taxes, assessments, utility charges, operating expenses, refurnishings, insurance premiums or any other charge or expense in connection with the Premises. Except as otherwise provided herein, all expenses and charges whether capital or to be expensed, whether for upkeep,

maintenance, repair, refurnishing, refurbishing, restoration, replacement, insurance premiums, taxes, utilities, and other operating or other charges of a like nature or otherwise, shall be paid by Tenant. This provision is not in derogation of the specific provisions of this Lease, but in expansion thereof and as an indication of the general intentions of the parties hereto. Any present or future law to the contrary notwithstanding, this Lease shall not terminate, nor shall Tenant except as set forth in Sections 3.1(d), 13 and 14, be entitled to any abatement, suspension, deferment, reduction, setoff, counterclaim, or defense with respect to any part of the total rent due under this Lease, nor shall the obligations of Tenant hereunder be otherwise affected, by reason of: (1) any defect in the condition, merchantability, design, construction, quality or fitness for use of the Premises or any part thereof, or the failure of the Premises to comply with any legal requirements, including any inability to occupy or use the Premises by reason of such non-compliance; (2) any damage to, removal, abandonment, salvage, loss, contamination of or release from, scrapping or destruction of or any requisition or taking of any portion of the Premises or any part thereof; (3) any restriction, prevention or curtailment of or interference with the construction on or any use or any portion of the Premises or any part thereof including eviction; (4) any defect in title to or rights to any portion of the Premises or any lien on such title or rights or on any portion of the Premises; (5) any change, waiver, extension, indulgence or other action or omission or breach in respect of any obligation or liability of or by Landlord or any Senior Lender; (6) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceedings relating to Landlord, Tenant or any other Person, or any action taken with respect to this Lease by any trustee or receiver of Landlord, Tenant or any other Person, or by any court, in any such proceeding; (7) any claim that Tenant has or might have against any Person, including without limitation Landlord, any Senior Lender, or any vendors, manufacturer, contractor of or for any portion of the Premises; (8) any failure on

the part of Landlord to perform or comply with any of the terms of this Lease or of any other agreement; (9) any invalidity or unenforceability or illegality or disaffirmance of this Lease or any provision thereof or hereof against or by Landlord or Tenant or of any document or instrument executed in connection with the Senior Loan or by the parties thereto; (10) the impossibility or illegality of performance by Landlord or Tenant; (11) any action by any court, administrative agency or other governmental authority; or (12) any other cause or circumstances whether similar or dissimilar to the foregoing and whether or not Landlord or Tenant shall have notice or knowledge of any of the foregoing. The obligations of Tenant under this Lease shall continue to be payable in all events unless such obligations shall be terminated pursuant to the express provisions of this Lease. Tenant shall continue to perform its obligations under this Lease even if Tenant claims that Tenant has been damaged by any act or omission of Landlord. Therefore, except as otherwise provided herein, Tenant shall at all times remain obligated to pay Minimum Rent and Percentage Rent (except as set forth under Section 3.2(f)) under this Lease without any right of set-off, counterclaim, abatement, deduction, reduction or defense of any kind. Tenant's sole right to recover damages against Landlord by reason of a breach or alleged breach of Landlord's obligations under this Lease shall be to prove such damages in a separate action against Landlord.

(b) Nothing in this Section 3.5 will waive, limit or abrogate Landlord's obligations or liabilities to Tenant under this Lease.

3.6 **Manner of Payment of Rent**. Subject to the last sentence of this Section, all Minimum Rent and Percentage Rent shall be paid to Landlord by wire or ACH transfer and shall be due without prior notice or demand. If, at any time, the Senior Loan documents require

payment of rent into a deposit account as described in Section 8.5 herein, Tenant shall, upon written notice from Landlord or Senior Lender, comply with such requirements.

3.7 **Additional Minimum Rent Payment**. (a) In the event that (i) the reimbursement adjustment (hereinafter, the "**Bed Tax**") as proposed by the State of Illinois as of the date of execution of this Lease, a copy of which shall be attached hereto as Exhibit H as soon as it is received by Landlord (the "**Proposed State Plan Amendment**"), is approved by the Centers for Medicare and Medicaid Services ("**CMS**") on or before the first anniversary of the Effective Date, which date may be extended for up to twelve (12) months if CMS is actively taking steps to approve the Proposed State Plan Amendment and (ii) the Tenant and/or Subtenants begin receiving the additional Medicaid reimbursement (the "**Bed Tax Payment**") set forth in the Proposed State Plan Amendment in cash prior to the expiration of the period set forth in clause (i), then the Minimum Rent shall be automatically increased in the first two Lease Years of the Term by an amount (the "**Additional Minimum Rent**") equal to the product of (x) ONE MILLION SIX HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS ($1,680,000.00) (an "**AMR Base Amount**") and (y) the ratio (the "**Ratio**") of (A) the Bed Tax Payment that is generated as a result of the reimbursement adjustment as actually approved by CMS less the bed tax that Tenant or Subtenants are required to pay as a result of the Proposed State Plan Amendment (the "**Initial Bed Tax Earnings**") and (B) $4,000,000.00. Provided that both of the conditions in the immediately preceding sentence are satisfied on or prior to the second anniversary of the Effective Date, then, for the third Lease Year and each subsequent Lease Year thereafter, the Additional Minimum Rent shall be equal to the product of (x) ONE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS ($1,800,000.00) (an "**AMR Base Amount**") and (y) the Ratio as set forth above. In no event shall the numerator of the Ratio be greater than the denominator. Provided that the Proposed State Plan Amendment is

approved by CMS without modification, the Initial Bed Tax Earnings shall be deemed to be $4,000,000.00. Notwithstanding any provision herein to the contrary, within thirty (30) days after receipt of the 2011 cost reports by Tenant, and provided that the Proposed State Plan Amendment has been approved by CMS, Landlord and Tenant shall engage RSM McGladrey (the cost of such engagement to be split equally between Landlord and Tenant) to provide a revised bed tax earnings calculation based on actual Medicaid days from the 2011 cost reports and the cost impact associated with the bed tax based on actual non-Medicare days from the 2011 cost reports (the "**Revised Bed Tax Earnings Determination**"). Landlord and Tenant each agree to be bound by the Revised Bed Tax Earnings Determination, and that the Revised Bed Tax Earnings Determination shall replace the Initial Bed Tax Earnings hereunder from the date of the Revised Bed Tax Earnings Determination going forward. The Additional Minimum Rent shall be automatically adjusted to reflect the Revised Bed Tax Earnings Determination on the first month following receipt of the Revised Bed Tax Earnings Determination. The first Additional Minimum Rent payment shall be due on the first day of the month that is at least fifteen (15) days after the date that Tenant and/or any Subtenant actually receives the first Bed Tax Payment. The Additional Minimum Rent shall be paid in equal monthly installments with Minimum Rent and the amount of Additional Minimum Rent due in the Lease Year in which the Bed Tax Payment is first received shall be pro-rated for the number of months remaining in the applicable Lease Year, i.e. if the Bed Tax Payment is first received in the fifth month of the first Lease Year, then seven-twelfths of the Additional Minimum Rent amount shall be paid in the first Lease Year.

(b) In the event that the Proposed State Plan Amendment is approved by CMS and the Tenant and/or Subtenants begin receiving Bed Tax Payments after the second anniversary of the Effective Date, but on or before the third anniversary of the Effective Date, then the Additional

Minimum Rent for the third Lease Year, and each subsequent Lease Year thereafter, shall be equal to the product of (x) ONE MILLION ONE HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS ($1,170,000.00) (an "**AMR Base Amount**") and (y) the Ratio as set forth in subsection (a) above. In the event that the Proposed State Plan Amendment has not been approved by CMS on or before the third anniversary of the Effective Date, then there shall be no Additional Minimum Rent charged to Tenant.

(c) In the event that at any time after the receipt of the Revised Bed Tax Earnings Determination, the Economic Terms related to the reimbursement associated with the Initial Bed Tax Earnings are modified, then Tenant shall have the option to provide written notice to Landlord requesting that Landlord, or its Affiliate, engage RSM McGladrey, or another equally qualified third party accounting firm selected by Landlord and reasonably acceptable to Tenant, to provide a calculation of the Initial Bed Tax Earnings based upon such revised Economic Terms, in no less than 90 days from the date of Tenant's notice to Landlord (the "**Modified Bed Tax Earnings**"), which calculation shall include the revenue impact associated with the change in reimbursement rate based on actual Medicaid days from the 2011 cost reports and the cost impact associated with the bed tax based on actual non-Medicare days from the 2011 cost reports. The term "**Economic Terms**" shall include the reimbursement rate and the bed tax. Tenant shall reimburse Landlord for 50% of its costs incurred for the services of the third party accountant, pursuant to a written invoice. Landlord shall provide Tenant with a copy of the Modified Bed Tax Earnings calculation from such accounting firm within ten (10) days after receipt of same. In the event that the Modified Bed Tax Earnings is less than the Revised Bed Tax Earnings Determination, Tenant may provide written notice to Landlord requesting a reduction in the Additional Minimum Rent (the "**Modified Bed Tax Earnings Notice**"). The Modified Bed Tax Earnings Notice shall include reasonable evidence of the date by which the

Modified Bed Tax Earnings will actually result in Tenant receiving a reduced Bed Tax Payment. Within ten (10) days after Landlord's receipt of the Modified Bed Tax Earnings Notice from Tenant, Landlord shall provide written notice to Tenant of the new Additional Minimum Rent (the "**Reduced AMR**") which shall be calculated as follows: the product of (i) the applicable AMR Base Amount, and (ii) the Ratio of (A) the Modified Bed Tax Earnings and (B) $4,000,000.00; provided, however, in no event shall the Additional Minimum Rent be less than FIVE HUNDRED THOUSAND DOLLARS ($500,000.00). The Reduced AMR shall be paid in equal monthly installments with Minimum Rent and the first Reduced AMR payment shall be due on the first day of the month that is at least fifteen (15) days after the date on which Tenant first receives a reduced Bed Tax Payment, in connection with the Modified Bed Tax Earnings. The Reduced AMR shall replace the Additional Minimum Rent in the Lease Year in which it becomes effective, provided, however, Tenant shall continue to pay the Additional Minimum Rent until such date as the Tenant first receives a reduced Bed Tax Payment.

4. Taxes, Assessments and Other Charges.

4.1 Tenant's Obligations. Subject to Sections 4.3 and 4.6, Tenant agrees to pay and discharge (including the filing of all required returns) any and all taxes (including, but not limited to, real estate and personal property taxes, business and occupational license taxes, ad valorem sales, use, intangible property, single business, gross receipts, transaction privilege, franchise taxes, business privilege, rent or other excise taxes) and other assessments levied or assessed against Tenant, any portion of the Premises or any interest therein or Landlord (with respect to this Lease and/or the Premises), but excluding any state or federal income or sales tax based upon the net income or gross receipts of Landlord attributable to the Premises payable by Landlord (all such taxes and assessments payable by Tenant being collectively referred to herein

as "**Taxes**") prior to delinquency or imposition of any fine, penalty, interest or other cost. If any of the foregoing may, at the option of the taxpayer, be paid in installments, Tenant may exercise such option to pay the same in installments (whether or not interest shall accrue on the unpaid balance) as the same respectively become due and before any delinquency, fine, penalty, or further interest or costs may be added thereto. Notwithstanding the foregoing, any Taxes which become payable upon the recordation of any document related to this Lease shall be paid by the party requesting such recordation. If any refund shall be due from any taxing authority in respect of any imposition paid by Tenant during the Term, the same shall be paid over to or retained by Tenant.

4.2 Proration. At the commencement and at the end of the Term, all Taxes and assessments shall be prorated.

4.3 Right to Protest. Landlord and/or Tenant shall have the right, but not the obligation, to protest the amount or payment of any real or personal property taxes or assessments levied against the Premises; provided that in the event of any protest by Tenant, Landlord shall not incur any expense because of any such protest. Tenant shall diligently and continuously prosecute any such protest and notwithstanding such protest Tenant shall pay any tax, assessment or other charge before the imposition of any penalty or interest. Likewise, in the event of any protest by Landlord, Tenant shall not incur any expense because of any such protest (including penalties and/or interest).

4.4 Tax Bills. Each party shall promptly forward to the other party copies of all tax bills and payment receipts relating to the Premises received by such party.

4.5 Tax Indemnity. In the event any Taxes, or fine, penalty, and/or interest thereon are at any time assessed against Landlord by any state in which a portion of the Premises is located or any local governmental entity or authority as a result of or arising out of the lease of the Premises by Tenant from Landlord, or Landlord becomes liable for any reason for any liability of Tenant for Taxes or for any fine, penalty, or interest thereon, whether such assessment arises from the sole liability of Landlord or from the joint liability of Landlord and Tenant, and Landlord pays such assessment or liability, Tenant hereby agrees to pay to the Landlord an amount equal to the amount of such assessment of Taxes, together with any fine, penalty and interest. Such payment shall be due and payable to Landlord on or before the thirtieth (30th) day following Tenant's receipt of a written notice from Landlord (pursuant to the notice provisions under this Lease) of any such assessment and payment. Tenant shall have the right, but not the obligation, to protest the amount or payment of such assessment (in whole or in part) against the Landlord, and Landlord will cooperate fully with Tenant in regard to such protest; provided that in the event of any protest by Tenant, Landlord shall not incur any expense because of such protest. Tenant shall diligently and continuously prosecute any such protest. To the fullest extent permitted by law, Tenant agrees to protect, indemnify, defend and save harmless Landlord, its directors, officers, shareholders, agents, and employees from and against any and all foreseeable or unforeseeable liability, expense, loss, costs, deficiency, fine, penalty, interest, or other damages (including, without limitation, punitive or consequential damages, reasonable attorneys' fees, and expenses) arising out of or due to any tax protest by Tenant pursuant to Section 4.3 hereof whether such items arise from the sole liability of Landlord or from the joint liability of Landlord and Tenant (provided, however, that such indemnification obligation of Tenant shall not apply to any protest by Landlord pursuant to Section 4.3). Upon receiving notice of or information concerning any suit, claim or demand, including any proposed tax audit

of Landlord or any proposed tax assessment, asserted by a third party that Landlord believes is covered by the indemnity set forth in this Lease, Landlord shall give Tenant notice of same. Tenant shall defend Landlord against such matter at Tenant's sole cost and expense with legal counsel reasonably satisfactory to Landlord.

4.6 Impound. Unless otherwise agreed to by Landlord and Senior Lender, Tenant shall deposit with Landlord or Senior Lender, commencing on the Effective Date and at the time of each payment of an installment of Minimum Rent, one-twelfth (1/12) of (a) the amount sufficient to discharge the annual amount of real property Taxes and assessments secured by a lien encumbering any portion of the Premises as and when they become due, (b) the amount sufficient to discharge the annual amount of personal property taxes and assessments on Landlord Personal Property and Tenant Personal Property as and when they become due, and (c) payments required pursuant to Section 6.1.3. In addition, upon request of Landlord or Senior Lender (subject to the provisions of Section 5.1 below), Tenant shall deposit with Landlord or Senior Lender, at the time of each payment of an installment of Minimum Rent, one-sixteenth (1/16), or six and one quarter percent (6.25%) of the annual premium for the insurance policies required pursuant to Section 5 herein. Such amounts shall be held by Landlord, or the Senior Lender, and shall be applied to the payment of the obligations with respect to which the amounts were deposited. In the event that Landlord is the recipient of any payment toward future, unpaid real property Taxes and assessments coming due during the term of this Lease, Landlord shall deposit such payment, if any, into the real property Tax escrow account with Senior Lender. If at any time within thirty (30) days prior to the due date of any of the aforementioned obligations the amounts then on deposit therefore shall be insufficient for the payment of such obligation in full, Tenant shall within ten (10) days after written demand, deposit the amount of the deficiency with Landlord or Senior Lender, as directed. If the amounts deposited are in excess of the actual

obligations for which they were deposited, Landlord shall hold the same in a reserve account, not in trust and not bearing interest, and reduce proportionately the required monthly deposits for the ensuing Lease Year; provided that any such excess with respect to the final Lease Year of the Term shall be refunded to Tenant within thirty (30) days of the end of the Term. Tenant shall deliver to Landlord or Landlord's agent, if so directed by Landlord, all Tax bills, assessment statements and bills for insurance required under Section 5, as soon as the same are received by Tenant. Upon payment by Landlord of any sums from the impound described in this Section 4.6, Landlord shall notify Tenant of the amount that was disbursed and the party that received the disbursement. If Landlord sells or assigns this Lease, Landlord shall transfer all amounts deposited by Tenant pursuant to this Section 4.6 to the purchaser or assignee, and provided Landlord shall have complied with its obligations hereunder, Landlord shall thereafter be released from all responsibility related to, and shall have no further liability for the application of such deposits from and after the date of such sale or assignment, and to the extent Landlord transfers such amounts, Tenant shall look solely to such purchaser or assignee for such application and for all responsibility related to such deposits.

4.7 Other Charges. Tenant agrees to pay and discharge, punctually as and when the same shall become due and payable without penalty, all electricity, gas, garbage collection, cable television, internet cable, telephone, water, sewer, and other utilities costs and all other charges, obligations or deposits assessed against the Premises during the Term. In addition, Tenant agrees to pay any rent due to third party landlords, including, after the Maple Crest Effective Date, rent due pursuant to the Maple Crest Lease, directly to such third party as required under such lease agreement.

5. Insurance.

5.1 General Insurance Requirements. Tenant shall provide, or cause Master Tenant to provide, all insurance required by Landlord or Senior Lender as set forth in this Article 5, on terms which are reasonably acceptable to Landlord and any existing or future Senior Lender, or as may otherwise be approved by Landlord and any Senior Lender from time to time. All insurance provided for in this Lease shall be maintained under valid and enforceable policies issued by Master Tenant's affiliated captive insurance company (to the extent maintained by Master Tenant), pursuant to the provisions of Section 5.15 below, or insurers of recognized responsibility, licensed and approved to do business in the jurisdiction in which the Premises is located, having a general rating of B++ or better by Demotech, or a general policyholders rating of not less than A-X or better by Best's Key Rating Guide and with a claims paying ability rating from S&P of at least AA; provided, however, that if Tenant's affiliated captive insurance company is not rated, then Tenant shall maintain a licensed, rated frontage policy with the same rating requirements as set forth in this Section 5.1. Landlord acknowledges and approves of Master Tenant's existing insurance through its affiliated captive insurance company, as reflected in the insurance certificates attached hereto as Schedule 5.1. Any changes to the insurance coverage existing as of the Effective Date shall be subject to the approval of Landlord and Senior Lender. Upon request of Landlord or Senior Lender, Tenant shall, or shall cause Master Tenant to, periodically update the insurance coverage required pursuant to this Article 5 to be consistent with market and industry standards. In addition, Tenant shall provide to Landlord, (i) prior to the commencement of each Lease Year, a schedule of insurance premiums due during such Lease Year and (ii) written evidence of actual payment of insurance premiums in accordance with the schedule of insurance premiums, at least five (5) business days prior to the date payment is due pursuant to the insurance premium schedule. If Tenant fails to make any payment of insurance

premiums as required pursuant to the preceding sentence, Landlord shall have the right to require Tenant to impound the annual premium for the insurance policies required hereunder, and such payments shall be made on a monthly basis pursuant to Section 4.6 herein. Any and all policies of insurance required under this Lease shall (a) name Landlord, Senior Lender and, to the extent maintained by Master Tenant, Tenant, as additional insureds; (b) contain a standard noncontributory mortgage clause and a lender's loss payable endorsement, or their equivalent, naming Senior Lender (or any other party designated by Senior Lender) as the party to which all payments made by such insurance company shall be paid; provided, however, the use of funds shall be in accordance with Section 13; and (c) notwithstanding anything contained in this Article 5 to the contrary, satisfy all commercially reasonable requirements of the Senior Loan documents. Except as otherwise provided in this Lease, any and all policies of insurance required under this Lease, other than policies required pursuant to Sections 5.3 and 5.4, shall be on an "occurrence" basis. The policies under Sections 5.3 and 5.4 shall be on a "claims made" basis. In addition, Landlord and Senior Lender shall be shown as the loss payable beneficiary under the casualty insurance policies maintained by Tenant pursuant to Section 5.2. All policies of insurance required herein may be in the form of "blanket" or "umbrella" type policies (provided that such "blanket" or "umbrella" policies are in compliance with the terms of any Senior Loan documents) which shall name the Landlord, Tenant, Senior Lender and Master Tenant as their interests may appear and allocate to the Premises the full amount of insurance required hereunder. Original policies or satisfactory certificates from the insurers evidencing the existence of all policies of insurance required by this Lease and showing the interest of the Landlord and the Senior Lender shall be provided to Landlord prior to the commencement of the Term and shall provide that the subject policy may not be canceled, modified or reduced except upon not less than thirty (30) days prior written notice to Landlord and the Senior Lender. On

Landlord's request, after the Effective Date, Tenant shall provide Landlord with a complete copy of any insurance policy evidenced by a certificate within sixty (60) days of such request. Originals of the renewal policies or certificates therefore from the insurers evidencing the existence thereof shall be provided to Landlord at least thirty (30) days prior to the expiration dates of the policies. If Landlord is provided with a certificate for a renewal policy, upon Landlord's request, Tenant shall deliver a copy of the complete renewal policy to Landlord within sixty (60) days of the expiration of the replaced policy. Any claims under any policies of insurance described in this Lease shall be adjudicated by and at the expense of Tenant or of its insurance carrier, but shall be subject to joint control of Tenant and Landlord. Each insurance policy required under this Lease shall contain a provision that such policy shall not be cancelled or amended, including, without limitation, any amendment that would reduce the scope or limit coverage or remove any endorsement to such policy or cause the same to no longer be in full force and effect, or fail to be renewed, without at least thirty (30) days prior written notice to Landlord and Senior Lender in each instance.

5.2 Fire and Extended Coverage. Tenant shall keep, or cause Master Tenant to keep, the Premises insured against loss or damage from all causes under standard "all risk" property insurance coverage, without exclusion for fire, lightning, windstorm, explosion, smoke damage, vehicle damage, sprinkler leakage, flood, vandalism, earthquake, malicious mischief or any other risks as are normally covered under an extended coverage endorsement, in the amounts that are not less than the Full Insurable Value of the Premises including all equipment and personal property (whether or not Landlord Personal Property) used in the operation of the Premises subject to an agreed upon loss limit to be approved by Senior Lender. In addition, the casualty insurance required under this Section 5.2 will include an agreed amount endorsement

such that the insurance carrier has accepted the amount of coverage and has agreed that there will be no co-insurance penalty.

5.3 **Insurance Obtained by Landlord**. If Tenant fails to provide to Landlord evidence of insurance as required by Section 5.1 above, or maintain the insurance coverages required by this Lease, Landlord, at Landlord's sole option, may obtain such insurance coverage at Tenant's sole expense, and the cost of such insurance shall be immediately payable to Landlord as additional rent under this Lease.

5.4 **Professional and Public Liability Insurance**. Tenant shall maintain, or cause Master Tenant to maintain, through Master Tenant's affiliated captive insurance company, with respect to the Premises, (a) insurance against liability imposed by law including contractual liability upon Master Tenant for damages on account of professional services rendered or which should have been rendered by Master Tenant or any Person for which acts Master Tenant is liable on account of injury, sickness or disease, including death at any time resulting therefrom, and including damages allowed for loss of service, and (b) commercial general public liability insurance coverage (including products liability, contractual liability and broad form coverage) against claims for bodily injury, death or property damage occurring on, in or about the Premises and the adjoining sidewalks and passageways, in amounts equal to those shown on the insurance certificates attached hereto as Schedule 5.1, provided that Landlord may make reasonable modifications to such requirements consistent with industry practices, subject to the prior approval of Senior Lender.

5.5 **Workers Compensation**. Tenant shall comply, and cause Master Tenant to comply, with all legal requirements regarding worker's compensation, including any requirement

to maintain worker's compensation insurance and employer's liability insurance against claims for injuries sustained by Tenant's employees in the course of their employment.

5.6 Boiler Insurance. If applicable, Tenant shall maintain, or cause Master Tenant to maintain, with respect to the Premises, boiler and pressure vessel insurance, including an endorsement for boiler business interruption insurance, on any fixtures or equipment which are capable of bursting or exploding, in an amount not less than the replacement cost for the Premises, resulting from such perils.

5.7 Business Interruption Insurance. Tenant shall maintain, with respect to the Premises, at its expense, business interruption insurance, including use and occupancy, rental income loss and extra expense, insuring against loss of rental value for the benefit of the Landlord for a period not less than one (1) year.

5.8 Flood Insurance. Tenant shall keep (or cause to be kept) the Premises insured against loss by flood if the Premises is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994 (and any successor acts thereto) in an amount at least equal to the lesser of (i) the Full Insurable Value with respect to the Premises, or (ii) the maximum limit of coverage available under said act.

5.9 Builder's All Risk Insurance. During any period of restoration or construction, Tenant shall carry or cause third parties to carry builder's "all risk" insurance in an amount equal to not less than the Full Insurable Value of the Premises against such risks (including, without limitation, fire and extended coverage and collapse of the improvements to

agreed limits) as Landlord may reasonably request, in form and substance acceptable to Landlord. In addition, each contractor and subcontractor shall be required to provide a certificate of insurance for worker's compensation and employer's liability insurance and general liability insurance in minimum limits of at least One Million Dollars ($1,000,000), including coverage for premises/operations and products and completed operations. All such insurance provided by any contractor or subcontractor shall also cover Landlord and Senior Lender as additional insureds.

5.10 **Ordinance or Law Coverage**. Tenant shall maintain, or cause Master Tenant to maintain, ordinance or law coverage to compensate for the cost of demolition, increased cost of construction, and loss to any undamaged portions of the improvements, if the current use of the Premises or improvements themselves are or become "nonconforming" pursuant to the applicable zoning regulations, or full rebuildability following casualties is otherwise not permitted under such zoning regulations.

5.11 **Tail Insurance**. If, during the Term, Tenant is covered by general liability, professional liability, residential healthcare malpractice or other liability insurance on a "claims made" basis, ninety (90) days before the termination of this Lease, Tenant at its option shall procure and maintain, at Tenant's sole cost and expense, an extended reporting endorsement or "tail" insurance coverage, with such coverage limits and such deductible amounts as shall be reasonably acceptable to Landlord for general liability, professional liability, residential healthcare professional malpractice or other liability claims reported after the termination of this Lease or expiration of the claims made policy, but concerning services provided during the Term or the claims made policy. Tenant shall provide Landlord with a certificate evidencing such coverage no later than ninety (90) days before the termination of this Lease. If Tenant fails to provide the insurance required under this Section 5.11, Landlord shall have the right to apply any

portion of the Security Deposit to procure and maintain the insurance required under this Section to the extent such coverage is available at commercially reasonable rates.

5.12 Waiver of Subrogation. Landlord and Tenant hereby waive any right of subrogation and right of recovery or cause of action for injury or lawsuit to the extent that such injury or loss is covered by fire, extended coverage, "all risk" or similar policies covering real property or personal property required to be obtained and maintained under this Lease (or which would have been covered if the party claiming such right of subrogation or recovery or cause of action had carried the insurance required by this Lease) or covered by any other insurance maintained by the waiving party. Written notice of the terms of the above mutual waiver shall be given to the insurance carriers of Landlord and Tenant, and the parties' insurance policies shall be properly endorsed, if necessary, to prevent the invalidation of the policies by reason of such waivers. At any time that this paragraph operates to the benefit of Landlord, Senior Lender shall similarly benefit hereby.

5.13 Additional Insurance. Tenant shall obtain such additional, customary or commercially reasonable insurance for the Premises as Landlord or Senior Lender may reasonably request. Upon the occurrence of a Capital Event for Landlord, Tenant acknowledges and agrees that the insurance requirements of this Lease may be amended to conform to any revised standards or requirements of the Senior Lender or any new lender.

5.14 Deductible Amounts. The policies of insurance which Tenant is required to provide under this Lease will not have deductibles or self-insured retentions in excess of the amounts shown on Schedule 5.1 attached hereto, unless a greater amount is approved by each of Landlord, Senior Lender, and junior lender, if any, in writing, and with such approval not to be unreasonably withheld if (a) the increased deductible will not have a material adverse impact on

the financial condition of Tenant and (b) such deductible or self-insured retention is not available on commercially reasonable economic terms.

5.15 Insurance Captive.

5.15.1 Tenant shall have the right to cause Master Tenant to utilize its established insurance captive (the "**Insurance Captive**") to satisfy the professional liability and general liability insurance requirements under Article 5 on the terms and conditions of Section 5.15. Tenant shall cause Master Tenant to fully disclose and provide copies of all reports, documents and agreements pertaining to the proposed Insurance Captive (and/or the applicable "cells" used for Tenant and Subtenants) to Landlord and Senior Lender, which shall include, at a minimum, (i) on or before the Effective Date, the policy forms and actual captive contracts (including any credit wrap) for the Insurance Captive, which shall be in form and substance reasonably satisfactory to Landlord and Senior Lender; (ii) within one hundred twenty (120) days after the end of each Lease Year, statements required to be filed with the applicable insurance regulator, annual audited financial statements and annual captive managers report for the Insurance Captive (and/or the applicable "cells" used for Tenant and Subtenants); (iii) within forty-five (45) days after the end of each calendar quarter, quarterly unaudited financial statements or other financial reporting of such captive insurance company (and/or the applicable "cells" used for Tenant and Subtenants); and (iv) within ninety (90) days after the end of each Lease Year, all studies, opinions and reports (the "**Insurance Studies**") performed by actuaries or insurance advisors that have been engaged by or on behalf of Tenant and acceptable to Landlord, in its reasonable discretion, including, but not limited to, all loss runs (including all open and closed reported claims and paid losses), all reinsurance agreements, ACORD forms (or equivalent) and quarterly loss summary versus reserve reports, for the purpose of establishing,

implementing and maintaining the captive or other self-insurance retention program for the professional and general liability claims (or any other claims to the extent the liability is covered by such captive or other self-insurance retention program) of Tenant, Master Tenant and the Premises. For so long as any captive insurance arrangements are used by Tenant, Master Tenant and Subtenants, any such captive insurance arrangement shall be funded pursuant to annual actuarial estimates for the facilities covered by such captive insurance arrangements.

5.15.2 The Insurance Captive shall:

(i) maintain a balance sheet liability for reserves, claims, and the estimated costs associated with settling, adjudicating, and otherwise resolving professional liability and general liability claims, in an amount recommended by any nationally recognized actuarial firm selected by the Insurance Captive;

(ii) establish and maintain assets in an amount per annum equal to the estimated ultimate losses and costs, as set forth in the most recent Insurance Study, discounted in accordance with GAAP;

(iii) preserve and maintain its legal existence and its rights, privileges, franchises, and permits necessary to conduct its business; and

(iv) not own assets unrelated to or conduct business other than in connection with the self insurance program.

5.15.3 Tenant shall not permit Master Tenant to request or permit any material alteration or modification to the Insurance Captive policy and/or provider without (i) at least thirty (30) days prior written notice to Landlord and Senior Lender in each instance, and (ii)

the prior written consent of Landlord and Senior Lender in each instance, which consent shall not be unreasonably withheld.

6. Use, Maintenance and Alteration of the Premises.

6.1 Tenant's Maintenance Obligations.

6.1.1 Tenant shall be solely responsible for keeping and maintaining the Premises in good appearance, repair and condition and maintain proper housekeeping. Tenant shall promptly make or cause to be made all repairs, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary to keep the Premises in working condition, properly repaired, replaced and maintained in the ordinary course of business.

6.1.2 As part of Tenant's obligations under this Section 6.1, Tenant shall be solely responsible for maintaining all Landlord Personal Property and all Tenant Personal Property in working order sufficient for normal operation of its business, properly maintained by Tenant in the ordinary course of business. Subject to the foregoing, Tenant shall repair and replace such property consistent with prudent industry practice for the applicable Healthcare Use.

6.1.3 Without limiting Tenant's obligation to maintain the Premises under this Lease, Tenant shall pay to Landlord or, at Landlord's election, the Senior Lender, with each installment of Minimum Rent, commencing on the first day of the first month of the third Lease Year, one-twelfth (1/12) of an annual amount equal to Three Hundred Dollars ($300.00) per Licensed Bed (the "**Capital Expenditure Amount**"). Such funds shall be the sole property of Landlord and may be held in a separate account

subject to the control of the Senior Lender, but portions thereof shall from time to time be disbursed to Tenant if Tenant submits to Landlord the Capital Expenditure Documents and such other evidence as Landlord may reasonably require evidencing that Tenant has incurred expenses for Capital Expenditures together with a request for Landlord or Senior Lender to reimburse Tenant pursuant to the Capital Expenditure Documents. Landlord shall request Senior Lender to make each such disbursement payment within thirty (30) days of the submission by Tenant of the applicable material required hereunder. Landlord shall not be obligated to disburse to Tenant any amount in excess of the escrow amount or more than once in any thirty (30) day period. Any funds being held by Landlord at the expiration of the Term shall be the sole property of Landlord. Tenant shall not be entitled to a disbursement of any Capital Expenditures during the continuance of an Event of Default. Senior Lender or Landlord may, at any time and from time to time, cause to be made inspections of the Premises by a qualified third party inspector. If any inspection report from any such third party inspection reasonably recommends that Capital Expenditures are required to cause the Premises to conform to standards that existed on the Effective Date, Landlord shall provide Tenant with a written description of such needed Capital Expenditures and Tenant shall complete the required needed Capital Improvements to the reasonable satisfaction of Landlord within ninety (90) days of receipt of such description, or, in the event such Capital Improvements cannot be completed within ninety (90) days, Tenant shall diligently prosecute the same to completion within one hundred twenty (120) days of receipt of such description. Any interest that accrues on the funds in the Capital Expenditures account shall at all times remain in the Capital Expenditures account and may be used for Capital Expenditures.

6.2 Regulatory Compliance; Qualified Care.

6.2.1 (a) Tenant shall be solely responsible for maintaining or causing to be maintained by Subtenants any and all licensing necessary in the operation of the Premises for the applicable Healthcare Use, with certification through the Medicare and Medicaid (or any successor) programs, if applicable. Further, Tenant shall be solely responsible for ensuring that the Premises continues to be operated as the applicable Healthcare Use, licensed for not less than the applicable number of beds set forth on Schedule 1 attached hereto (as such Schedule may be amended or supplemented from time to time, provided that Tenant shall give Landlord at least thirty (30) days prior written notice of any such amendment or supplement to the Schedule and such amendment shall not be effective, except with Landlord's written approval, which shall not be unreasonably withheld, provided that such amendment shall not cause a default under the Senior Loan documents), all without any suspension, revocation, decertification or other limitation, including without any limitation on admissions or the ability to continue to provide services. Further, Tenant shall not commit any act or omission that would in any way violate any certificate of occupancy affecting any portion of the Premises.

(b) Tenant shall maintain such books, records and other material relating to the Premises, including, but not limited to patient records and records of patient funds, prior to the commencement of and during the Term, in the manner required by law.

6.2.2 (a) All inspection fees, costs and charges associated with maintaining such licensure or certification or a change of such licensure or certification

shall be borne solely by Tenant. Tenant shall be solely responsible for and shall bear all costs and expenses incurred in connection with any requirements of regulatory inspections or surveys conducted after the Effective Date and during the Term and implementing any plans of correction relating to such surveys or inspections. Subject to the requirements of applicable law, Tenant agrees that it shall not request any regulatory inspection or survey of the Premises by any regulatory authority until after the Effective Date.

(b) Tenant shall be solely responsible at its sole cost to make any additions or alterations to the Premises necessitated by, or imposed in connection with, a change of ownership inspection survey for the transfer of operation of the Premises from Tenant or Tenant's assignee to Landlord or Landlord's designee at the expiration or termination of the Term.

(c) Tenant represents and warrants that to the best of its knowledge and belief, it has fully completed and timely filed all licensure, change of ownership/operator, provider enrollment, provider certification, and provider application forms necessary for all payors, including Medicare and Medicaid, to initiate reimbursement to Tenant or Subtenants for program services. Tenant further represents and warrants that it has taken and will take all necessary measures to insure and expedite prompt commencement of such reimbursement following the Effective Date.

6.3 **Continuous Operations; Permitted Use.** Tenant shall continuously use and operate the Premises during the Term as the applicable Healthcare Use, licensed for not less than the applicable number of beds set forth on Schedule 1, and for ancillary services relating thereto, and for no other purpose.

6.4 **No Liens; Permitted Contests**. Except for liens with respect to the Working Capital Financing as set forth in Section 8.4, Tenant shall not cause or permit any liens, levies or attachments to be placed or assessed against any portion of the Premises or the operation thereof for any reason. Any liens other than liens pursuant to the terms of Section 8.4 which may be filed against the Premises shall be removed or bonded off by Tenant within thirty (30) days after Tenant receives notice of any such filing. However, Tenant shall be permitted in good faith and at its expense to contest the existence, amount or validity of any lien upon any portion of the Premises by appropriate proceedings sufficient to prevent the collection or other realization of the lien or claim so contested, as well as the sale, forfeiture or loss of any portion of the Premises or any rent to satisfy the same. If any lien is contested, Tenant shall provide Landlord with security satisfactory to Landlord in Landlord's reasonable judgment to assure the foregoing. Each contest permitted by this Section 6.4 shall be promptly and diligently prosecuted to a final conclusion by Tenant.

6.5 **Alterations by Tenant**. In addition to the Initial Capital Improvements as defined in Section 6.6 below, Tenant shall have the right to alter, improve, replace, modify or expand the Premises, equipment or appliances in the Premises from time to time as it may determine is desirable for the continuing and proper use and maintenance of the Premises under this Lease; provided, however, that any alterations, improvements, replacements, expansions or modifications in excess of One Hundred Seventy Five Thousand Dollars ($175,000.00) with respect to each Facility included in the Premises in any rolling twelve (12) month period shall require the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. It shall be reasonable for Landlord to require appropriate insurance, security for payment of the costs incurred for the project, prior approval of the plans for the project and Senior Lender's written approval for any such project. The cost of all such

alterations, improvements, replacements, modifications, expansions or other purchases, whether undertaken as an on-going licensing, Medicare or Medicaid (or any successor program) or other regulatory requirement or otherwise shall be borne solely and exclusively by Tenant and shall immediately become a part of the Premises and the property of the Landlord subject to the terms and conditions of this Lease. All work done in connection therewith shall be done in a good and workmanlike manner and in compliance with all existing codes and regulations pertaining to the Premises and shall comply with the requirements of insurance policies required under this Lease. In the event any items of the Premises have become inadequate, obsolete or worn out or require replacement (by direction of any regulatory body or otherwise), Tenant shall remove such items and exchange or replace the same at Tenant's sole cost and the same shall become part of the Premises and property of the Landlord.

6.6 Initial Capital Improvement Investment. (a) Landlord and Tenant hereby agree to provide an initial investment equal to Ten Million Dollars ($10,000,000.00) ("**Initial Capital Expenditure Amount**") to fund capital improvements which shall be mutually agreed upon by Landlord and Tenant, subject to the approval of Senior Lender, including without limitation, installation of sprinklers at certain Facilities (the "**Initial Capital Improvements**"). Within one hundred sixty-five (165) days after the Effective Date, Tenant shall submit to Landlord, for approval by Landlord, a description of the Initial Capital Improvements, including a schedule for completion and a construction budget for the Initial Capital Improvements, for approval by Senior Lender. Once approved, neither the completion schedule nor the construction budget for the Initial Capital Improvements may be modified without the prior written consent of Landlord and Senior Lender, such consent not to be unreasonably withheld. Notwithstanding anything to the contrary contained in this Lease, the consent of neither Landlord nor Senior Lender will be required: (a) to extend the completion schedule by thirty (30) days or

less or (b) to modify any line item in the construction budget by less than Two Hundred Fifty Thousand Dollars ($250,000.00). The Initial Capital Expenditure Amount shall be funded as follows:

(1) Landlord shall provide Five Hundred Thousand Dollars ($500,000.00) in cash on the Effective Date ("**Landlord's Initial Investment**") for performance of the Initial Capital Improvements by Tenant. Landlord's Initial Investment shall be payable to Tenant upon receipt of a Payment Request (as defined in Section 6.6(b) below) or, at Tenant's option, Landlord shall pay directly to the third party vendor pursuant to a written invoice.

(2) Tenant shall fund, or cause Master Tenant to fund, an amount equal to Three Million Dollars ($3,000,000.00) ("**Tenant's Initial Investment**") for performance of the Initial Capital Improvements. On or before the Effective Date, Master Tenant shall have in place a committed credit line, cash escrow or letter of credit in the amount of the Tenant's Initial Investment, and shall provide written evidence of such source of funding to Landlord. Prior to delivering any Payment Request to Landlord for Landlord's Contribution (as set forth below), Tenant shall provide to Landlord and Senior Lender written invoices for work completed and evidence of payment for the full amount of Tenant's Initial Investment.

(3) After Tenant's Initial Investment is fully funded, Landlord (through a credit line with Senior Lender) shall fund a maximum amount equal to Six Million Two Hundred Fifty Thousand Dollars ($6,250,000.00) ("**Landlord's Contribution**"). Payment of Landlord's Contribution shall be pursuant to submission of Payment Requests by Tenant for approval by Landlord and Senior Lender, as set forth in Section 6.6(b) below.

(4) The remainder of the Initial Capital Expenditure Amount, which shall be no more than Two Hundred Fifty Thousand Dollars ($250,000.00) (the "**Remainder**"), if required to complete the Initial Capital Improvements, shall be funded from Excess Cash Flow before the payment of Percentage Rent. Within thirty (30) days after the end of the quarter in which the Remainder is funded, Tenant shall provide written invoices and evidence of payment of such invoices to Landlord.

(b) Tenant shall perform or cause to be performed the Initial Capital Improvements, in accordance with the terms of Section 6.5 above. For funding the Landlord's Initial Investment and Landlord's Contribution, Tenant shall provide a written request for the approval of Landlord and Senior Lender for payment, including paid written invoices (each, a "**Payment Request**"), at least thirty (30) days prior to the date payment is due for the Initial Capital Improvements. With respect to the Landlord's Contribution, Landlord agrees to provide payment to Tenant (or, at Landlord's option, directly to any third party contractor or supplier) in an amount equal to the amount shown on the invoice provided with the Payment Request, provided the following requirements are satisfied: (i) no Event of Default exists hereunder and no material adverse change has occurred on the Premises; (ii) Tenant provides paid written invoices for completed Initial Capital Improvements reasonably acceptable to Landlord and Senior Lender; (iii) Payment Requests are made no more than once every thirty (30) days; (iv) the amount of each Payment Request shall be no less than Two Hundred Thousand Dollars ($200,000.00); and (v) Tenant shall provide to Landlord the Capital Expenditure Documents and all additional documentation reasonably required from Landlord or Senior Lender for the Landlord's Initial Investment or Landlord's Contribution (as applicable), including, but not limited to, lien waivers, inspection reports, and title endorsements. Notwithstanding any provision contained herein to the contrary, either Landlord or Senior Lender may refuse to approve any Payment Request if any of the

requirements set forth in this Section 6.6 have not been satisfied or if the work performed was not as agreed on Schedule 6.6 or necessary in Landlord's reasonable discretion.

(c) The Initial Capital Improvements shall be substantially completed by Tenant, or Master Tenant, on or before the third anniversary of the Effective Date (the "**Completion Date**"). In the event that the Landlord's Contribution has not been fully disbursed by the Completion Date, then Tenant shall have no further right to submit any Payment Requests to Landlord and the remainder of the Initial Capital Improvements shall be completed by Tenant, at its sole expense, as soon as practicable. In the event that the failure to complete the Initial Capital Improvements causes any Facility to be in violation of any Healthcare Requirements or any other applicable law, then such failure shall be an Event of Default pursuant to Section 11.1.15 hereunder.

7. **Condition of Premises**. Tenant acknowledges that it has expertise in the Healthcare Use industry. Tenant has thoroughly investigated the Premises, has selected the Premises to its own specifications, and has concluded that, except as set forth in Section 6.6 above, no improvements or modifications to the Premises are required to operate the Premises for its intended use. Tenant accepts the Premises for use as licensed for the Healthcare Use applicable for the Premises under this Lease on an "AS IS" basis, and assumes all responsibility and cost for correcting any observed or unobserved deficiencies or violations. In making its decision to enter into this Lease, Tenant has not relied on any representations or warranties, express or implied, of any kind from Landlord except to the extent expressly set forth in this Lease. Landlord represents and warrants that as of the Effective Date it shall have good and indefeasible title in the Premises subject to the exceptions set forth on Exhibit C. Landlord expressly makes no representations or warranties as to the physical condition of the Premises or the habitability or

fitness of the Premises for any particular use or purpose, including, without limitation, (i) its soundness for any construction or other building purposes, (ii) the availability of any utilities to the Premises, and (iii) the existing zoning. Tenant hereby agrees and acknowledges that it is solely Tenant's responsibility to ensure that Tenant has all necessary licenses or permits with respect to its permitted use and operation of the Premises and hereby releases and indemnifies Landlord for any claims arising in connection therewith.

8. Landlord and Tenant Personal Property.

8.1 Tenant Personal Property. Tenant and Subtenants shall install, affix or assemble or place on the Premises at its sole cost and expense all items of furniture, fixtures, equipment and supplies not included as Landlord Personal Property as is reasonably necessary for the use of the Premises as contemplated by this Lease (the **"Tenant Personal Property"**). Tenant and Subtenants shall provide and maintain during the entire Term all Tenant Personal Property as shall be necessary to operate the Premises in compliance with all requirements set forth in this Lease. Subject to the provisions of Section 15.2 below, all Tenant Personal Property shall be and shall remain the property of Tenant or Subtenant and may be removed by Tenant or Subtenant on the expiration of the Term. However, if there is any Event of Default which results in the termination of this Lease, Tenant will not remove the Tenant Personal Property from the Premises and will on demand from Landlord, convey all of Tenant's interest, or cause Subtenant to convey all of Subtenant's interest, in the Tenant Personal Property to Landlord by executing a bill of sale in a form reasonably required by Landlord. At Landlord's option, Tenant or Subtenant shall remove the Tenant Personal Property within thirty (30) days after receipt of a written request by Landlord and Tenant or Subtenant will repair all damage to the Premises caused by any removal of the Tenant Personal Property.

8.2 **Landlord's Security Interest**.

8.2.1 The parties intend that if Tenant defaults under this Lease, Landlord will control the Tenant Personal Property, including the Intangible Property, so that Landlord or its designee can operate or re-let the Premises intact for use as licensed for the Healthcare Use applicable for the Premises.

8.2.2 Therefore, to implement the intention of the parties, and for the purpose of securing the payment and performance of Tenant's obligations under this Lease, Tenant, as debtor, hereby grants to Landlord, as secured party, a security interest in and an express contractual lien upon, all of Tenant's right, title and interest in and to the Tenant Personal Property, including the Intangible Property, and any and all products and proceeds thereof, in which Tenant now owns or hereafter acquires an interest or right, including any leased Tenant Personal Property. The contractual lien granted to Landlord in the Tenant Personal Property is subject to any contractual lien rights of the Working Capital Lender (as defined in Section 8.4) in the Tenant Personal Property. This Lease constitutes a security agreement covering all such Tenant Personal Property, including the Intangible Property. At Landlord's sole option, Tenant shall execute a separate security agreement granting Landlord the security interests in Tenant Personal Property, including the Intangible Property. Additionally, at Landlord's sole option, Tenant shall cause each Subtenant to execute a security agreement, granting Landlord a security interest in and express contractual lien on all of each such Subtenant's right, title and interest in and to the Tenant Personal Property and the Intangible Property, and in any property of Subtenants used in connection with the operation of the Premises. The security interest granted to Landlord in this Section 8.2.2 is intended by Landlord and

Tenant to be a first lien security interest in such property and shall not be inferior or subordinate to any other lien or financing except as set forth in Section 8.4 and except as to de minimis equipment liens not to exceed Ten Thousand Dollars ($10,000.00) per Facility. Landlord shall have the option to assign this security interest, and any separate security agreement which may be executed by Tenant, to Senior Lender, upon written notice to Tenant. This security agreement and the security interest created herein shall survive the termination of this Lease if such termination results from the occurrence of an Event of Default.

8.3 Financing Statements. Prior to the commencement of the Lease and if required by Landlord at any other time during the Term, Tenant shall execute and deliver to Landlord (and cause all Subtenants to execute and deliver), in a form reasonably satisfactory to Landlord, additional security agreements, financing statements, fixture filings and such other documents as Landlord may reasonably require to perfect or continue the perfection of Landlord's security interest in the Tenant Personal Property, including the Intangible Property, and any and all products and proceeds thereof now owned or hereafter acquired by Tenant or any Subtenant. At Tenant's sole cost and expense, Landlord may file such documents in public offices and obtain such record searches as Landlord may reasonably require. Tenant hereby authorizes Landlord, on behalf of Tenant and any Subtenants, to file all financing and continuation statements necessary to perfect the security interests created herein. In the event Tenant fails to execute (or fails to cause any Subtenant to execute) any financing statements or other documents for the perfection or continuation of Landlord's security interest, Tenant hereby appoints Landlord as its true and lawful attorney-in-fact to execute any such documents on its behalf, which power of attorney shall be irrevocable and is deemed to be coupled with an interest.

8.4 **Accounts Receivable**. Landlord agrees to subordinate its contractual lien rights in Tenant's accounts receivable in favor of Senior Lender, or an Affiliate of Senior Lender, if Senior Lender or any such Affiliate makes a working capital credit facility available to Tenant, or in favor of any non-Affiliate of Senior Lender which provides Working Capital Financing to Tenant in compliance with the requirements of this Section 8.4. Any such subordination shall be in writing, signed by all parties and in a form reasonably acceptable to Landlord, Tenant and Senior Lender. Tenant may also obtain working capital financing or otherwise pledge any receivables as collateral ("**Working Capital Financing**") from a non-Affiliate of the Senior Lender if (i) the terms and conditions of this Section 8.4 have been satisfied; (ii) Tenant obtains written approval from Landlord and Senior Lender of the terms and conditions of such Working Capital Financing; (iii) no Event of Default exists hereunder; and (iv) such Working Capital Financing lender and Landlord (and Senior Lender, as applicable) have entered into an intercreditor agreement in form and substance reasonably acceptable to Landlord and Senior Lender. Landlord may withhold its consent in its sole discretion to any Working Capital Financing that does not satisfy the foregoing conditions. Landlord and Tenant acknowledge and agree that Tenant or Subtenants have or will obtain a credit line with Private Bank (the "**Working Capital Lender**") for its Working Capital Financing as of the Effective Date. Tenant shall not commingle any funds or accounts related to the Premises held by the Working Capital Lender with funds or accounts related to other properties owned or leased by Tenant or its Affiliates. Tenant and its Affiliates shall not be in default, beyond any applicable cure period, under any financing agreements with Working Capital Lender or any other provider of Working Capital Financing. The form of approved intercreditor agreement between Senior Lender and the Working Capital Lender is attached hereto as Exhibit G.

8.5 **Cash Management**.

8.5.1 On or before the Effective Date, Tenant shall establish and maintain with a United States depository institution designated by Landlord or Senior Lender ("**Account Bank**") a separate and unique collection account (the "**Account**") into which all revenues attributable to the Premises ("**Revenues**") shall be deposited, commencing on the Effective Date. If any such Revenues are forwarded to Tenant or Subtenant or its manager rather than directly to the Account, Tenant or Subtenant shall (i) deliver an irrevocable direction letter in form and substance satisfactory to Landlord to such entity and make other commercially reasonable efforts to cause such entity to forward such Revenues directly to the Account and (ii) immediately deposit such Revenues in the Account. Subject to the terms of Section 8.5.4 below, neither Tenant nor any Subtenant shall have the right to make or direct any withdrawals from the Account without the prior written consent of Landlord and Senior Lender.

8.5.2 So long as no Event of Default shall have occurred and be continuing, the Revenues shall be held uninvested in the Account and shall be applied as follows: (i) first, to the payment of any and all amounts due with respect to the Premises, including without limitation, Minimum Rent, Percentage Rent, any impounds pursuant to Section 4.6 herein and Management Fees; and (ii) second, as soon as practicably feasible, to an account designated by Tenant.

8.5.3 If an Event of Default has occurred and is continuing (and following the giving of any required notice): (i) Revenues deposited in the Account shall not be applied or deposited to the account designated by Tenant pursuant to Section 8.5.2(ii) and (ii) sums on deposit in the Account may be applied by Landlord for the payment of any amounts due Landlord pursuant to this Lease.

8.5.4 Contemporaneously with the creation of the Account, Landlord, Tenant (or Subtenant, as applicable), and Account Bank shall enter into a Deposit Account Control Agreement (the "**Control Agreement**") concerning the Account and implementing the provisions of this Section 8.5; provided, however, the Control Agreement shall provide that Landlord shall not exercise any control over the Account until Landlord provides written notice to Account Bank that an Event of Default has occurred and is continuing under this Lease. A fully executed original of the Control Agreement shall be held by Senior Lender and Landlord, and Tenant (or Subtenant, as applicable) shall not enter into any amendment, modification or supplement to the Control Agreement without the prior written consent and agreement of Landlord and Senior Lender.

8.5.5 The provisions set forth in this Section 8.5 shall be subject to the approval of Senior Lender. Any inconsistencies between this provision and the provisions in any working capital loan from Senior Lender or an Affiliate thereof and Tenant shall be governed by the terms and provisions of the working capital loan documents.

9. **Representations And Warranties.** Landlord and Tenant do hereby each for itself represent and warrant to each other as follows:

9.1 **Due Authorization And Execution.** This Lease and all agreements, instruments and documents executed or to be executed in connection herewith by such party were duly authorized and shall be binding upon such party.

9.2 **Due Organization.** Landlord and Tenant are duly organized, validly existing and in good standing under the laws of the State of their respective formations and are duly authorized and qualified to do all things required of the applicable party under this Lease within the State in which the Premises are located.

9.3 **No Breach of Other Agreements.** Neither this Lease nor any agreement, document or instrument executed or to be executed in connection herewith, violates the terms of any other agreement to which either Landlord or Tenant is a party.

10. **Financial, Management, Litigation and Regulatory Reports.**

10.1 **Monthly Property Reports.** Within thirty (30) days after the end of each calendar month during the Term (except for the first Lease Year, when the monthly financial reports shall be delivered by Tenant within forty five (45) days after the end of each calendar month), Tenant shall prepare and deliver monthly financial reports to Landlord and Senior Lender (on a consolidated basis for such period and year to date) consisting of a balance sheet, income statement (stating operating revenues, operating expenses and operating income), total patient days, occupancy and payor mix and nursing hours concerning the business conducted at the Premises, and, commencing in the second Lease Year, a comparison of actual results versus the budget and a comparison of actual results versus the prior year results, provided that the time for delivery of said reports may be extended in the event that the Senior Lender agrees in writing to extend same.

10.2 **Quarterly Financial Statements.** Within sixty (60) days after the end of each calendar quarter during the Term (except for the first Lease Year, when the quarterly financial statements shall be delivered by Tenant within seventy five (75) days after the end of

each calendar quarter), Tenant shall deliver to Landlord and Senior Lender the quarterly financial statements of Tenant, including quarterly statements of net cash flow, (consolidated, if applicable, with Tenant's Affiliates, including the manager of the Premises if the Manager is an Affiliate of Tenant, and all Subtenants), quarterly financial statements of the Premises, and, commencing in the second Lease Year, a comparison of actual results versus the budget and a comparison of actual results versus the prior year results.

10.3Annual Financial Statements. Within one hundred twenty (120) days after the end of each Lease Year (except for the first Lease Year, when the annual financial statements shall be delivered by Tenant within one hundred fifty (150) days after the end of the first Lease Year), Tenant shall deliver to Landlord and Senior Lender the annual financial statements of Tenant (consolidated, if applicable, with the Subtenants), audited by the Auditors, annual financial statements of the Premises and a comparison of actual results versus the budget and, commencing in the second Lease Year, a comparison of actual results versus the prior year results, and the Percentage Rent Report required by Section 3.2. The annual financial statements of Manager shall be provided by Tenant upon reasonable request by Senior Lender, and upon reasonable request by Landlord, but only in connection with the occurrence of a Capital Event of Landlord. Notwithstanding any of the other terms of this Section 10.3, if Tenant shall become subject to any reporting requirements of the SEC during the Term, Tenant shall concurrently deliver to Landlord such reports as are delivered to the SEC pursuant to applicable securities laws within five (5) days of filing with the SEC, provided that the time for delivery of said reports may be extended in the event that the Senior Lender agrees in writing to extend same.

10.4Accounting Principles. All of the reports and statements required hereby shall be prepared in accordance with GAAP, as defined herein.

10.5 Regulatory Reports and Notices. (a) Tenant shall within seven (7) Business Days of receipt thereof deliver to Landlord and Senior Lender all federal, state and local licensing and reimbursement certification surveys, inspection and other reports, notices, or requests received by Tenant as to the Premises and the operation of business thereon, including, without limitation, state department of health licensing surveys, Medicare and Medicaid (and successor programs) certification surveys, life safety code reports, any notices of violation or requests for corrective action and any correspondence concerning same.

(b) As soon as practicable, but, in any event, within two (2) Business Days of receipt thereof, Tenant shall deliver to Landlord and Senior Lender written copies of any notice of any violation of any federal, state or local licensing or reimbursement certification statute or regulation, including, without limitation, Medicare or Medicaid (or successor programs), any suspension, termination or restriction placed upon Tenant, any Subtenant or the Premises, the operation of business thereon or the ability to admit residents or patients. Tenant shall continue to provide Landlord with copies of any correspondence regarding said violation and written confirmation of the plan for correcting said violation.

(c) Notwithstanding any provision of this Section 10.5 to the contrary, Tenant shall notify Landlord by email or telephone within two (2) Business days after the receipt of any surveys which (i) threaten any federal, state or local licenses or Medicare and Medicaid (and successor programs) certification or (ii) reflect a violation of level G or higher. Such email or telephone notice shall include the name of the entity conducting the survey, the specific license or certification threatened or details regarding the violation and a copy of any written survey, report or other information available at that time from the entity conducting the survey. Within the time frames required by applicable law, but in no event more than fifteen (15) days after the

initial notice, Tenant shall also provide: (i) the Facility level plan of action or correction; (ii) the corporate plan of action or correction; (iii) the timeline for any response, follow-up or additional action in connection with such survey; and (iv) the proposed or imposed remedies.

(d) At least once each week during the Term, Tenant shall provide Landlord with an open survey report for each Facility in the standard format attached hereto as Schedule 10.5.

10.6Annual Operating Budget. At least thirty-five (35) days prior to the commencement of each subsequent fiscal year of Tenant, Tenant shall provide Landlord and Senior Lender with an annual budget covering the operations of the Premises including any proposed capital expenditures for the forthcoming fiscal year. Tenant shall also provide Landlord with such other information with respect to Tenant or the operations of the Premises as Landlord may reasonably request in writing from time to time. Notwithstanding anything to the contrary, the annual budget for the first fiscal year shall be due ninety (90) days following the Effective Date.

10.7Litigation. Within thirty (30) days after the end of each calendar quarter during the Term, Tenant shall provide third party administrative reports on all pending litigation matters (to be delivered with the Monthly Property Reports or Quarterly Financial Statements, as applicable). In addition, Tenant shall provide periodic updates of any other pending material litigation matters which affect the Premises and/or Tenant.

10.8Additional Information. Upon written request of the Landlord or Senior Lender, Tenant shall provide any additional information regarding the Premises and/or Tenant that Landlord or Senior Lender may reasonably request.

10.9 **Certification**. All statements required by this Section 10 shall be certified true and correct by the Chief Financial Officer or the Managing Member of the Manager of the Tenant.

10.10 **Failure to Comply**. Tenant acknowledges that the failure to furnish Landlord with any of the statements required by this Section 10 will be an Event of Default, subject to any applicable cure period, as set forth in Section 11 below.

10.11 **Intentionally Deleted**.

10.12 **Financial Covenants**. At all times during the Initial Term and each Renewal Term, if applicable, Tenant shall comply with the following covenants (to be calculated on a consolidated basis for all Facilities):

(a) The operations of the Premises shall maintain for each calendar quarter during each Lease Year on a trailing twelve (12) months basis (or, if applicable, by annualizing current Lease Year to date results), a Portfolio Coverage Ratio of not less than 1.08 to 1 during the first Lease Year; not less than 1.16 to 1 during the second and third Lease Year; not less than 1.13 to 1 during the fourth Lease Year; and not less than 1.10 to 1 during the fifth Lease Year and each subsequent Lease Year.

(b) Tenant shall maintain for each calendar quarter during each Lease Year, a Current Ratio of not less than 1.05 to 1.

(c) Beginning as of the Effective Date, and thereafter, Tenant shall maintain for each calendar quarter during each Lease Year on a trailing twelve (12) month basis, a Fixed Charge Coverage Ratio of not less than 1.0 to 1.

(d) None of Tenant, any Subtenant or Manager (but only for so long as Manager is an Affiliate of Tenant) will create, incur or suffer to exist any Debt, other than: (i) any existing or prospective working capital loan for use in connection with the operation of the Premises; (ii) any equipment financing not to exceed Ten Thousand Dollars ($10,000.00) per Facility in the aggregate; and (iii) any Debt which is in existence on the Effective Date (or Debt that replaces such other Debt in existence on the Effective Date) which such other Debt shall not be increased, amended, modified or revised. Notwithstanding the provisions of this Section 10.12(d), Manager may create, incur or suffer to exist Debt, provided that the Manager meets the following requirements: (x) Manager must be solvent and able to pay its Debt when due, and (y) Manager must give written notice to Landlord at least ten (10) days prior to the creation of such Debt, which such notice shall include the total amount due, identity of the payee and repayment terms.

(e) Neither Tenant nor any Subtenant shall enter into any agreement to sell all or substantially all of its assets or commence structuring of any transaction which could result in a change in Control of the Tenant or any Subtenants without the prior written consent of Landlord (and Senior Lender, as applicable), which consent shall not be unreasonably withheld.

(f) Within thirty (30) days after the end of each quarter during the Term of the Lease, at the same time as the monthly reports are delivered to Landlord pursuant to Section 10.1 above, Tenant shall deliver to Landlord a certificate of compliance for the financial covenants contained in this Section 10.12, specifically including the covenant calculations for subsections (a), (b) and (c) above.

11. **Events of Default and Landlord's Remedies.**

11.1 **Events of Default**. The occurrence of any of the following shall constitute an event of default on the part of Tenant hereunder ("**Event of Default**"):

11.1.1 The failure to pay within five (5) Business days of the date when due any Minimum Rent, Percentage Rent;

11.1.2 The failure to pay (a) within five (5) Business days of the date when due any amounts due under Section 4.6 (Impounds), or, (b) within five (5) Business days after the receipt of written notice from Landlord, any other charges or payments required of Tenant under this Lease;

11.1.3 The failure to replace or replenish the Security Deposit within ten (10) Business days of the receipt of notice of a draw thereon;

11.1.4 Any termination, suspension, revocation or material adverse action or restriction placed upon (i) Tenant, any Subtenant or the Healthcare Use of any portion of the Premises; (ii) the operation of the Healthcare business thereon, including, without limitation, (a) the ability to admit residents or patients for a period in excess of seven (7) days or (b) the termination of any provider agreement with a government payor without Landlord's consent; or (iii) any material certification, qualification, license, permit or other governmental authorization of any portion of the Premises, including, without, limitation, the failure to maintain any such qualification, license, permit, or other governmental authorization necessary to continue to operate the Premises for its Healthcare Use. Notwithstanding the foregoing, an Event of Default shall not exist if any suspension, revocation or material adverse action or restriction is being contested by

Tenant or Subtenants as permitted by applicable law for a period of seventy-five (75) days from the date of notice of such action or as such period may be reasonably extended by Landlord in writing, subject to the approval of Senior Lender (the "Contest Period"), provided that (i) Tenant has a right to contest such action and pursues such right diligently, (ii) Tenant provides Landlord with a written plan of correction within ten (10) Business Days after receipt of notice of such action, as well as copies of all correspondence, notices and pleadings from the contest action, and (iii) Tenant provides Landlord with weekly written status updates of the progress of the contest action during the Contest Period;

11.1.5 A default by Tenant (or any Affiliate of Tenant) under any obligation or agreement relating to the Premises other than this Lease between Tenant (or any Affiliate of Tenant) and Landlord or any Affiliate of Landlord (including, without limitation, any financing agreement, the Tenant Affiliate Leases, or any other lease or management or other agreement related to the Premises), which default is not cured within any applicable cure period provided in the documentation for such obligation (or waived in writing by such party having the right to waive such default under the applicable agreement);

11.1.6 A default by Tenant with respect to any obligation under any other lease or financing agreement with any other party, specifically including Working Capital Lender, which default is not cured within any applicable cure period provided in the documentation for such obligation (or waived in writing by such party having the right to waive such default under the applicable agreement) which is reasonably likely to

have a material adverse effect on the Premises taken as a whole or the ability of Tenant to perform its obligations hereunder (specifically including the Maple Crest Lease);

11.1.7 A default by any Subtenant with respect to any Sublease or any lease or financing agreement with any other party, specifically including Working Capital Lender, which default is not cured within any applicable cure period provided in the documentation for such obligation (or waived in writing by such party having the right to waive such default under the applicable agreement) which is reasonably likely to have a material adverse effect on the Premises taken as a whole or the ability of Tenant to perform its obligations hereunder (specifically including the Maple Crest Lease);

11.1.8 Any material misstatement or omission of fact in any written report, notice or communication from Tenant to Landlord with respect to Tenant, any Subtenant, or any portion of the Premises, and which has a material, negative impact on the Premises taken as a whole;

11.1.9 Tenant shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make an assignment of all or substantially all of its property for the benefit of its creditors;

11.1.10 The appointment of a receiver, trustee, or liquidator for Tenant, or any of the property of Tenant, if within three (3) Business Days of Tenant's notice of such appointment Tenant does not inform Landlord in writing that Tenant intends to cause such appointment to be discharged or Tenant does not thereafter diligently prosecute such discharge to completion within ninety (90) days after the date of such appointment;

11.1.11 The failure to (a) deliver evidence of insurance to Landlord as required by Section 5.1, following five (5) days written notice thereof from Landlord, or (b) to maintain the insurance coverages required by Section 5;

11.1.12 The filing by Tenant of a voluntary petition under any federal bankruptcy law or under the law of any state to be adjudicated as bankrupt or for any arrangement or other debtor's relief, or in the alternative, if any such petition is involuntarily filed against Tenant by any other party and Tenant does not within three (3) Business Days of Tenant's notice of any such filing inform Landlord in writing of the intent by Tenant to cause such petition to be dismissed, if Tenant does not thereafter diligently prosecute such dismissal, or if such filing is not dismissed within ninety (90) days after filing thereof;

11.1.13 The failure by Tenant to provide any of the information or documents required by Sections 10.1, 10.2, 10.3 and 10.5 within the time period specified in such sections;

11.1.14 The failure to comply with the financial covenants in Section 10.12 above; and

11.1.15 The failure to perform or comply with any other term or provision of this Lease, other than those described in Sections 11.1.1—11.1.14, inclusive, including, without limitation, the failure to comply with the provisions hereof pertaining to the use, operation and maintenance of the Premises; provided, however, if the default described in this Section 11.1.15 is curable it shall be deemed cured, if: (a) within five (5) Business Days of Tenant's receipt of a written notice of default from Landlord,

Tenant gives Landlord written notice of its intent to cure such default; and (b) Tenant cures such default within thirty (30) days after such written notice from Landlord, or if such default cannot be cured within thirty (30) days and Tenant is diligently pursuing such cure, then within seventy-five (75) days after such written notice from Landlord.

11.1.16 There shall be no cure period in the event of a breach by Tenant of any of the following, and each such breach shall be an immediate Event of Default: (a) the obligation to maintain the insurance coverages required by Section 5, above; (b) the provisions of Section 8.5, above; (c) the provisions of Section 21.1 below (except for the provisions of Section 21.1.3; or (d) the provisions of Section 23, below.

11.2 Notice and Cure Periods. All notice and cure periods provided herein shall run concurrently with any notice or cure periods provided by applicable law.

11.3 Remedies. Upon the occurrence of an Event of Default, which is continuing and has not been cured pursuant to the applicable cure period set forth in Section 11.1 above, if any, and subject to Section 11.4 below, Landlord may exercise all rights and remedies under this Lease and the laws of the State in which the Premises is located available to a lessor of real and personal property in the event of a default by its lessee, and as to the Tenant Personal Property, including the Intangible Property, all remedies granted under the laws of such State to a secured party under its Uniform Commercial Code. Without limiting the foregoing, Landlord shall have the right to do any of the following:

11.3.1 Sue for the specific performance of any covenant of Tenant under this Lease as to which Tenant is in breach;

11.3.2 Elect to leave this Lease in place, draw down on the Security Deposit to pay for any past due sums and sue for rent and/or other money damages as the same come due;

11.3.3 Before or after repossession of the Premises pursuant to Sections 11.3.6 and 11.3.7, and regardless of whether this Lease has been terminated, Landlord shall have the right (but shall be under no obligation except to the extent required under applicable law) to relet any portion of the Premises to such tenant or tenants, for such term or terms (which may be greater or less than the remaining balance of the Term), for such rent, or such conditions (which may include concessions or free rent) and for such uses, as Landlord, in its absolute discretion, may determine, and Landlord may collect and receive any rents payable by reason of such reletting. Landlord shall have no duty to mitigate damages unless required by applicable law and shall not be responsible or liable for any failure to relet any of the Premises or for any failure to collect any rent due upon any such reletting. Tenant agrees to pay Landlord, immediately upon demand, all expenses incurred by Landlord in obtaining possession and in reletting any of the Premises, including fees, commissions and costs of attorneys, architects, agents and brokers;

11.3.4 Exercise the remedies of a secured party under the applicable Uniform Commercial Code with respect to the Tenant Personal Property, including the Intangible Property;

11.3.5 Revoke any waiver or deferral given by Landlord of any Minimum Rent or Percentage Rent or other amount payable hereunder, and immediately thereafter all such deferred or waived amounts shall become immediately due and payable. The

foregoing shall not be construed to mean that Landlord is under any obligation whatsoever to consider or grant any such deferral or waiver to Tenant;

11.3.6 Enter upon any portion of the Premises, terminate this Lease, dispossess Tenant from any portion of the Premises and/or collect money damages by reason of Tenant's breach if the Event of Default arises under Subsections 11.1.1-11.1.10, 11.1.11(b), 11.1.12, 11.1.14, 11.1.15 and 11.1.16. In the event of any such termination or repossession of the Premises or any part thereof, Tenant shall pay to Landlord all Minimum Rent, Percentage Rent and other sums required to be paid by Tenant for the period to and including the date of such termination or repossession. Notwithstanding the foregoing, all obligations and liabilities of Tenant under this Lease accruing prior to such termination or repossession shall survive the termination of the Term; and

11.3.7 Enter upon any portion of the Premises, terminate this Lease, dispossess Tenant from any portion of the Premises and/or collect money damages by reason of Tenant's breach if the default arises under Subsections 11.1.11(a) and 11.1.13; provided, however, that such default shall not be deemed an Event of Default hereunder unless and until it has occurred more than twice during any calendar year of the Term, or more than four (4) times over the entire Term. In the event of any such termination or repossession of the Premises or any part thereof, Tenant shall pay to Landlord all Minimum Rent, Percentage Rent and other sums required to be paid by Tenant for the period to and including the date of such termination or repossession. Notwithstanding the foregoing, all obligations and liabilities of Tenant under this Lease accruing prior to such termination or repossession shall survive the termination of the Term.

11.4 Cured Default. Notwithstanding anything contained in this Lease to the contrary, should a default of Tenant be waived pursuant to Section 11.5 or Section 11.8 below, or cured within the applicable cure period set forth in Section 11.1 above, such default shall no longer be deemed an Event of Default.

11.5 Waiver of Certain Defaults. Notwithstanding the provisions of Section 11.7 below, if an Event of Default occurs pursuant to Section 11.1.5, 11.1.6, 11.1.7, 11.1.8, 11.1.14 or 11.1.15 above, such Event of Default shall be deemed waived by Landlord provided that the following conditions are satisfied: (i) Landlord fails to exercise any of its remedies pursuant to Section 11.3 above within twelve (12) months after Landlord has either received (from Tenant) or given written notice of such Event of Default (the "**Default Period**"), (ii) Tenant cures the Event of Default to Landlord's reasonable satisfaction within the Default Period, prior to Landlord's exercise of any remedy hereunder, and (iii) neither Landlord nor Senior Lender shall suffer any economic harm or other adverse impact resulting from the Event of Default, as determined in Landlord's reasonable discretion. Within three (3) Business Days after Tenant has notice or should, in the exercise of ordinary prudence, have had knowledge of the occurrence of an Event of Default (except as to Section 11.1.14, with respect to which Tenant shall provide written notice to Landlord of any such breach of any financial covenants within five (5) Business Days after Tenant has actual notice of such breach, but in no event later than thirty (30) days after the end of the applicable fiscal quarter), Tenant shall provide written notice to Landlord of such Event of Default, and its intent to cure such Event of Default, if applicable. If Tenant fails to provide written notice to Landlord of such Event of Default in accordance with the immediately preceding sentence, or acts to prevent Landlord from exercising any of its remedies available pursuant to Section 11.3, all rights of Tenant under this Section 11.5 shall be deemed waived by Tenant. Notwithstanding any provision herein to the contrary, nothing

contained in this Section 11.5 shall serve to extend the applicable cure period for Events of Default in the documents described in Sections 11.1.5, 11.1.6 and 11.1.7, if any, or for Events of Default occurring pursuant to Section 11.1.15.

11.6Receivership. Tenant acknowledges that one of the rights and remedies that may be available to Landlord under applicable law is to apply to a court of competent jurisdiction for the appointment of a receiver to take possession of the Premises, to collect the rents, issues, profits and income of the Premises and to manage the operation of the Premises. Tenant further acknowledges that the revocation, suspension or material limitation of the certification of any portion of the Premises for provider status under Medicare or Medicaid (or successor programs) and/or the revocation, suspension or material limitation of a license relating to the operation of any portion of the Premises for its intended use under the laws of the State in which the Premises is located will materially and irreparably impair the value of Landlord's investment in the Premises. Therefore, in any of such events, and in addition to any other right or remedy of Landlord under this Lease, Landlord may petition any appropriate court for, and Tenant hereby consents to, the appointment of a receiver to take possession of the Premises, to manage the operation of the Premises, to collect and disburse all rents, issues, profits and income generated thereby and to preserve or replace to the extent possible any such license and provider certification for the Premises or to otherwise substitute the licensee or provider thereof. The receiver shall be entitled to a reasonable fee for its services as a receiver. All such fees and other expenses of the receivership estate shall be added to the monthly rent due to Landlord under this Lease. Tenant hereby irrevocably stipulates to the appointment of a receiver under such circumstances and for such purposes and agrees not to contest such appointment.

11.7Late Charges. Tenant acknowledges that the late payment of any Minimum Rent, Percentage Rent or any other amounts due under this Lease will cause Landlord to lose the use of such money and incur costs and expenses not contemplated under this Lease, including, without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, (a) if any installment of Minimum Rent, Percentage Rent or any other amounts due under this Lease is not paid within three (3) days after the due date for such payment, then Tenant shall thereafter pay to Landlord on demand a late charge equal to five percent (5%) of the amount of any delinquent installments of Minimum Rent, Percentage Rent and other amounts due under this Lease and not paid on the due date; and (b) if any installment of Minimum Rent, Percentage Rent or other amounts due under this Lease is not paid within ten (10) calendar days after the due date for such payment, such unpaid amount shall accrue interest from the due date for such payment at the Prime Rate plus five percent (5%) per annum (the "**Agreed Rate**") (or the maximum rate permitted by law if less than the Agreed Rate). As used herein, "**Prime Rate**" shall mean the prime rate of interest charged by Bank of America, N.A. from time to time. Landlord and Tenant agree that this late charge and the accrual of interest at the Agreed Rate represent a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from any such nonpayment and/or delinquent payment by Tenant.

11.8Remedies Cumulative; No Waiver. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity. No failure of Landlord to insist at any time upon the strict performance of any provision of this Lease or to exercise any option, right, power or remedy contained in this Lease shall be construed as a waiver, modification or

relinquishment thereof as to any similar or different breach (future or otherwise) by Tenant. A receipt by Landlord of any rent or other sum due hereunder (including any late charge) with knowledge of the breach of any provision contained in this Lease shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in a writing signed by Landlord.

11.9 Performance of Tenant's Obligations by Landlord. If Tenant at any time shall fail to make any payment or perform any act on its part required to be made or performed under this Lease, then Landlord and/or Senior Lender may, without waiving or releasing Tenant from any obligations or default of Tenant hereunder, make any such payment or perform any such act for the account and at the expense of Tenant, and may enter upon any portion of the Premises for the purpose of taking all such action thereon as may be reasonably necessary therefore. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and all necessary and incidental costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the performance of any such act by Landlord, together with interest at the rate of the Agreed Rate (or if said interest rate is violative of any applicable statute or law, then the maximum interest rate allowable) from the date of the making of such payment or the incurring of such costs and expenses by Landlord, shall be payable by Tenant to Landlord on demand. Nothing in this section shall be construed to grant Landlord the authority (or require Landlord) to engage in, including entry upon the Premises to engage in, the management or operation of the applicable Healthcare Use, to review confidential resident records, or to engage in any activity that would directly or indirectly create any responsibility or duty of or by Landlord to any resident of the Premises, it being the express intention of the parties that Tenant be solely responsible for operation of the Premises as the applicable Healthcare Use.

12. Intentionally Deleted.

13. Damage by Fire or Other Casualty.

13.1 Reconstruction Using Insurance.

13.1.1 In the event of the damage or destruction of any portion of the Premises, Tenant shall immediately notify Landlord (but in no event later than twenty-four hours after such damage or destruction) and, provided that Senior Lender consents to use of the proceeds to repair, diligently repair or reconstruct the same to a like or better condition than existed prior to such damage or destruction. Any insurance proceeds payable with respect to the casualty shall be held and used in the manner determined by Senior Lender and Landlord. In the event the net insurance proceeds are used for the repair or reconstruction of the applicable portion of the Premises, the proceeds shall be subject to reasonable disbursement controls in favor of Landlord or its Senior Lender. If such proceeds are insufficient for the repairs or reconstruction of the damaged portion of the Premises, Tenant shall provide the required additional funds. If Senior Lender prohibits the use of the funds for repairs or reconstruction, the insurance proceeds shall be utilized by Senior Lender to pay down debt owed to it.

13.1.2 Notwithstanding anything to the contrary in Section 13.1.1 above, and provided that (i) Tenant has paid to Landlord all Rent and other amounts due under the Lease through the date of such damage or destruction, (ii) the loss due to damage or destruction exceeds 50% of the full replacement value of the affected Facility, (iii) Senior Lender prohibits the use of the insurance proceeds for repairs or reconstruction and uses the insurance proceeds to pay down debt owed to it (except if any portion of the insurance

proceeds is unavailable for repair or reconstruction due to any acts or omissions of Tenant or any Subtenant), and (iv) Landlord fails to repair or reconstruct the affected Facility to substantially the same condition as existed prior to such damage or destruction within eighteen (18) months after the date of such damage or destruction, then Tenant may, at Tenant's election, made within thirty (30) days after Landlord provides written notice to Tenant that the affected Facility will not be repaired to substantially the same condition as existed prior to such damage or destruction within the time period set forth in (iv) above, terminate this Lease with respect to the affected Property only. In the event of termination of this Lease as to the affected Property, Minimum Rent shall be adjusted in accordance with Schedule 13.1.

13.1.3 In the event that the loss due to damage or destruction is equal to 50% or less than the full replacement value of the affected Facility, and Senior Lender prohibits the use of the insurance proceeds for repairs or reconstruction and uses the insurance proceeds to pay down debt owed to it (except if any portion of the insurance proceeds is unavailable for repair or reconstruction due to any acts or omissions of Master Tenant or any Subtenant), then, provided that Master Tenant shall continue the operation of the affected Facility for the Healthcare Use, the Minimum Rent for the affected Facility shall be adjusted as mutually agreed by Landlord and Tenant and approved by Senior Lender.

13.2 Surplus Proceeds. If there remains any surplus of insurance proceeds after the completion of the repair or reconstruction of the applicable portion of the Premises, and provided that such repair or reconstruction of the Premises is reasonably acceptable to Landlord, such surplus shall be paid to Tenant, provided that no Event of Default has occurred hereunder.

13.3 **No Rent Abatement**. The rent payable under this Lease shall not abate by reason of any damage or destruction of any portion of the Premises by reason of an insured or uninsured casualty; provided, however, that Tenant shall receive a credit against the rent and other sums due hereunder in an amount equal to the proceeds of any rental value and/or business interruption insurance carried by Tenant, which are paid to Landlord. Tenant hereby waives all rights under applicable law to abate, reduce or offset rent by reason of such damage or destruction.

13.4 **Maple Crest Lease**. From and after the Maple Crest Effective Date, and to the extent the provisions of this Section 13 and Section 14 below conflict with the Maple Crest Lease, the Maple Crest Lease shall govern with respect to damage to, destruction of or condemnation affecting the Maple Crest Facility.

14. **Condemnation**.

14.1 **Complete Taking**. If during the Term all or substantially all of any Facility is taken or condemned by any competent public or quasi-public authority, and provided that (i) Tenant has paid Landlord all Rent and other amounts due pursuant to this Lease through the date of such taking or condemnation, (ii) Landlord or Senior Lender fails to make available for rebuilding the proceeds from any award, and (iii) Landlord fails to repair the affected Facility to substantially the same condition as existed prior to such taking or condemnation within eighteen (18) months after the date of such taking or condemnation, then, Tenant may, at Tenant's election, made within thirty (30) days after Landlord provides written notice to Tenant that the affected Facility will not be repaired to substantially the same condition as existed prior to such taking or condemnation within the time period set forth above, terminate this Lease with respect to the affected Property only. The award payable upon such taking shall be paid to Landlord,

and Tenant shall be entitled to seek a separate claim from the condemning authority for Tenant's damages. In the event of a termination of the Lease as to the affected Property, Minimum Rent shall be adjusted in accordance with Schedule 13.1.

14.2 **Partial Taking**. In the event such condemnation proceeding or right of eminent domain results in a taking of less than all or substantially all of a Property, and such taking does not prevent Tenant from operating the Premises for the Healthcare Use, Landlord shall be entitled to receive and retain any and all awards for the partial taking and damage except that Tenant shall be entitled to seek a separate claim from the condemning authority for Tenant's damages, including but not limited to moving expenses, and any unamortized capital addition costs paid by the Tenant. Notwithstanding the preceding sentence, such proceeds shall be held and used in the manner required by the Senior Loan documents. Tenant shall promptly proceed to restore, replace, repair or rebuild the affected Premises to the extent practicable to be a single architecturally functional building of substantially the same quality and character, subject to the portion of the Premises affected by the taking ("**Tenant's Repair Obligation**"), provided that the award proceeds are made available to Tenant as soon as practicable after such award proceeds are available from the condemning authority. If such proceeds are insufficient to complete the Tenant's Repair Obligation, Tenant shall provide the required additional funds. Provided that Master Tenant shall continue the operation of the Premises for the Healthcare Use, the Minimum Rent for the affected Facility shall be adjusted as mutually agreed by Landlord and Tenant and approved by Senior Lender, based on either the remaining square footage of useable space in the Premises or the number of beds available in the remaining Premises, as applicable.

14.3 **Lease Remains in Effect**. Except as provided above, this Lease shall not terminate and shall remain in full force and effect in the event of a taking or condemnation of

any portion of the Premises, and unless stated otherwise in the provisions of this Lease, Tenant hereby waives all rights under applicable law to abate, reduce or offset rent by reason of such taking.

15. Provisions on Termination of Term.

15.1 Surrender of Possession. Tenant shall, on or before the last day of the Term, or upon earlier termination of this Lease, (a) surrender to Landlord the Premises (including all resident charts and resident records along with appropriate patient and resident consents if necessary and inventories and supplies at normal operating levels) in good condition and repair, ordinary wear and tear excepted, (b) upon Landlord's written request, shall to the greatest extent permitted by law, transfer to Landlord or its designees or assigns, the following: (i) all federal, state or municipal licenses, certifications, certificates, approvals, permits, variances, waivers, provider agreements and other authorization certificates which relate to the operation of the Healthcare business at the Premises, including certificates of need required for any ancillary services provided at the Premises such as dialysis, except for the right to the use of Tenant's name; and (ii) the name of the health care facility comprising the Premises as then known to the general public, (c) prepare and file all notices required by applicable law in connection with such termination, and (d) execute the Exit Operations Transfer Agreement attached hereto as Exhibit D (the "**Exit Agreement**"). If Tenant fails or refuses to transfer any such license, certification, certificate, approval, permit, variance, waiver, provider agreement, other authorization or trade name, then this provision shall constitute an act of assignment by Tenant to Landlord or its assigns without the necessity of any further written instrument. Landlord shall have the option of taking over the operation of the Healthcare Use at the Premises, or to have the operation of the business taken over by a designee, in the event of a

termination of this Lease for any reason, without assuming any of Tenant's liabilities or obligations. Landlord shall give Tenant written notice of Landlord's intent to exercise the right set forth above, in which event, upon the approval of the applicable State agency or agencies of the change of ownership, Tenant shall immediately turn over possession and control of the Healthcare Use at the Premises without any further action having to be taken on the part of Landlord. Further, if an Event of Default occurs hereunder, Tenant hereby appoints Landlord its true and lawful attorney by this instrument and by the limited power of attorney attached to this Lease as Exhibit E, said appointment being coupled with an interest, to execute the Exit Agreement on behalf of Tenant and to execute on behalf of Tenant a letter of consent in a form acccptable to Landlord enabling Landlord or its designee to file applications to operate a nursing home with the applicable State agencies and every other regulatory agency now or hereafter claiming jurisdiction and to operate the healthcare business at the Premises during the pendency of such application. This provision shall be enforceable in a court of law and shall be effective by operation of law.

15.2 **Removal of Personal Property**. If Tenant is not then in default hereunder, Tenant shall have the right in connection with the surrender of the Premises to remove from the Premises all Tenant Personal Property, except that Tenant shall not remove (a) the Landlord Personal Property (including Landlord Personal Property replaced by Tenant), (b) any Tenant Personal Property subject to a capital lease or financing arrangement as of the Effective Date, as set forth on Section 15.2 attached hereto, or (c) any Tenant Personal Property required by the State in which the Premises is located or any other governmental entity to operate the Premises for the purpose set forth in Section 6.3 above ("**Governmental Required Property**"); provided, however, Landlord shall pay to Tenant the depreciated book value in accordance with GAAP of such Governmental Required Property. In addition, at Landlord's option, Tenant shall remove

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Tenant Personal Property so designated by Landlord in writing. Any such removal shall be done in a workmanlike manner leaving the Premises in good and presentable condition and appearance, including repair of any damage caused by such removal. At the end of the Term or upon the earlier termination of this Lease, Tenant shall return (and cause each Subtenant to return) the Premises to Landlord with the Landlord Personal Property (or replacements thereof) together with the other Governmental Required Property in the same condition and utility as was delivered to Tenant at the commencement of the Term, reasonable wear and tear excepted, and transfer to Landlord all Intangible Property except for Tenant's (or Subtenant's) accounts receiveable (unless this Lease was terminated because of an Event of Default by Tenant, in which event Landlord shall have the right, subject to any subordination as set forth in Section 8.4, to enforce its security interests in Tenant's, or Subtenant's, accounts receivable). Tenant covenants and agrees that it shall not, and shall not allow Subtenant to, sell, move, modify, transfer, assign, sell, relocate, pledge, secure, convey or in any other manner encumber Landlord's Personal Property, any certificate of need or any of the licensed or Medicare and/or Medicaid certified beds at the Premises or any other Intangible Property, or attempt to do same.

15.3 **Title to Personal Property Not Removed**. Title to any of Tenant Personal Property which is not removed by Tenant upon the expiration of the Term shall, at Landlord's election, vest in Landlord; provided, however, that Landlord may remove and dispose at Tenant's expense of any or all of such Tenant Personal Property which is not so removed by Tenant without obligation or accounting to the Tenant.

15.4 **Transition of Premises**. Upon the expiration or earlier termination of the Term (the "**Expiration Date**"), Landlord, upon written notice to Tenant (a "**Transition Notice**"), may inform Tenant that the responsibilities and obligations for the management and

operation of the Premises shall be transferred to and assumed by a new tenant designated by Landlord (the "**Successor Operator**"), and Tenant agrees to cooperate fully (and cause each Subtenant to cooperate fully) with Landlord and the Successor Operator to accomplish the transfer of such management and operation without interrupting the operation of the Premises. Tenant shall not commit (or permit any Subtenant to commit) any act or be remiss in the undertaking of any act that would jeopardize any licensure or certification of the Premises, and Tenant shall comply (and cause each Subtenant to comply) with all requests for an orderly transfer of all licenses used in the operation of the Premises, Medicare and Medicaid (or any successor program) certifications and possession of the Premises at the time of any such surrender to the extent permitted by applicable law. Upon the expiration or earlier termination of the Term, subject to applicable laws, Tenant shall promptly deliver copies of all of Tenant's and Subtenants' books and records relating to the Premises and its operations to Landlord.

15.5 Limited Extended Operation by Tenant. In the event Landlord delivers a Transition Notice, Tenant shall thereafter operate the Premises in accordance with all of the requirements of this Lease until the earliest to occur of (i) the date on which Landlord or Successor Operator will assume the operation of the Premises, as specified in a written notice from Landlord to Tenant given not less than fifteen (15) days prior to the date of such assumption; (ii) the date that is ninety (90) days after the Expiration Date (except that in connection with any termination of this Lease, or dispossession of Tenant, pursuant to an Event of Default, prior to the Expiration Date, such ninety (90) day period shall not commence until Landlord delivers a Transition Notice); and (iii) the date (on or after the Expiration Date) that is ninety (90) days after Tenant receives written notice from Landlord that, notwithstanding the foregoing, Tenant may commence the transition to the Successor Operator, on which earliest date, Tenant shall vacate the Premises and surrender possession thereof to Landlord in

accordance with all of the applicable requirements of this Lease. In the event Landlord sends Tenant a Transition Notice and the Lease has terminated as of the expiration date of the Term (e.g. not in the case of an early termination of the Lease or early dispossession of Tenant, in connection with an Event of Default), and, as a result thereof, Tenant operates a Facility beyond the expiration date of the Term, then, from and after the expiration of this Lease as to such Facility and until the earliest to occur of the dates described in clauses (i), (ii) and (iii) above relative to the Premises (the "**Reimbursement Period**"), (x) the operating budget shall be the operating budget, if any, that was in effect immediately prior to the commencement of the Reimbursement Period and that had been approved by Landlord or if no such Landlord-approved operating budget was so in effect, an operating budget provided by Landlord, (y) Landlord shall include in such operating budget, and Tenant shall continue to pay during the Reimbursement Period, all Rent that would have been owing under this Lease as to the Premises if the Lease had not so expired, and (z) Landlord shall reimburse Tenant for any operating deficits with respect to the Premises that Tenant may be required to fund out-of-pocket on account of operating losses and expenses of the Premises incurred by Tenant by reason of, or arising out of compliance with such budget with respect to the Reimbursement Period applicable to the Premises. Any such reimbursement shall be due from Landlord to Tenant within thirty (30) days after written request by Tenant, provided that Tenant shall furnish such documentation of any operating deficits, losses and expenses as Landlord may reasonably request. The terms of this Section 15.5 shall survive the expiration or earlier termination of this Lease.

16. **Notices and Demands**. All notices and demands, certificates, requests, consents, approvals, and other similar instruments under this Lease shall be in writing and shall be sent by personal delivery or by either (a) United States certified or registered mail, return receipt

requested, postage prepaid, or (b) Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows:

If to Tenant: Diana Master Landlord, LLC
1035 Powers Place
Alpharetta, GA 30004
Attn: Christina K. Firth
Fax No. (770) 754-3085
Phone: (800) 845-1695

with a simultaneous copy to:
Williams Mullen
222 Central Park Avenue, Suite 1700
Virginia Beach, Virginia 23462
Attn: Lawrence R. Siegel
Fax No: (757) 473-0395
Phone: (757) 473-5321

If to Landlord: Diana Monroe Street, LLC, et al.
1035 Powers Place
Alpharetta, GA 30004
Attn: Christina K. Firth
Fax No. (770) 754-3085
Phone: (800) 845-1695

with a simultaneous copy to:
Williams Mullen
222 Central Park Avenue, Suite 1700
Virginia Beach, Virginia 23462
Attn: Lawrence R. Siegel
Fax No: (757) 473-0395
Phone: (757) 473-5321

Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice so given by mail shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be, whether accepted or refused. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the

same is to be given. If Tenant fails at any time to provide to Landlord a current address for notice purposes, notice may be made to any officer, general partner or principal of Tenant.

17. **Right of Entry**. Landlord and its representatives may enter any portion of the Premises at any reasonable time after reasonable notice to Tenant for the purpose of inspecting the Premises to determine whether the Tenant is in compliance with its obligations to maintain the Premises under Sections 6.1, 6.2, 6.5 and 6.6; following Tenant's default under this Lease; to exhibit the Premises or portions thereof for sale, lease or mortgage financing; or for posting notices of default, or non-responsibility under any mechanic's or materialman's lien law. Landlord may enter any portion of the Premises at anytime for emergency purposes. Any such entry shall not unreasonably or materially interfere with residents, patients, patient care, or any other of Tenant's operations. During normal business hours, and to the extent permitted by applicable laws, Tenant will permit Landlord and Landlord's representatives, inspectors and consultants to examine and copy such contracts, books and records regarding the Premises as may be necessary to evidence Tenant's compliance with this Lease. Nothing in this section shall be construed to grant Landlord the authority to engage in, including entry upon the Premises to engage in, the management or operation of the applicable Healthcare Use, to review confidential resident records, or to engage in any activity that would directly or indirectly create any responsibility or duty of or by Landlord to any resident of the Premises, it being the express intention of the parties that Tenant be solely responsible for operation of the Premises as the applicable Healthcare Use.

18. **Landlord May Grant Liens**. Without the consent of Tenant, Landlord may, subject to the terms and conditions set forth below in this Section 18, from time to time, directly or indirectly, create or otherwise cause to exist any lien, mortgage, encumbrance or title retention

agreement ("**Encumbrance**") upon the Premises, or any portion thereof or interest therein (including this Lease), whether to secure any borrowing or other means of financing or refinancing or otherwise. Upon the execution of this Lease and upon the request of Landlord from time to time, Tenant shall subordinate this Lease to the lien of a new Encumbrance on the Premises or any portion thereof or interest therein and will, within ten (10) Business Days of any such request, execute a subordination agreement that is in form reasonably acceptable to Landlord and the proposed lender on the condition that the proposed lender agrees not to disturb Tenant's rights under this Lease so long as Tenant is not in default hereunder. Upon request of any such lender, Tenant shall attorn to and acknowledge the foreclosure purchaser or purchasers as Landlord hereunder.

19. **Quiet Enjoyment**. So long as there is no Event of Default by Tenant, Landlord covenants and agrees that Tenant shall peaceably and quietly have, hold and enjoy the Premises for the Term, free of any claim or other action not caused or created by Tenant (excepting, however, intrusion of Tenant's quiet enjoyment occasioned by condemnation or destruction of the property as referred to in Sections 13 and 14 hereof).

20. **Applicable Law**. This Lease shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to the conflict of laws rules of such State. The remedies available to Landlord on the occurrence of an Event of Default shall, however, be governed by the laws of the State where the applicable portion of the Premises is located.

21. **Preservation of Revenues**.

21.1 Tenant acknowledges that the diversion of residents and/or patient care activities from the Premises to other property owned or operated by Tenant or its Affiliates at or

near the end of the Term will have a material adverse impact on the value and utility of the Premises.

21.1.1 During the Term and for a period of three (3) years after the expiration or any earlier termination of the Term due to an Event of Default (the "**Restricted Period**"), neither Tenant, its Affiliates, nor any of Tenant's Principals shall directly or indirectly, as an agent, consultant, advisor (other than as a member of boards or committees generally addressing health care needs and facilities in the applicable jurisdiction), equity holder, joint venturer, partner, manager, or any other representative capacity, on its own behalf or on the behalf of others, develop, construct, own, manage, operate, control, or own a beneficial interest in any Person that engages in or owns, invests in, operates, manages or controls any entity engaged in the provision of services relating to a "skilled nursing facility," or, as pertains to the Facility known as Sycamore Village, an "assisted living facility," as those terms are defined by State or federal law (the "**Business**"), which is new construction, a replacement facility or a substantial renovation of an existing facility and is within a five (5) mile radius outward from the outside boundary of the Premises (the "**Radius**"). All distances shall be measured on a straight line rather than on a driving basis. For the purposes of this Section 21.1.1, "substantial renovation" shall mean a facility which requires in excess of $2,000,000.00 in capital improvements in the first two (2) years of operation of such facility by Tenant, its Affiliates or any of Tenant's Principals. Notwithstanding the foregoing and for the avoidance of doubt, it is understood and agreed that an independent living facility shall not be within the definition of Business. The foregoing restrictive covenants shall not restrict in any manner the ownership of passive investments in securities not constituting

more than five percent (5%) collectively by the Restricted Parties of the outstanding securities of any class of publicly traded securities.

21.1.2 Should Tenant, its Affiliates or any of Tenant's Principals intend to acquire either a fee simple or leasehold interest in any existing facility or institution within the Radius which will be operated "as is" (such facility requires less than $2,000,000 for capital improvements in the first two (2) years for operation in accordance with applicable law) (a "**ROFR Property**"), then Tenant hereby grants to Landlord and its Affiliates a right of first refusal to enter into a joint venture equal partnership with Tenant or its applicable Affiliate to acquire the interest in the ROFR Property; provided, however, that Landlord shall not have a right of first refusal as to any ROFR Property which is included in a portfolio acquisition by Tenant or its Affiliates if a majority of the Licensed Beds included in the proposed portfolio acquisition are located outside of the Radius. Tenant shall provide Landlord with written notice of its intention to acquire any ROFR Property and Landlord shall have thirty (30) days to exercise its right to participate in such acquisition as equal partner with Tenant or its Affiliates or any of Tenant's Principals, as applicable.

21.1.3 Tenant hereby covenants and agrees that for a period of three (3) years following the expiration or earlier termination of this Lease, neither Tenant nor any of its Affiliates shall, without prior written consent of Landlord, hire, engage or otherwise employ or solicit for employment any management or supervisory personnel working on or in connection with the Premises.

21.1.4 Furthermore, Tenant hereby covenants and agrees that in the event of a proposed change or replacement of personnel in either an Executive Director

or Director of Nursing position at a Facility, Tenant shall provide at least fifteen (15) days prior written notice to Landlord before the start date of the replacement personnel which such notice shall include in reasonable detail the qualifications of the proposed new personnel, who shall possess similar or better qualifications and skills as the personnel being replaced.

21.1.5 Except as required for medically appropriate reasons, prior to the expiration or any earlier termination of the Term and for a period of five (5) years thereafter, neither Tenant nor any of its Affiliates will recommend or solicit the removal or transfer of any resident or patient or equipment from the Premises to any other nursing or health care facility, or to any senior housing or retirement housing facility.

21.2 During the Initial Term and any Renewal Terms of this Lease, the following persons shall be actively involved with the operation of Tenant's business on the Premises: David Hartman, Gerry Jenich, Michael Munter and Jay Flatt (the "**Key Personnel**"). In the event that any Key Personnel's employment with Tenant is discontinued for any reason, Tenant shall provide written notice to Landlord, as well as a plan of recruitment for replacement of Key Personnel within fifteen (15) business days after Tenant has notice of such discontinuance of employment. Tenant shall use its best efforts to replace such Key Personnel with a person having similar or better qualifications and experience within one hundred eighty (180) days after the date of such notice to Landlord. If the Key Personnel is not replaced within 180 days after the date of such notice to Landlord (the "**Replacement Period**"), then Tenant shall pay to Landlord a fee equal to Fifty Thousand Dollars ($50,000.00) within thirty (30) days after receipt of written notice from Landlord. Landlord shall have thirty (30) days after the expiration of the Replacement Period to provide written notice to Tenant that such fee is due. In the event that the

Key Personnel is not replaced within twelve (12) months after the date of Tenant's original notice to Landlord, then Landlord shall have the option to terminate this Lease, by delivering not less than thirty (30) days prior written notice to Tenant. In the event of a termination of this Lease pursuant to this Section 21.2, the provisions of Section 15 herein shall apply.

22. Hazardous Materials.

22.1 Hazardous Material Covenants. Tenant's use of the Premises shall comply with all Hazardous Materials Laws. In the event any Environmental Activities occur or are suspected to have occurred in violation of any Hazardous Materials Laws or if Tenant has received any Hazardous Materials Claim against any portion of the Premises relating to activities or omissions committed during the Term, excluding those Environmental Activities directly caused by Landlord or those acting on behalf of and at the direction of Landlord, Tenant shall promptly obtain all permits and approvals necessary to remedy any such actual or suspected problem through the removal of Hazardous Materials or otherwise, and upon Landlord's approval of the remediation plan, remedy any such problem to the satisfaction of Landlord and all applicable governmental authorities, in accordance with all Hazardous Materials Laws and good business practices.

22.2 Tenant Notices to Landlord. Tenant shall immediately advise Landlord in writing of:

22.2.1 any Environmental Activities in violation of any Hazardous Materials Laws,

22.2.2 any Hazardous Materials Claims against Tenant or any portion of the Premises relating to activities or omissions committed during the Term,

22.2.3 any remedial action taken by Tenant in response to any Hazardous Materials Claims or any Hazardous Materials on, under or about any portion of the Premises in violation of any Hazardous Materials Laws,

22.2.4 Tenant's discovery of any occurrence or condition on or in the vicinity of any portion of the Premises that materially increases the risk that any portion of the Premises will be exposed to Hazardous Materials, and/or

22.2.5 all communications to or from Tenant, any governmental authority or any other Person relating to Hazardous Materials Laws or Hazardous Materials Claims with respect to any portion of the Premises, including copies thereof.

22.3 **Remediation**. If (i) Tenant becomes aware of a violation of any Hazardous Material Laws relating to any Hazardous Materials in, on or under the Premises or any adjacent property thereto; (ii) Tenant, Landlord or the Premises becomes subject to any order of any governmental authority or any Hazardous Materials Claims to repair, close, detoxify, decontaminate or otherwise remediate the Premises; or (iii) Tenant's actions, including but not limited to, any renovations or repairs to the Premises, cause the Tenant to remediate any environmental conditions disclosed in the Phase I Environmental Assessments Reports described on Schedule 22 ("**Phase I Reports**") ("**Existing Environmental Conditions**"), Tenant shall immediately notify Landlord of such event and, at its sole cost and expense with respect to any such Hazardous Materials in, on, under, or about the Premises (but not adjacent thereto unless caused by Tenant), cure such violation or effect such repair, closure, detoxification, decontamination or other remediation. Notwithstanding the foregoing, Tenant shall not be responsible for the remediation of Hazardous Materials on the Premises directly caused by Landlord or those acting on behalf and at the direction of Landlord.

22.4 **Indemnity.** Tenant shall indemnify, defend, protect, save, hold harmless, and reimburse Landlord and Senior Lender and their respective directors, officers, shareholders, partners, managers, members, affiliates, agents, employees, successors and assigns for, from and against any and all Environmental Costs (whether or not arising out of third-party claims and regardless of whether liability without fault is imposed, or sought to be imposed, on Landlord or Senior Lender) incurred in connection with, arising out of, resulting from or incident to, directly or indirectly (i) the production, use, generation, spilling, depositing, leaching, dumping, storage, treatment, transporting, disposal, discharge, release or other handling or disposition of any Hazardous Materials (collectively, "**Handling**") by Tenant or any Subtenants from, in, on or about the Premises, including the effects of such Handling of any Hazardous Materials on any Person or property within or outside the boundaries of the Premises; (ii) the presence of any Hazardous Materials in, on, under or about the Premises or any adjacent Property; (iii) or the violation of any Hazardous Material Laws (including Hazardous Material Laws); and (iv) the imposition of any lien related to any Environmental Activity. Without limiting the scope or generality of the foregoing, except for any environmental conditions caused or created solely by Landlord, or those acting on Landlord's behalf, Tenant expressly agrees to reimburse Landlord or Senior Lender for any and all costs and expenses incurred by Landlord or Senior Lender:

(A) In investigating any and all matters relating to the Handling of any Hazardous Materials, in, on, from, under or about the Premises;

(B) In bringing the Premises into compliance with all Hazardous Material Laws;

(C) Removing, treating, storing, transporting, cleaning-up and/or disposing of any Hazardous Materials handled in, on, from, under or about the Premises or offsite; and

(D) Subject to the right of Tenant to contest any such claim, if any claim is made hereunder, Tenant agrees to pay such claim promptly, and in any event to pay such claim within thirty (30) calendar days after receipt by Tenant of notice thereof.

22.5Environmental Inspection. Landlord shall have the right, from time to time, and upon not less than five (5) days written notice to Tenant, except in the case of any emergency in which event no notice shall be required, to conduct an inspection of the Premises to determine the existence or presence of Hazardous Materials on or about the Premises and/or the documentation relative to Hazardous Materials or Environmental Matters in Tenant's possession. Landlord shall have the right to enter and inspect the Premises, conduct any testing, sampling and analyses it deems necessary and shall have the right to inspect materials brought into the Premises. Landlord may, in its discretion, retain such experts to conduct the inspection, perform the tests referred to herein, and to prepare a written report in connection therewith. Provided that Landlord's decision to conduct an environmental inspection is reasonable, or if such inspection detects any Environmental Activities in violation of Hazardous Material Laws, all costs and expenses incurred by Landlord under this Section shall be paid on demand by Tenant to Landlord. Failure to conduct an environmental inspection or to detect unfavorable conditions if such inspection is conducted shall in no fashion be intended as a release of any liability for environmental conditions subsequently determined to be associated with or to have occurred during Tenant's tenancy. Tenant shall remain liable for any environmental condition related to or having occurred during its tenancy regardless of when such conditions are

discovered and regardless of whether or not Landlord conducts an environmental inspection at the termination of the Lease. The obligations set forth in this Article shall survive the expiration or earlier termination of the Lease.

22.6 Extension of Term. Notwithstanding any other provision of this Lease, in the event any Hazardous Materials are discovered on, under or about any portion of the Premises in violation of any Hazardous Materials Law and such Hazardous Materials become located on, under or about any portion of the Premises during the Term, and the presence of such Hazardous Materials or violation of Hazardous Materials Laws are caused directly or indirectly by Tenant or those acting on behalf or at the direction of Tenant, then Landlord may elect to terminate this Lease, at Landlord's option, and, with the consent of Senior Lender, the Security Deposit shall be retained by Landlord except such portion of the Security Deposit as shall be necessary to pay for the completion of all remedial action or monitoring by Tenant, in accordance with all Hazardous Materials Laws, as approved by Landlord in its reasonable discretion (the "**Remediation Payment**"). Landlord shall provide the Remediation Payment to Tenant within ten (10) Business Days after receipt of a fully signed contract for the performance of such remedial action or monitoring between Tenant and a qualified environmental consultant or contractor, reasonably acceptable to Landlord. In addition, at Landlord's option, the Term may be extended and this Lease shall remain in full force and effect until the earlier to occur of the completion of all remedial action or monitoring, as approved by Landlord, in accordance with all Hazardous Materials Laws, or the date specified in a written notice from Landlord to Tenant terminating this Lease (which date may be subsequent to the date upon which the Term was to have expired). In either event, if the Security Deposit Amount is not sufficient to pay for the required remedial action or monitoring by Tenant, then within ten (10) days after receipt of written notice from Landlord, Tenant shall deposit additional cash with Landlord or deliver to

Landlord a Qualifying Letter of Credit in an amount sufficient to pay for all costs of any remedial action or monitoring as required by all Hazardous Materials Laws (the "**Remediation Escrow**"). Landlord shall make funds available from the Remediation Escrow to reimburse Tenant for its actual, documented costs in performing the remedial action or monitoring as required by all Hazardous Materials Laws. The provisions of this Section 22.6 shall survive the termination of this Lease.

22.7 Participation in Hazardous Materials Claims. Landlord shall have the right, at Landlord's sole cost and expense (including, without limitation Landlord's reasonable attorney's fees and costs), with counsel chosen by Landlord, to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims.

23. Assignment and Subletting.

23.1 Except for Sub-subleases to Subtenants and as permitted pursuant to Section 23.6 below, Tenant shall not, without the prior written consent of Landlord, which consent shall be within the sole discretion of the Landlord, assign this Lease or any interest herein or sublet the Premises or any part thereof (an "**Assignment**"). For the purposes of this Lease, the following shall be considered an Assignment of this Lease by Tenant: (a) any financial services or similar agreement relating to the operation and/or control of the Premises; provided, however, the parties acknowledge and agree that Tenant intends to enter into the management agreement with an Affiliate of Tenant, as permitted pursuant to the terms of Section 40 of this Lease, (b) any change (voluntary or involuntary, by operation of law or otherwise), directly or indirectly, in the Persons which ultimately exert effective Control over the management of the affairs of Tenant or any Subtenant as of the date hereof and (c) any assignment or sublease to any unrelated third party

operator. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord in its sole discretion, constitute an Event of Default giving rise to Landlord's right, among other things, to terminate this Lease. Notwithstanding the foregoing prohibition on changes in Control of the Tenant or any Subtenant, any transfer or assignment of interest made to an immediate family member for estate planning purposes, shall be permitted with at least thirty (30) days prior written notice to Landlord. Without limiting the foregoing, this Lease shall not, nor shall any interest of Tenant herein, be assigned or encumbered by operation of law without the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. Anything contained in this Lease to the contrary notwithstanding, except as qualified in Section 3.2(f) herein, Tenant shall not sublet the Premises on any basis such that the rental to be paid by the sublessee thereunder would be based, in whole or in part, on either the income or profits derived by the business activities of the sublessee, or any other formula, such that any portion of the sublease rental received by Landlord would fail to qualify as "rents from real property" within the meaning of Section 856(d) of the U.S. Internal Revenue Code, or any similar or successor provision thereto.

23.2 For the purpose of this Lease the transfer, assignment, sale, hypothecation or other disposition of any stock or membership interests of Tenant or any Subtenant or any agreement which results in either (a) a change in the Person(s) which ultimately (directly or indirectly, voluntary or involuntary, by operation of law or otherwise) exerts effective Control over the management of the affairs of Tenant or any Subtenant as of the Effective Date, or (b) the transfer of more than fifty percent (50%) in the aggregate of the stock or membership interests of Tenant or any Subtenant in a single transaction or series of transactions, shall be deemed to be an Assignment of this Lease.

23.3 In the event that Landlord consents to Tenant entering into a financial services agreement for the Premises, Tenant shall require that the manager agree in writing that the manager's right to receive compensation shall be subordinate to the right of Landlord to receive Minimum Rent and other payments required under this Lease, in accordance with Section 40. Tenant may not amend or modify any such financial services agreement without Landlord's prior written consent.

23.4 Upon any transfer or assignment of this Lease, Landlord, Tenant and the new tenant or assignee (as the case may be) will enter into assignment and assumption agreements in form and content satisfactory to the parties including the granting of security interests that are provided to Landlord under this Lease.

23.5 Tenant represents and warrants that it has provided to Landlord an organizational structure chart of Tenant and all Subtenants showing the ownership of Tenant and Subtenants and each Person that ultimately exerts effective Control over the management of the affairs of Tenant and Subtenants as of the date of this Lease. Tenant shall provide to Landlord a revised organizational structure chart at least three (3) Business Days before any changes in any of the Persons depicted on such chart are to become effective.

23.6 Notwithstanding any provision of this Section 23 to the contrary, Tenant shall have the one-time right to sublet no more than one (1) Facility to a qualified operator that is not an Affiliate of Tenant or Subtenants. Tenant shall make a written request for Landlord's consent to such sublease at least thirty (30) days prior to the effective date of such transfer (such request to include an appropriate sublease agreement to be signed by Landlord evidencing such consent) and Landlord's consent shall not be unreasonably withheld. Tenant shall remain

primarily liable for its obligations hereunder, including the payment of all Minimum Rent and Percentage Rent, during the term of such sublease.

24. **Indemnification**. In addition to the other indemnities contained herein, to the fullest extent permitted by law, Tenant agrees to protect, indemnify, defend and save harmless Senior Lender and Landlord, their respective directors, officers, shareholders, partners, members, manager, agents, affiliates, employees, successors and assigns from and against any and all foreseeable or unforeseeable liability, expense, loss, costs, deficiency, fine, penalty, or damage (including, without limitation, punitive or consequential damages) of any kind or nature, including reasonable attorneys' fees, from any suits, claims or demands regardless of the merits of any such alleged suit, claim or demand, on account of any matter or thing, action or failure to act arising out of or in connection with this Lease (including, without limitation, the breach by Tenant of any of its obligations hereunder), the Premises, or the operations of Tenant on any portion of the Premises, including, without limitation, all Environmental Activities on any portion of the Premises unless caused solely by the gross negligence or willful misconduct of Landlord, Senior Lender or their respective directors, officers, shareholders, partners, members, manager, agents, affiliates, employees, successors and assigns. Upon receiving knowledge of any suit, claim or demand asserted by a third party that Landlord believes is covered by this indemnity, Landlord shall give Tenant notice of the matter. Tenant shall defend Landlord and Senior Lender against all matters covered by this indemnity at Tenant's sole cost and expense (including, without limitation, attorneys' fees and costs) with legal counsel satisfactory to Landlord and Senior Lender in their reasonable discretion. Landlord may elect to defend the matter with its own counsel at Tenant's expense. Notwithstanding anything to the contrary in this Lease, Tenant shall not be required to indemnify Landlord pursuant to this Section 24 to the extent that the subject claim occurred prior to the commencement of the term of this Lease or

after the date Tenant vacates and surrenders possession of the Premises to Landlord following expiration or early termination of the Term of this Lease.

25. Holding Over. If Tenant shall for any reason remain in possession of any portion of the Premises after the expiration or earlier termination of this Lease, such possession shall be a month-to-month tenancy during which time Tenant shall pay as rental each month, one and a half (1.5) times the aggregate of the monthly Minimum Rent payable with respect to the last Lease Year plus Percentage Rent allocable to the month, all additional charges accruing during the month and all other sums, if any, payable by Tenant pursuant to the provisions of this Lease with respect to the Premises. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Lease, nor shall anything contained herein be deemed to limit Landlord's remedies pursuant to this Lease or otherwise available to Landlord at law or in equity.

26. Estoppel Certificates. Tenant shall, upon not less than ten (10) Business Days prior written request by Landlord, execute, acknowledge and deliver to Landlord or its designee a statement in writing, executed by an officer, manager or general partner of Tenant, certifying that this Lease is unmodified and in full force and effect (or, if there have been any modifications, that this Lease is in full force and effect as modified, and setting forth such modifications), the dates to which Minimum Rent, Percentage Rent and additional charges hereunder have been paid, certifying that, to the best of Tenant's knowledge, no default by either Landlord or Tenant exists hereunder or specifying each such default and as to other matters as Landlord may reasonably request.

27. Conveyance by Landlord. If Landlord or any successor owner of the Premises shall convey all or any portion of the Premises in accordance with the terms hereof, Landlord or such

successor owner shall thereupon be released from all future liabilities and obligations of Landlord under this Lease arising or accruing from and after the date of such conveyance or other transfer as to all or such portion of the Premises and all such future liabilities and obligations shall be expressly assumed and be binding upon the new owner. Such new owner shall be responsible for payment of the Security Deposit to Tenant pursuant to Section 12.3 hereunder provided that Landlord actually transfers such Security Deposit Amount (if in the form of cash) to the new owner upon the conveyance of the Premises.

28. Waiver of Jury Trial. Landlord and Tenant hereby waive any rights to trial by jury in any action, proceedings or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Lease, including, without limitation, the relationship of Landlord and Tenant, Tenant's use and occupancy of the Premises, or any claim of injury or damage relating to the foregoing or the enforcement of any remedy hereunder.

29. Attorneys' Fees. If Landlord or Tenant brings any action to interpret or enforce this Lease, or for damages for any alleged breach hereof, the prevailing party in any such action shall be entitled to reasonable attorneys' fees and costs as awarded by the court in addition to all other recovery, damages and costs.

30. Severability. In the event any part or provision of the Lease shall be determined to be invalid or unenforceable, the remaining portion of this Lease shall nevertheless continue in full force and effect.

31. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

32. **Binding Effect**. Subject to the provisions of Section 23 above, this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives, successors in interest and assigns.

33. **Memorandum of Lease**. Landlord and Tenant shall, promptly upon the request of either, enter into a short form memorandum of this Lease, in form suitable for recording under the laws of the State(s) in which the Premises are located in which reference to this Lease shall be made. The party requesting such recordation shall pay all costs and expenses of preparing and recording such memorandum of this Lease. Landlord, at no cost to Landlord, shall cooperate with Tenant if Tenant chooses to obtain leasehold title insurance policies with respect to the Property.

34. **Incorporation of Recitals and Attachments**. The Recitals and Exhibits, Schedules, addenda and other attachments to this Lease are hereby incorporated into this Lease and made a part hereof.

35. **Titles and Headings**. The titles and headings of sections of this Lease are intended for convenience only and shall not in any way affect the meaning or construction of any provision of this Lease.

36. **Usury Savings Clause**. Nothing contained in this Lease shall be deemed or construed to constitute an extension of credit by Landlord to Tenant. Notwithstanding the foregoing, in the event any payment made to Landlord hereunder is deemed to violate any applicable laws regarding usury, the portion of any payment deemed to be usurious shall be held by Landlord to pay the future obligations of Tenant as such obligations arise and, in the event Tenant discharges and performs all obligations hereunder, such funds will be reimbursed to

Tenant upon the expiration of the Term. No interest shall be paid on any such funds held by Landlord.

37. **Joint and Several**. If more than one Person or entity is the Tenant hereunder, the liability and obligations of such Persons or entities under this Lease shall be joint and several.

38. **Survival of Representations, Warranties and Covenants**. All of the obligations (accruing prior to the date of expiration or earlier termination of this Lease), representations, warranties and covenants of Tenant under this Lease shall survive the expiration or earlier termination of the Term, for a period of three (3) years, including, without limitation, Tenant's obligations to pay rent and other sums under this Lease following the occurrence of an Event of Default and the termination of this Lease pursuant to Section 11.3.6 or 11.3.7 above.

39. **Interpretation**. Both Landlord and Tenant have been represented by counsel and this Lease has been freely and fairly negotiated. Consequently, all provisions of this Lease shall be interpreted according to their fair meaning and shall not be strictly construed against any party.

40. **Management Fees**. (a) Tenant shall engage, or cause Master Tenant to engage, a manager to provide financial services to the Premises pursuant to a financial services agreement reasonably acceptable to Landlord, pursuant to which Master Tenant and/or Subtenants shall pay the Management Fee to Manager. The Management Fee shall be subordinate to Minimum Rent and to all other payments required under this Lease except Percentage Rent. At Landlord's request, Tenant shall cause Manager and Subtenant to enter into a Subordination Agreement reasonably acceptable to Landlord and Senior Lender, if applicable. During the Term, neither Tenant nor Subtenant may change the Manager or engage a new Manager to manage the

Premises, or amend, modify, supplement or replace any financial services agreement without Landlord's prior written consent, which will not be unreasonably withheld; provided, however, Landlord may condition its consent to any proposed change in Manager upon the new Manager confirming in writing that the Management Fee shall continue to be subordinate to the payment of Minimum Rent and to all other payments required under this Lease except Percentage Rent.

(b) The Management Fee is four and a half percent (4.5%) of the annual gross revenues realized from the operation of the Premises. At such time that Tenant has paid at least Two Million Dollars ($2,000,000.00) in Percentage Rent to Landlord in any trailing 12 month period (the "**Management Fee Threshold**"), in the fourth Lease Year or any subsequent Lease Year, then the Management Fee shall be permanently increased to five percent (5%). If Tenant shall reach the Management Fee Threshold in payment of Percentage Rent at any time prior to the fourth Lease Year, then an additional Incentive Management Fee (defined below) of up to one half of one percent (0.5%) may be paid to Manager on a quarterly basis as set forth in (c) below.

(c) Upon meeting the Management Fee Threshold, Tenant shall provide written notice to Landlord, including (i) a detailed statement of Percentage Rent for such trailing 12 month period and (ii) the calculation of the Incentive Management Fee (defined below) showing the amounts paid or payable to Manager. At the time such notice is provided by Tenant, any Excess Cash Flow for such quarter received after the Management Fee Threshold was met (and after the payment of any Deposit Payment to Landlord for any increased Security Deposit Amount required pursuant to Section 12.1) shall be paid to Manager in the amount of up to one half of one percent (0.5%) of the gross revenues from the same trailing 12 month period, less any amounts paid as Incentive Management Fee in the prior three (3) quarters (the "**Incentive Management Fee**"). After the Incentive Management Fee has been paid to Manager, Tenant

shall continue to be responsible for the payment of Percentage Rent to Landlord as set forth in Section 3.2.

41. **Related Party Goods and Services**. Tenant agrees that if it or any of its Affiliates provide services or goods to the Tenant or the Premises that such services or goods will be provided at rates no higher than and upon terms at least as favorable to the Tenant and/or Premises as would be obtainable in an arms-length transaction. All such agreements for services with Affiliates of Tenant shall be at market rates and Tenant shall provide prior written notice to Landlord before entering into such agreements.

42. **Ancillary Contracts**. Tenant agrees not to enter into any new contracts or agreements with providers of ancillary healthcare services, including without limitation, therapy, hospice, home health pharmacy or medical supply agreements, without providing prior written notice to Landlord. With regard to contracts or agreements relating specifically to providers of therapy or rehabilitation services, Tenant agrees to provide Landlord and its Affiliates at least thirty (30) days prior written notice of such contract or agreement and an equal opportunity to submit a bid for providing such therapy or rehabilitation services. Ancillary services under all such contracts shall be provided at market rates.

43. **Relationship of Parties**. Nothing contained in this Lease shall be deemed to create a partnership or joint venture or any form of agency relationship between Landlord and Tenant. Landlord and Tenant's relationship in this Lease shall be deemed to be one of landlord and tenant only, and neither party shall have the right or authority to hold out any party to this Lease as a partner, joint venturer, principal or agent of the other. Tenant shall not acquire any direct or indirect equity interest in Landlord or in any lender or financing arrangement from or in which Landlord, or any of its Affiliates, is a borrower.

44. **Termination of Lease**. Landlord shall have the right, at any time during the Term of this Lease, to terminate this Lease upon the occurrence of a Capital Event of Landlord on the terms and conditions set forth in this Section 44. Upon such Capital Event, Landlord may terminate this Lease by (i) providing ninety (90) days prior written notice to Tenant, (ii) providing written termination agreements for all leases and other documents between Landlord and Tenant and any of their respective Affiliates, including, without limitation, this Lease, any subleases and any management agreements, and (iii) paying to Tenant a termination fee ("**Termination Fee**") in accordance with Schedule 44 attached hereto; provided, however, no such Termination Fee shall be due if this Lease is not in full force and effect or an Event of Default has occurred and is continuing under this Lease.

45. **Securitization**. In the event Landlord elects to securitize any loan secured by the Premises, Tenant agrees to cooperate with Landlord and provide information and execute documents that Landlord may reasonably request, provided that Tenant does not incur any additional liability as a result of such request and Tenant does not incur any expense.

46. **Special Purpose Entity Covenants**. At all times during the term of the Lease, Tenant shall adhere to the following covenants: (a) Tenant shall preserve and keep in full force and effect its existence as a single purpose entity formed solely for the purpose of entering into this Lease with Landlord; (b) Tenant shall not change its organizational structure without prior written consent of Landlord and Senior Lender; (c) Tenant shall maintain its separateness as an entity, including maintaining separate books, records, and accounts and observing corporate and partnership formalities independent of any other entity; and (d) Tenant shall pay its obligations with its own funds and shall not commingle funds or assets with those of any other entity form. In addition, Tenant shall cause all Subtenants and operators of the Premises to abide by similar

covenants and to include those covenants in the organizational documents of the Tenant, all Subtenants and operators of the Premises.

47. Lender Approval. Tenant acknowledges that this Lease is subject to Senior Lender's approval. Tenant agrees to execute any amendment to this Lease required by the Senior Lender or any subsequent senior lender provided that such modifications do not (a) negatively impact or expand Tenant's obligations under this Lease; (b) Tenant does not incur any additional liability as a result of such request; and (c) Tenant does not incur any expense.

48. Limitation of Landlord's Liabilities. If Landlord defaults in the performance of any of its obligations, Tenant agrees to look solely to Landlord's interest in the Premises for the satisfaction of any judgment obtained by Tenant as the result of any default, and Tenant shall not seek any personal money judgment against Landlord or any of its officers, directors, stockholders, members, managers or partners.

49. Intentionally Deleted.

50. HUD Financing. At all times during the Term, Tenant and Manager shall (and Tenant shall cause Subtenants to) reasonably cooperate with Landlord to enable Landlord to obtain HUD insured financing for the Properties; provided, however, Landlord shall reimburse Tenant and Subtenants for all reasonable documented expenses incurred by Tenant and Subtenants in complying with this provision. In connection with any such HUD financing, Tenant and Manager shall (and Tenant shall cause Subtenants to) enter into such agreements, instruments, certificates and other documents reasonably required in connection with such financings, including, without limitation, a HUD Regulatory Agreement for each such Property; a HUD Addendum to this Lease requiring Tenant and Subtenants to comply with all legal and

regulatory requirements related to such financings; and modifications to this Lease (including, if required by HUD, splitting this Lease into separate leases on the same terms and conditions as contained in this Lease, subject to prorating the financial obligations in each such separate lease) and will thereafter remain in substantial compliance with all statutes, rules, regulations and laws related to such financings. With respect to any repairs or escrows required to obtain HUD insured financing for the Properties, Tenant shall be responsible for performing repairs required by HUD which have been directly or indirectly caused by Tenant's negligence or failure of Tenant to perform its obligations under this Lease, in order to deliver the Premises in good working order. Tenant shall also be responsible for contributing to HUD required escrows for capital improvements, to the extent necessary to pay for repairs directly or indirectly caused by Tenant's negligence or failure of Tenant to perform its obligations under this Lease.

51. **REIT Event.** From and after a REIT Event Notification Date: (a) Tenant shall, and shall cause its Affiliates, including Subtenants, to take all commercially reasonable actions requested by Landlord that in Landlord's reasonable judgment will be recommended for compliance with the requirements for maintaining REIT status; and (b) Tenant shall not, and shall cause its Affiliates not to, acquire any equity interest in Landlord or any of Landlord's Affiliates if such acquisition would result in Tenant and/or any of Tenant's Affiliates owning, directly or indirectly, a ten percent (10%) or greater interest in Landlord or any of Landlord's Affiliates within the meaning of Section 856(d)(2)(B) of the Code. Subject to the provisions set forth in Section 3.2(f) above, upon the occurrence of a REIT Event, any and all references to Percentage Rent in this Lease shall no longer apply.

52. **Landlord Financial Information**. To the extent reasonably necessary to complete and file Medicare and Medicaid cost reports, and for no other purpose whatsoever, Landlord

agrees to provide to Tenant any pertinent information and supporting documentation related to its debt and equity affecting the Premises, including the applicable terms of any loan agreement and any loan payment information.

53. **Entire Agreement; Modification; Waiver**. This Lease and the Exhibits and Schedules to this Lease constitute the entire agreement between Landlord and Tenant pertaining to the subject matter contained in this Lease and supersede all prior agreements, representations and understandings of the parties. No supplement, modification or amendment of this Lease shall be binding unless expressed as such and executed in writing by Landlord and Tenant. Except as set forth herein, no waiver of any provision of this Lease shall constitute a continuing waiver. No waiver shall be binding unless expressed as such in a document executed by the party making the waiver.

[SIGNATURE PAGE FOLLOWS]

[Signature page to Master Lease & Security Agreement]

Executed as of the date indicated above.

TENANT

DIANA MASTER LANDLORD, LLC
a Delaware limited liability company

By: _____
Christina K. Firth
President

LANDLORD

DIANA MONROE STREET, LLC
DIANA GALERIA BLVD, LLC
DIANA CICERO AVENUE, LLC
DIANA LARKIN AVENUE, LLC
DIANA KICKAPOO STREET, LLC
DIANA MCKINLEY AVENUE, LLC
DIANA PEARL STREET, LLC
DIANA CASTELLANO DRIVE, LLC
Each, a Delaware limited liability company

By: _____
Christina K. Firth
President

DIANA SQUAW PRAIRIE ROAD, LLC,
a Delaware limited liability company

By: _____
Christina K. Firth
President

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (hereinafter referred to as the "Lease"), is made and entered into by and between **DIANA MASTER LANDLORD, LLC**, a Delaware limited liability company (hereinafter referred to as "**Landlord**") and **CONCERTO DIALYSIS, LLC**, an Illinois limited liability company (hereinafter referred to as "**Tenant**").

WITNESSETH:

WHEREAS, Landlord is the lessee of that certain skilled nursing home facility known as the Crestwood Care Centre (hereinafter referred to as the "**Facility**"), located at 14255 South Cicero Avenue, Crestwood, Illinois; and

WHEREAS, Landlord leases the Facility from Diana Cicero Avenue, LLC, a Delaware limited liability company ("**Prime Lessor**") pursuant to that certain Master Lease and Security Agreement dated December 31, 2011 (the "**Master Lease**"); and

WHEREAS, Tenant desires to enter into a sublease for certain space in the Facility.

NOW, THEREFORE, Landlord hereby subleases to Tenant, and Tenant hereby subleases from Landlord, a portion of the Facility upon the following terms and conditions:

1. **CAPITALIZED TERMS**. Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Master Lease.

2. **TERMS SUBJECT TO MASTER LEASE**. This Lease and Tenant's rights pursuant to this Lease are subject and subordinate at all times to the Master Lease and to all of the covenants and agreements of the Master Lease, except such terms of the Master Lease which are specifically excluded herein by reference below. This Lease is intended to be a space lease only, and is not subject to the Master Sublease and Security Agreement dated December 31, 2011 by and between Landlord and Symphony M.L. LLC, an Illinois limited liability company, which is the master tenant and sublessor of eight (8) skilled nursing facilities and one (1) assisted living facility (the "**Master Sublease**"). Tenant hereby expressly agrees during the Term to be subject to, to be bound by and to observe, and the Lease shall be deemed to contain, all of the covenants, stipulations, restrictions, agreements and other provisions contained in the Master Lease to the extent the same are applicable to the Premises except as expressly modified, excluded or otherwise addressed in this Lease. Tenant further agrees not to do, permit or tolerate anything to be done in the Premises or in connection with Tenant's use or occupancy of the Premises which would violate any covenant or agreement set forth in the Master Lease or would cause Landlord to be in default under the Master Lease. The following terms and provisions included in the Master Lease shall not apply to Tenant or to this Lease: Section 1 (Definitions), only to the extent such Definitions are not applicable due to other excluded Sections; Section 2.2 (Maple Crest); Section 2.3 (Crestwood); Section 2.4 (Term); Section 3.1(Initial Term Minimum Rent); Section 3.2 (Percentage Rent); Section 3.7 (Additional Minimum Rent Payment); Section

4.6 (Impound); Section 5.6 (Boiler Insurance); Section 5.8 (Flood Insurance); Section 6.1.3 (Capital Expenditure Amounts); Section 6.3 (Continuous Operation; Permitted Use); Section 6.5 (Alterations by Tenant); Section 6.6 (Initial Capital Improvement Investment); Section 8.4 (Accounts Receivable); Section 8.5 (Cash Management); Section 10.1 (Monthly Property Reports); Section 10.2 (Quarterly Financial Statements); Section 10.3 (Annual Financial Statements); Section 10.6 (Annual Operating Budget); Section 10.12 (Financial Covenants); Section 11.1.1 (Security Deposit); Section 11.1.7 (Subtenant Default); Section 11.1.14 (Financial Covenant Default); Section 13 (Damage by Fire or Other Casualty); Section 14 (Condemnation); Section 16 (Notices and Demands); Section 21 (Preservation of Values); Section 23 (Assignment and Subletting); Section 33 (Memorandum of Lease); Section 40 (Management Fees); and Section 44 (Termination of Lease).

3. **LEASED PREMISES**. The portion of the Facility leased to Tenant by Landlord shall consist of approximately 1,279 square feet of patient care and therapy space of the Facility, as outlined for descriptive purposes only on Exhibit A hereto (hereinafter referred to as the "**Premises**").

4. **PARKING AND COMMON AREAS**. In addition to the Premises hereinabove described, Tenant shall have the nonexclusive use of the parking area(s) appurtenant to the Building and common areas, including corridors, lobbies, elevators, and rest rooms, for Tenant and Tenant's employees, clients and patrons, subject to such reasonable rules and regulations which may from time to time be adopted by the Landlord or an authorized authority.

5. **TERM**. The term of this Lease shall be eight (8) years, commencing upon delivery of the Premises to the Tenant, estimated to occur on or before January 1, 2014 ("**Commencement Date**"), except as otherwise provided herein below, and expiring on December 31, 2021, unless sooner terminated as provided herein (the "**Initial Term**"). Landlord and Tenant hereby agree that the Initial Term of this Lease shall be coterminous with the Master Lease. Notwithstanding said Commencement Date, if for any reason Landlord cannot deliver possession of the Premises to Tenant on said date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder, or extend the term hereof.

6. **RENT**. Tenant shall pay to Landlord as base rent, without notice or demand and without abatement, deduction or offset, except as elsewhere provided herein, the annual amount of Ninety Thousand and 00/100 Dollars ($90,000.00) ("**Annual Base Rent**"). Annual Base Rent shall be paid in advance in equal monthly installments of Seven Thousand Five Hundred and 00/100 Dollars ($7,500.00) ("**Monthly Base Rent**"), by wire or ACH transfer only, on the first day of each and every calendar month during the term of this Lease; provided, however, that in the event the Initial Term commences on a day other than the first day of a calendar month, then upon the Commencement Date hereof Tenant shall pay to the Landlord a pro-rata portion of Monthly Base Rent to that portion of the calendar month remaining from the Commencement Date to the first day of the next following calendar month. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly payment in this Lease shall be considered anything other than a payment on account of the earliest rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent

be deemed an accord and satisfaction. Landlord may accept such payment without prejudice to its right to recover the balance of the rent and to pursue any other remedy provided for in this Lease, or otherwise available at law or in equity. Commencing on the first anniversary of the Commencement Date, and continuing on each anniversary of the Commencement Date thereafter during the Initial Term (and during any applicable Renewal Term), Annual Base Rent shall increase by an amount equal to two percent (2%) of the prior lease year's Annual Base Rent, compounded annually.

7. **ADDITIONAL RENT.** All charges, costs, and expenses that Tenant assumes or agrees to pay hereunder, including Tenant's pro-rata share of taxes and utilities due pursuant to the Master Lease, together with all interest and penalties that may accrue thereon in the event of failure of Tenant to pay those items and all other damages, costs, expenses, and sums that Landlord may suffer or incur, or that may become due, by reason of any default of Tenant or failure by Tenant to comply with the terms and conditions of this Lease, shall be deemed collectively, "**Additional Rent**"; and, in the event of nonpayment, Landlord shall have all rights and remedies as herein provided for failure to pay Annual Base Rent.

8. **DELIVERY OF PREMISES.** Tenant acknowledges and agrees that its Affiliate, Symphony Dialysis LLC (the "**Operator**"), has been in possession of the Premises and operating the dialysis center located therein since December 31, 2011. Landlord shall deliver the Premises to Tenant "as is, where is and with all faults" and makes no representation or warranty as to the condition of the Premises or as to the ability of Tenant to operate the dialysis center located therein.

9. **USE OF PREMISES.** Tenant shall use and occupy the Premises continuously throughout the Term of the Lease solely for the purpose of operating and maintaining an outpatient renal dialysis clinic for the residents of the Facility, and for no other purpose whatsoever (the "**Healthcare Use**"). Tenant agrees not to engage in the referral practice of radiology, imagery and/or clinical laboratory on said Premises without Landlord's prior consent, except, however, that Tenant may maintain on said Premises a private x-ray and/or clinical laboratory strictly and solely for the use by the Tenant and Tenant's own patients. Tenant agrees not to dispense any drugs for remuneration, but this shall not be deemed to prevent Tenant's licensed providers from lawfully administering drugs and medicine to Tenant's own private patients, nor from giving samples of drugs and medicines to patients. Tenant recognizes that these restrictions on the use of the Premises are a material consideration for Landlord to enter into this Lease. Tenant shall comply with all laws, ordinances, rules, regulations and codes of all municipal, county, state and federal authorities pertaining to the use and occupation of the Premises. No use shall be made or permitted to be made of the Premises, nor acts done, which will increase the existing rate of insurance upon the Facility in which said Premises may be located, or cause a cancellation of any insurance policy covering said Facility, or any part thereof, nor shall Tenant sell, or permit to be kept, used, or sold, in or about said Premises, any article which may be prohibited by the standard form of fire insurance policies. Tenant shall not commit, or suffer to be committed, any waste upon said Premises or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant or resident in the Facility in which the Premises may be located, nor shall Tenant use any apparatus, machinery or devices in or about the Premises which shall make any noise or set up any vibration or which shall in any way increase

the amount of electricity, water or compressed air agreed to be furnished or supplied under this Lease (if any), and Tenant further agrees not to connect with electric wires, water or air pipes any apparatus, machinery or device without the consent of Landlord, which consent shall not unreasonably withheld, conditioned or delayed. Tenant shall be responsible for obtaining a Certificate of Need permit from the Illinois Health Facilities and Services Review Board and any additional health care licenses, registration, certifications or permits required by the State of Illinois from the Operator, on or before the Commencement Date.

10. MAINTENANCE OF THE PREMISES. Tenant shall be solely responsible for keeping and maintaining the Premises in good appearance, repair and condition and maintaining proper housekeeping. Tenant shall promptly make or cause to be made all repairs, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary to keep the Premises in working condition, properly repaired, replaced and maintained in the ordinary course of business.

As part of Tenant's obligations under this Section 10, Tenant shall be solely responsible for maintaining all of its personal property and equipment in working order sufficient for normal operation of its business, properly maintained by Tenant in the ordinary course of business. Subject to the foregoing, Tenant shall repair and replace such property consistent with prudent industry practice for the applicable Healthcare Use. Specifically, Tenant shall purchase replacement dialysis equipment within _____ (___) months after the Commencement Date, to replace such equipment purchased from the Prime Lessor on or before the Commencement Date pursuant to that certain Asset Purchase Agreement dated _____, 2013 by and between Prime Lessor and Tenant.

11. ALTERATIONS BY TENANT. Tenant shall have the right to alter, improve, replace, modify or expand the Premises, equipment or appliances in the Premises from time to time as it may determine is desirable for the continuing and proper use and maintenance of the Premises under this Lease; provided, however, that any alterations, improvements, replacements, expansions or modifications in excess of _____ Dollars ($_____) in any rolling twelve (12) month period shall require the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. It shall be reasonable for Landlord to require appropriate insurance, security for payment of the costs incurred for the project, prior approval of the plans for the project and Senior Lender's written approval for any such project. The cost of all such alterations, improvements, replacements, modifications, expansions or other purchases, whether undertaken as an on-going licensing, Medicare or Medicaid (or any successor program) or other regulatory requirement or otherwise shall be borne solely and exclusively by Tenant and shall immediately become a part of the Premises and the property of the Landlord subject to the terms and conditions of this Lease. All work done in connection therewith shall be done in a good and workmanlike manner and in compliance with all existing codes and regulations pertaining to the Premises and shall comply with the requirements of insurance policies required under this Lease. In the event any items of the Premises have become inadequate, obsolete or worn out or require replacement (by direction of any regulatory body or otherwise), Tenant shall remove such items and exchange or replace the same at Tenant's sole cost and the same shall become part of the Premises and property of the

Landlord.

12. RIGHT OF ENTRY. Landlord shall have the right at any time, without effecting an actual or constructive eviction and without incurring any liability to the Tenant therefor, to change the arrangement or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets or other public parts of the Facility and to change the name, number or designation by which the Facility is commonly known; provided, however, that no such change shall interfere with Tenant's access to or beneficial use and enjoyment of the Premises.

13. DESTRUCTION OF PREMISES. In the event of the damage or destruction of any portion of the Premises, Tenant shall immediately notify Landlord (but in no event later than twenty-four hours after such damage or destruction) and, provided that Senior Lender consents to use of the proceeds to repair, diligently repair or reconstruct the same to a like or better condition than existed prior to such damage or destruction. Any insurance proceeds payable with respect to the casualty shall be held and used in the manner determined by Senior Lender and Landlord. In the event the net insurance proceeds are used for the repair or reconstruction of the applicable portion of the Premises, the proceeds shall be subject to reasonable disbursement controls in favor of Landlord or its Senior Lender. If such proceeds are insufficient for the repairs or reconstruction of the damaged portion of the Premises, Tenant shall provide the required additional funds. If Senior Lender prohibits the use of the funds for repairs or reconstruction, the insurance proceeds shall be utilized by Senior Lender to pay down debt owed to it. Notwithstanding anything to the contrary herein, and provided that (i) Tenant has paid to Landlord all amounts due under the Lease through the date of such damage or destruction, (ii) more than fifty percent (50%) of the Premises is damaged, (iii) Senior Lender prohibits the use of the insurance proceeds for repairs or reconstruction, and (iv) Landlord fails to repair or reconstruct the Premises to substantially the same condition as existed prior to such damage or destruction within twelve (12) months after the date of such damage or destruction, then Tenant may, at Tenant's election, made within thirty (30) days after Landlord provides written notice to Tenant that the Premises will not be repaired to substantially the same condition as existed prior to such damage or destruction within the time period set forth in (iv) above, terminate this Lease. In the event that the damage or destruction affects 50% or less of the Premises, and Senior Lender prohibits the use of the insurance proceeds for repairs or reconstruction, then, provided that Tenant shall continue the operation of the Premises for the Healthcare Use, the Annual Base Rent shall be adjusted as mutually agreed by Landlord and Tenant and approved by Senior Lender. Other than as provided in this Section 13, the rent payable under this Lease shall not abate by reason of any damage or destruction of any portion of the Premises by reason of an insured or uninsured casualty; provided, however, that Tenant shall receive a credit against the rent and other sums due hereunder in an amount equal to the proceeds of any rental value and/or business interruption insurance carried by Tenant, which are paid to Landlord. Tenant hereby waives all rights under applicable law to abate, reduce or offset rent by reason of such damage or destruction.

14. FULL MARKET VALUE OF RENT. Rent paid by Tenant to Landlord under this Lease has been independently determined to be consistent with fair market value in an arms-length transaction based on consultation with each party's respective advisors and knowledge of

market conditions. For the purposes of this Lease, the "fair market value" ("**FMV**") of the Rent shall mean the dollar amount that the Premises would rent for on the open market, between a willing lessor and a willing lessee, both having reasonable knowledge of the relevant facts. The FMV of the Rent only considered the value of the rental property for general commercial purposes, and was not adjusted to reflect any additional value that one party (either the prospective lessee or lessor) would attribute to the property as a result of its proximity or convenience to sources of referrals or business otherwise generated for which payment may be made in whole or in part under Medicare, Medicaid, and all other federal health care programs.

15. ELIMINATION OF THIRD PARTY RIGHTS. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the parties to this Lease, and their respective permitted successors and assigns, any rights or remedies under or by reason of this Lease, except for the Prime Lessor and the Senior Lender, as applicable under the Master Lease.

16. NOTICES. All notices and demands, certificates, requests, consents, approvals, and other similar instruments under this Lease shall be in writing and shall be sent by personal delivery or by either (a) United States certified or registered mail, return receipt requested, postage prepaid, or (b) Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows:

If to Tenant:
Concerto Dialysis, LLC
7257 North Lincoln Avenue
Lincolnwood, Illinois 60712
Attn: Michael Munter
Phone: (847) 767-5200

with a simultaneous copy to:

Holland & Knight LLP
131 South Dearborn Street, 30th Floor
Chicago, Illinois 60603
Attn: Joseph Hylak-Reinholtz, Esq.
Fax: (312) 578-6666
Phone: (312) 715-5885

If to Landlord:
Diana Master Landlord, LLC
1035 Powers Place
Alpharetta, Georgia 30004
Attn: Christina K. Firth
Fax: (770) 754-3085
Phone: (800) 845-1695

with a simultaneous copy to:

Williams Mullen
222 Central Park Avenue, Suite 1700
Virginia Beach, Virginia 23462
Attn: Lawrence R. Siegel
Fax No: (757) 473-0395
Phone: (757) 473-5321

Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice so given by mail shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be, whether accepted or refused. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given. If Tenant fails at any time to provide to Landlord a current address for notice purposes, notice may be made to any officer, general partner or principal of Tenant.

17. ASSIGNMENT AND SUBLETTING. Tenant shall not assign or sublease all or any part of the Premises under this Lease, except with the prior written consent of the Landlord, which consent shall be within the sole discretion of the Landlord.

18. BROKERS. Tenant and Landlord each warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or might be entitled to a commission in connection with this Lease.

19. SUBORDINATION OF LEASE. This Lease is subject and subordinate to the existing lien of Senior Lender and any mortgages which may hereafter be placed upon or affect the property or the Facility of which the Premises are a part, and to all renewals, modifications, consolidations, replacements, and extensions hereof.

20. CORPORATE AUTHORITY. If Tenant executes this Lease as a corporation or limited liability company, each of the persons executing this Lease on behalf of Tenant does hereby personally covenant and warrant that Tenant is a duly authorized and existing corporation or limited liability company, that Tenant was and is qualified to do business in the state in which the Premises are located, that the corporation or limited liability company has full right and authority to enter into this Lease, and that each person signing on behalf of the corporation or limited liability company was authorized to do so.

21. CHANGES IN LAW. Notwithstanding any other provision of this Lease, if the governmental agencies that administer the Medicare, Medicaid, or other federal programs (or their representatives or agents), or any other federal, state or local governmental or nongovernmental agency, or any court or administrative tribunal passes, issues or promulgates any law, rule, regulation, standard, interpretation, order, decision or judgment,

including but not limited to those relating to any regulations pursuant to state or federal anti-kickback or self-referral statutes (collectively or individually, "**Legal Event**"), which, in the good faith judgment of one party (the "**Noticing Party**"), materially and adversely affects either party's licensure, accreditation, certification, or ability to refer, to accept any referral, to bill, to claim, to present a bill or claim, or to receive payment or reimbursement from any federal, state or local governmental or non-governmental payor, or which subjects the Noticing Party to a risk of prosecution or civil monetary penalty, or which, in the good faith judgment of the Noticing Party, indicates a rule or regulation with which the Noticing Party desires further compliance, then the Noticing Party may give the other party notice of intent to amend or terminate this Lease in accordance with the next Subparagraph. The Noticing Party shall give notice to the other party together with an opinion of counsel setting forth the following information:

(a.) The Legal Event(s) giving rise to the notice;

(b.) The consequences of the Legal Event(s) as to the Noticing Party;

(c.) The Noticing Party's intention to either:

(1) Terminate this Agreement due to unacceptable risk of prosecution or civil monetary penalty; or

(2) Amend this Agreement, together with a statement that the purpose thereof is one or more of the following:

(d.) to further comply with any anti-kickback or Stark II statutory provisions or rules or regulations created or affected by the Legal Event(s); and/or

(e.) to satisfy any licensure, accreditation or certification requirements created or affected by the Legal Event(s); and/or

(f.) to eliminate or minimize the risk of prosecution or civil monetary penalty;

(g.) The Noticing Party's proposed amendment(s); and

(h.) The Noticing Party's request for commencement of the Renegotiation Period (as defined below).

In the event of notice under either Subparagraph (3)(a) or (3)(b) above, the parties shall have thirty (30) days from the giving of such notice ("**Renegotiation Period**") within which to attempt to amend this Agreement in accordance with the Noticing Party's proposal (if any) or otherwise as the parties may agree. If this Agreement is not so amended within the Renegotiation

Period, this Agreement shall terminate as of midnight on the 30th day after said notice was given. Except as otherwise required by applicable law, any amounts owing to either party hereunder shall be paid, on a pro rata basis, up to the date of such termination, and any obligation hereunder that is to continue beyond expiration or termination shall so continue pursuant to its terms. All opinions of counsel presented by the Noticing Party hereunder, and any corresponding opinions given by the other party in response, shall be deemed confidential and given solely for purposes of renegotiation and settlement of a potential dispute, and shall not be deemed disclosed so as to waive any privileges otherwise applicable to said opinions.

22. EXECUTION OF LEASE. This Lease shall not become effective or in force until all of the required signatories below have executed this Lease.

[SIGNATURE PAGES ATTACHED]

THE PARTIES HERETO have executed this Lease in duplicate on October ___, 2013.

LANDLORD:

DIANA MASTER LANDLORD, LLC,
a Delaware limited liability company

By: _____
Christina K. Firth
President

TENANT:

CONCERTO DIALYSIS, LLC,
an Illinois limited liability company

By: _____
Michael Munter
Chief Operating Officer

EXHIBIT A

SKETCH OF PREMISES

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DIANA CICERO AVENUE, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF OCTOBER, A.D. 2013.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DIANA CICERO AVENUE, LLC" WAS FORMED ON THE THIRTEENTH DAY OF SEPTEMBER, A.D. 2007.

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

Jeffrey W. Bullock, Secretary of State

4422877 8300

AUTHENTICATION: 0814697

131196063

DATE: 10-15-13

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

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DIANA MASTER LANDLORD, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF OCTOBER, A.D. 2013.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DIANA MASTER LANDLORD, LLC" WAS FORMED ON THE NINETEENTH DAY OF SEPTEMBER, A.D. 2011.

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

Jeffrey W. Bullock, Secretary of State

5039837 8300

AUTHENTICATION: 0814698

131196067

DATE: 10-15-13

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

ATTACHMENT 3

Operating Entity/Licensee Information

I. Certificate of Good Standing

A Certificate of Good Standing issued by the Illinois Secretary of State for Concerto Dialysis, LLC, an Illinois limited liability company, is attached immediately following this page. Concerto Dialysis, LLC is the certificate of need permit applicant.

A Certificate of Good Standing issued by the Delaware Secretary of State for Symphony Healthcare, LLC, a Delaware limited liability company, is attached immediately following this page. Symphony Healthcare, LLC is a co-applicant to this certificate of need permit application.

II. Ownership Disclosures

The following persons hold a five percent (5%) or greater ownership interest in the entity that is the applicant seeking a CON permit from the Illinois Health Facilities and Services Review Board:

CONCERTO DIALYSIS, LLC		
Name	**Entity/Individual**	**Ownership %**
Sarex, LLC	Entity	10%
IBEX Management Services, LLC	Entity	25%
Drake Louis Enterprises, LLC	Entity	30%
Fairhome Trust *	Trust	35%

** Fairhome Trust is new name for the trust, which was previously known as the Robert Hartman Delta Trust.*

File Number 0457001-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

CONCERTO DIALYSIS LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 09, 2013, 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 DOMESTIC LIMITED LIABILITY COMPANY 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* 11TH *day of* OCTOBER *A.D.* 2013 .

Jesse White

SECRETARY OF STATE

Authentication #: 1328400386

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

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File Number 0373729-2

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

SYMPHONY HEALTHCARE LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 22, 2011, 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 DOMESTIC LIMITED LIABILITY COMPANY 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* 15TH *day of* OCTOBER *A.D.* 2013 .

Jesse White

SECRETARY OF STATE

Authentication #: 1328802174

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

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ATTACHMENT 4

Organizational Relationship

No Parent Company

CONCERTO DIALYSIS, LLC
an Illinois Limited Liability Company

Sarex, LLC
10.0%
IBEX Management Services, LLC
25.0%
Drake Louis Enterprises, LLC
30%
Fairhome Trust
35%

No Subsidiaries

ATTACHMENT 5

Flood Plain Requirements

This project anticipates a change of ownership and control of an existing end stage renal disease facility. The project will not involve any new construction or modernization efforts. Accordingly, Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas is not applicable to this project.[1]

[1] The CON permit application (July 2013 Edition) requires applicants to include a statement certifying that the project complies with the requirements of Illinois Executive Order #2005-5, which, according to the application, is supposed to address construction activities in special flood hazard areas. However, Illinois Executive Order #2005-5 establishes a sweatshop free procurement policy. The CON permit applicant presumes that the application's drafter intended to reference Illinois Executive Order #2006-5. This 2006 executive order addresses construction activities in special flood hazard areas. As a result, this CON permit application is responsive to Illinois Executive Order #2006-5, the executive order related to construction activities in special flood hazard areas. A copy of Illinois Executive Order #2006-5 is attached hereto, immediately following this page.

2006-05

CONSTRUCTION ACTIVITIES IN SPECIAL FLOOD HAZARD AREAS

WHEREAS, the State of Illinois has programs for the construction of buildings, facilities, roads, and other development projects and annually acquires and disposes of lands in floodplains; and

WHEREAS, federal financial assistance for the acquisition or construction of insurable structures in all Special Flood Hazard Areas requires State participation in the National Flood Insurance Program; and

WHEREAS, the Federal Emergency Management Agency has promulgated and adopted regulations governing eligibility of State governments to participate in the National Flood Insurance Program (44 C.F.R. 59-79), as presently enacted or hereafter amended, which requires that State development activities comply with specified minimum floodplain regulation criteria; and

WHEREAS, the Presidential Interagency Floodplain Management Review Committee has published recommendations to strengthen Executive Orders and State floodplain management activities;

NOW THEREFORE, by virtue of the authority vested in me as Governor of the State of Illinois, it is hereby ordered as follows:

1. For purpose of this Order:

A. "Critical Facility" means any facility which is critical to the health and welfare of the population and, if flooded, would create an added dimension to the disaster. Damage to these critical facilities can impact the delivery of vital services, can cause greater damage to other sectors of the community, or can put special populations at risk. The determination of Critical Facility will be made by each agency.

Examples of critical facilities where flood protection should be required include:
Emergency Services Facilities (such as fire and police stations)
Schools
Hospitals
Retirement homes and senior care facilities
Major roads and bridges
Critical utility sites (telephone switching stations or electrical transformers)
Hazardous material storage facilities (chemicals, petrochemicals, hazardous or toxic substances)

Examples of critical facilities where flood protection is recommended include:
Sewage treatment plants
Water treatment plants
Pumping stations

B. "Development" or "Developed" means the placement or erection of structures (including manufactured homes) or earthworks; land filling, excavation or other alteration of the ground surface; installation of public utilities; channel modification; storage of materials or any other activity undertaken to modify the existing physical features of a floodplain.

C. "Flood Protection Elevation" means one foot above the applicable base flood or 100-year frequency flood elevation.

D. "Office of Water Resources" means the Illinois Department of Natural Resources, Office of Water Resources.

E. "Special Flood Hazard Area" or "Floodplain" means an area subject to inundation by the base or 100-year frequency flood and shown as such on the most current Flood Insurance Rate Map published by the Federal Emergency Management Agency.

F. "State Agencies" means any department, commission, board or agency under the jurisdiction of the Governor; any board, commission, agency or authority which has a majority of its members appointed by the Governor; and the Governor's Office.

2. All State Agencies engaged in any development within a Special Flood Hazard Area shall undertake such development in accordance with the following:

   A. All development shall comply with all requirements of the National Flood Insurance Program (44 C.F.R. 59-79) and with all requirements of 92 Illinois Administrative Code Part 700 or 92 Illinois Administrative Code Part 708, whichever is applicable.

   B. In addition to the requirements set forth in preceding Section A, the following additional requirements shall apply where applicable:

      1. All new Critical Facilities shall be located outside of the floodplain. Where this is not practicable, Critical Facilities shall be developed with the lowest floor elevation equal to or greater than the 500-year frequency flood elevation or structurally dry floodproofed to at least the 500-year frequency flood elevation.

      2. All new buildings shall be developed with the lowest floor elevation equal to or greater than the Flood Protection Elevation or structurally dry floodproofed to at least the Flood Protection Elevation.

      3. Modifications, additions, repairs or replacement of existing structures may be allowed so long as the new development does not increase the floor area of the existing structure by more than twenty (20) percent or increase the market value of the structure by fifty (50) percent, and does not obstruct flood flows. Floodproofing activities are permitted and encouraged, but must comply with the requirements noted above.

3. State Agencies which administer grants or loans for financing development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of this Order.

4. State Agencies responsible for regulating or permitting development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of this Order.

5. State Agencies engaged in planning programs or programs for the promotion of development shall inform participants in their programs of the existence and location of Special Flood Hazard Areas and of any State or local floodplain requirements in effect in such areas. Such State Agencies shall ensure that proposed development within Special Flood Hazard Areas would meet the requirements of this Order.

6. The Office of Water Resources shall provide available flood hazard information to assist State Agencies in carrying out the responsibilities established by this Order. State Agencies which obtain new flood elevation, floodway, or encroachment data developed in conjunction with development or other activities covered by this Order shall submit such data to the Office of Water Resources for their review. If such flood hazard information is used in determining design features or location of any State development, it must first be approved by the Office of Water Resources.

7. State Agencies shall work with the Office of Water Resources to establish procedures of such Agencies for effectively carrying out this Order.

8. **Effective Date.** This Order supersedes and replaces Executive Order Number 4 (1979) and shall take effect on the first day of.

_____
Rod R. Blagojevich, Governor

Issued by Governor: March 7, 2006
Filed with Secretary of State: March 7, 2006

ATTACHMENT 6

Illinois Historical Preservation Letter

This project anticipates a change of ownership and control of an existing end stage renal disease facility. This type of project does not require new construction or any modernization efforts. Accordingly, this aspect of the CON permit application is not applicable to the project.

ATTACHMENT 7

Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	$0	$0	$0
Site Survey and Soil Investigation	$0	$0	$0
Site Preparation	$0	$0	$0
Off Site Work	$0	$0	$0
New Construction Contracts	$0	$0	$0
Modernization Contracts	$0	$0	$0
Contingencies	$0	$0	$0
Architectural/Engineering Fees	$0	$0	$0
Consulting and Other Fees	$20,000.00	$0	$20,000.00
Movable/Other Equipment (not in construction contracts)	$15,719.00	$0	$15,719.00
Bond Issuance Expense (project related)	$0	$0	$0
Net Interest Expense During Construction (project related)	$0	$0	$0
Fair Market Value of Leased Space or Equipment	$559,000.00	$0	$559,000.00
Other Costs To Be Capitalized	$0	$0	$0
Acquisition of Building or Other Property (excluding land)	$0	$0	$0
TOTAL USES OF FUNDS	**$594,719.00**	**$0**	**$594,719.00**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$35,719.00	$0	$35,719.00
Pledges	$0	$0	$0
Gifts and Bequests	$0	$0	$0
Bond Issues (project related)	$0	$0	$0
Mortgages	$0	$0	$0
Leases (fair market value)	$559,000.00	$0	$559,000.00
Governmental Appropriations	$0	$0	$0
Grants	$0	$0	$0
Other Funds and Sources	$0	$0	$0
TOTAL SOURCES OF FUNDS	**$594,719.00**	**$0**	**$594,719.00**

ATTACHMENT 11

Criterion 1110.230 -- Background of Applicant

(see attached)

Concerto Dialysis, LLC
7257 North Lincoln Avenue
Lincolnwood, Illinois 60712
(847) 767-5200

October 9, 2013

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761
Attention: Kathryn J. Olson, Board Chairperson

Re: Background of Applicant - Concerto Dialysis, LLC

Dear Chairperson Olson:

Pursuant to 77 Ill. Adm. Code § 1110.230, pertaining to the Background of the CON Permit Applicant Concerto Dialysis, LLC (the "Applicant"), the undersigned representative of the Applicant hereby certifies the following:

I. Facilities Owned or Operated by Applicant

The Applicant is a newly formed Illinois limited liability company that does not have any related parent or subsidiary companies. The Applicant does not own, operate, or manage any other end stage renal disease facilities. The Applicant also does not own, operate, or manage any other type of health care facility.

Pursuant to this review criterion, copies of all applicable licenses and certifications, as applicable, are attached hereto as Attachment A.

II. No Adverse Action Certification

The Applicant hereby certifies that no adverse action has been taken against any health care facility owned or operated by the Applicant during the three (3) years prior to filing of this certificate of need application. As indicated above, the Applicant does not have a history adverse action against the company because it is a newly formed business. The Applicant further certifies that no adverse action has been taken against any of the persons who are owners/members of the Applicant. Based on the foregoing, the Applicant, and its owners/members, are fit, willing, and able, and have the qualifications, background, and character, to provide the proper standard of health care services to the community.

III. Authorization

The Applicant hereby authorizes the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health ("IDPH") to access any

documents necessary to verify the information submitted, including, but not limited to: (1) official records of IDPH or other State of Illinois agencies; (2) the licensing or certification of records of other states, where applicable; and (3) the records of nationally recognized accreditation organizations.

IV. Prior Applications

The Applicant has not submitted a prior application for permit this calendar year; therefore, the Applicant is not referencing previously submitted documentation in this permit application.

Respectfully Submitted,

Mike Munter
Chief Operating Officer
Concerto Dialysis, LLC

NOTARY:

Subscribed and sworn to me this 10 day of October, 2013

Amy L Kaniff
Notary Public

Seal:

OFFICIAL SEAL
AMY L. KANIFF
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES OCTOBER 12, 2014

ATTACHMENT A

Licenses & Certifications

(see attached)

ESRD Number: 14-2655

FILE COPY

December 29, 2004

Pat Barrows
Administrator
Direct Dialysis
14255 South Cicero Avenue
Crestwood, IL 60445

Dear Ms. Barrows:

The Centers for Medicare & Medicaid Services has accepted your request for approval as a supplier of renal services in the Medicare program. Your effective date of coverage is November 29, 2004.

Your unit has been approved as a freestanding renal dialysis facility. This approval is for a total of six (6) hemodialysis maintenance stations.

Your facility is approved to provide the following services:

- Staff Assisted Hemodialysis
- Self Administered Peritoneal Dialysis
  - Patient Training for Continuous Ambulatory Peritoneal Dialysis (CAPD)
  - Patient Training for Continuous Cycling Peritoneal Dialysis (CCPD)
- Patient Training for Hemodialysis

Your ESRD identification number is 14-2655. The number should be entered on all forms and correspondence relating to the Medicare renal treatment program. Your fiscal year end date is June 30.

Your fiscal intermediary for reimbursement for renal treatment procedures will be Mutual of Omaha.

Your renal network contact is as follows:

Susan Stark, Executive Director
Renal Network 9/10
911 East 86th Street, Suite 202
Indianapolis, IN 46240
(800) 456-6919
sstark2nw10esrd.net

FILE COPY

If you are dissatisfied with the effective date of Medicare participation indicated above, you may request that the determination of the effective date be reconsidered. The request must be submitted in writing to this office within 60 days of the date you receive this notice. The request for reconsideration must state the issues or the findings of fact with which you disagree and the reasons for disagreement.

Please inform the IDPH, if you wish to relocate your facility, change the services that you are currently providing, change the number of approved stations, or undergo a change in ownership.

We welcome your participation and look forward to working with you in the administration of the Medicare program. If you have any questions, please contact April Rush in our Chicago office at (312) 353-5184.

Sincerely,

RLPDly

Robert P. Daly, Manager
Non-Long Term Care Branch

cc: Illinois Department of Public Health
Illinois Department of Public Aid
Mutual of Omaha
Illinois Foundation for Quality Health Care
Renal Network 9/10
Office of Clinical Standards and Quality

TOTAL P.03

Illinois Department of
PUBLIC HEALTH

Pat Quinn, Governor

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.state.il.us

March 20, 2013

Provider No: 14-2655

Seema Jose, Administrator
Direct Dialysis
14255 S. Cicero Ave.
Crestwood, Illinois 60445

Dear Ms. Jose:

Effective March 19, 2013, your request to increase your dialysis maintenance stations from 6 to 7 **stations** is approved. Your facility is approved for the following:

Following is a list of the types of services for which you are approved.

☐ Transplantation

☒ Dialysis

Total Maintenance Stations	7
Staff Assisted	
1. Hemodialysis	X
2. Peritoneal	X
Self Dialysis	
1. Hemodialysis	
2. Peritoneal Dialysis	
Patient Dialysis Training	
1. Hemodialysis	X
2. Continuous Ambulatory Peritoneal Dialysis (CAPD)	X
3. Continuous Cycling Peritoneal Dialysis (CCPD)	X

You should advise our office of any changes in staffing, services, ownership, or organization that may affect your certification. If you have any questions, please do not hesitate to call Kevin Fargusson of my staff at 217/782-7412. The Department"s TTY number is 800/547-0466, for use by the hearing impaired.

Sincerely

Karen Senger RN

Karen Senger, RN
Supervisor, Central Office Operations Section
Division of Health Care Facilities and Programs
Illinois Department of Public Health

KS/kef

cc: Centers for Medicare and Medicaid Services
National Government Services, Inc.
Illinois Department of Public Aid
Mike Cosentino Health Systems Development
Field Operations Section

U.S. DEPARTMENT of HEALTH & HUMAN SERVICES
CENTERS for MEDICARE & MEDICAID SERVICES

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

End-Stage Renal Disease Quality Incentive Program

2013 Certificate of Dialysis Facility Performance - Part 1

Facility CMS Certification Number: 142655

*** The information shown below is based on 2011 data. ****

Certificate of Dialysis Facility Performance

This Facility Meets 2 of 2 Quality Standards

TOTAL PERFORMANCE SCORE	30 out of 30
National Average	29

MEASURES OF QUALITY	FACILITY SCORE	NATIONAL AVERAGE	MEETS STANDARD
Anemia Management: *(Shows how well a facility keeps red blood cell counts at an acceptable level)*			
Percentage of patients with hemoglobin greater than 12 g/dL	10 of 10	10 of 10	Yes
Dialysis Adequacy: *(Shows how well a facility cleans blood during a dialysis treatment)*			
Percentage of patients with urea reduction ratio of at least 65%	10 of 10	9 of 10	Yes

Facility Name and Address
DIRECT DIALYSIS
14255 S CICERO AVENUE
CRESTWOOD, IL 60445

James Rydell MD
Facility Medical Director

Patrick Conway, M.D., M.Sc.
CMS Chief Medical Officer
Director, Office of Clinical Standards and Quality

ATTACHMENT 12

Criterion 1110.230 -- Purpose of the Project

1. Health and Well-Being of the Market Area Population.

The proposed project contemplates a change of ownership and control of an existing health care facility, specifically, the acquisition of Direct Dialysis - Crestwood Care Centre (the "Facility") by Concerto Dialysis, LLC, an Illinois limited liability company (the "Applicant"). The project's purpose is to ensure the ongoing health and well-being of the patients that are currently being served by this seven station end stage renal disease ("ESRD") facility. The project also will ensure that the ESRD facility's pre-ESRD patients will continue to have access to the in-center hemodialysis services or Medicare Part B home dialysis services that are offered by the Facility. The continuation of this ESRD facility is important because it is located in Health Service Area 7, which according to the Illinois Health Facilities and Services Review Board's revised need determinations issued on September 25, 2013, has a stated need for an additional 94 in-center dialysis stations.

2. Market Area.

The Facility is located at 14255 South Cicero Avenue, Crestwood, Illinois 60445. The Applicant intends to serve the same geographic area that the existing ESRD Facility has been serving since it was first issued a CON permit from the Illinois Health Facilities and Services Review Board.

3. Issues to Address.

(a) Need for ESRD Stations

The Illinois Health Facilities and Services Review Board's revised need determinations issued on September 25, 2013, has a stated need for an additional 94 in-center dialysis stations. The proposed change of ownership will ensure that ESRD patients residing in HSA 7 can continue to obtain their necessary dialysis treatments in a familiar location and that this Facility continues to remain an available option to the community.

(b) HRSA-Designated Shortage Areas in Crestwood, Illinois and Many Surrounding Communities.

The continued operation of the Facility is also imperative because Crestwood, Illinois and many of the surrounding communities in Cook County have been designated by the HHS Health Resources and Services Administration ("HRSA") as being within all of the following HRSA-designated areas:

- Health Professional Shortage Area
- Medically Underserved Area
- Medically Underserved Population

(c) High Quality ESRD Provider

The Facility is also recognized as a high quality provider of ESRD services; therefore, its continued operation will ensure that high quality care remains available to the residents of Crestwood, Illinois and its surrounding communities. The U.S. Department of Health and Human Services ("HHS"), Centers for Medicare and Medicaid Services ("CMS"), issued the Facility its 2013 Certificate of Dialysis Facility Performance ("Quality Certificate"). The Quality Certificate states that the Facility met 30 out of 30 quality performance indicators, a number that exceeds the national average for all ESRD facilities.

(d) Multiple Treatment Modalities Offered by the Facility

The Facility is also important to the community because it offers different options to persons living in Crestwood, Illinois and its surrounding communities. The Facility has a seven station in-center dialysis unit in Crestwood, Illinois, on a site adjacent to a skilled nursing facility. The Facility also is a Medicare-certified supplier of home dialysis training and support services, which allows the Facility to offer different treatment options and modalities to persons who are in need of dialysis treatments. The Facility's ability to provide different options and treatment modalities means that the area's dialysis patients can find a plan that best meets their particular medical needs.

4. Documentation.

The following documents are attached as evidence that the existing ESRD facility is needed and is playing a critical role in meeting the dialysis needs of patients living in Crestwood, Illinois and many of its surrounding communities.

- Illinois Health Facilities and Services Review Board, September 25, 2013 Update to the Inventory of Other Health Services. See Attachment 12(a).

- HRSA Summaries and Charts showing that Crestwood, Illinois and many of its surrounding communities lie within areas designated by HRSA as being Health Professional Shortage Areas, Medically Underserved Areas and Medically Underserved Populations. See Attachment 12(b).

- The Facility's 2013 Quality Certificate, issued by HHS-CMS. See Attachment 12(c).

5. Addressing/Improving Access to Care.

As noted above, the existing ESRD facility is located in Crestwood, Illinois and serves this and many surrounding communities, several which have been designated by the federal government as being Health Professional Shortage Areas, Medically Underserved Areas and Medically Underserved Populations. The continued operation of the Facility is essential to meeting the dialysis needs of persons living in these communities. In addition to these federal designations, the Illinois Health Facilities and Services Review Board data presently shows that the related Health Service Area (HSA 7) has a need for 94 additional dialysis stations. Based on these facts, the Facility plays a vital role in ensuring that the area's patients are able to gain access to dialysis care. The Facility is also important to the community because it is

able to offer dialysis patients treatments and services that are appropriate to their individual needs, which may involve self dialysis at the patient's home or in-center treatments three days a week at the Crestwood dialysis unit.

6. Goals and Objectives.

The goal of this project is to ensure that dialysis patients living in Crestwood, Illinois and its surrounding communities can continue to access high-quality dialysis services from a Medicare-certified supplier that is able to offer a treatment plan that best meets the medical needs of each patient.

Another important goal is to complete the transfer of control of the existing ESRD Facility from the current entity responsible for operating the dialysis center to Concerto Dialysis, LLC. The transfer of control will bring closure to an Operations Transfer Agreement executed on December 31, 2011, an agreement which anticipated this request for a change in control over the ESRD Facility. A copy of the Operations Transfer Agreement is provided hereto as Attachment 12(d).

Attachment 12(a)

Illinois Health Facilities and Services Review Board Inventory of Other Health Services and September 25, 2013 Update

(see attached)

Changes to Ambulatory Surgical Treatment Centers

HSA 6	13-039	9/24/2013	Center for Ambulatory Surgery at Swedish Covenant, Chicago, received permit for Change of Ownership.
HSA 7	13-007	9/24/2013	Preferred Surgicenter, LLC, Orland Park received permit to establish a multi-specialty Ambulatory Surgical Treatment Center with 3 operating rooms at 10 Orland Square Drive in Orland Park.

Changes to End Stage Renal Disease

HSA 8	13-031	9/24/2013	DaVita Waukegan Renal Center received permit to relocate a 22 station End Stage Renal Dialysis facility from 697 Judge Avenue, Waukegan to 3300 Grand Avenue, Waukegan.

Changes to Alternative Health Care Delivery Models

			The Post-Surgical Recovery Care Model category of service is closed. No additional applications for Post-Surgical Recovery Care Models will be accepted.
	13-051	9/24/2013	Center for Comprehensive Services, Inc., Palatine, received permit to establish a 5 bed unit for Community-Based Rehabilitation Alternative Health Care Model.

Other Projects

REVISED NEED DETERMINATIONS
9/25/2013
ESRD STATIONS

ESRD SERVICE AREAS	APPROVED EXISTING STATIONS	CALCULATED STATION NEED 2015	ADDITIONAL STATIONS NEEDED 2015	EXCESS ESRD STATIONS 2015
HSA 1	157	141	0	16
HSA 2	169	147	0	22
HSA 3	158	133	0	25
HSA 4	174	162	0	12
HSA 5	188	164	0	24
HSA 6	1,168	1,262	94	0
HSA 7	1,190	1,284	94	0
HSA 8	361	333	0	28
HSA 9	251	228	0	23
HSA 10	90	71	0	19
HSA 11	177	173	0	4
ILLINOIS TOTAL	**4,083**	**4,098**	**188**	**173**

AMBULATORY SURGICAL TREATMENT CENTERS

ASTC PLANNING AREAS	ASTC FACILITIES	OPERATING ROOMS
HSA 1	4	11
HSA 2	6	18
HSA 3	5	12
HSA 4	15	41
HSA 5	10	20
HSA 6	22	57
HSA 7	49	154
HSA 8	15	43
HSA 9	9	25
HSA 10	4	9
HSA 11	9	17
ILLINOIS TOTAL	**148**	**407**

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS 2013

OTHER HEALTH SERVICES

INVENTORY OF OTHER HEALTH SERVICES
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	Sub-Acute Care Hospital Models	C - 2 – C - 4
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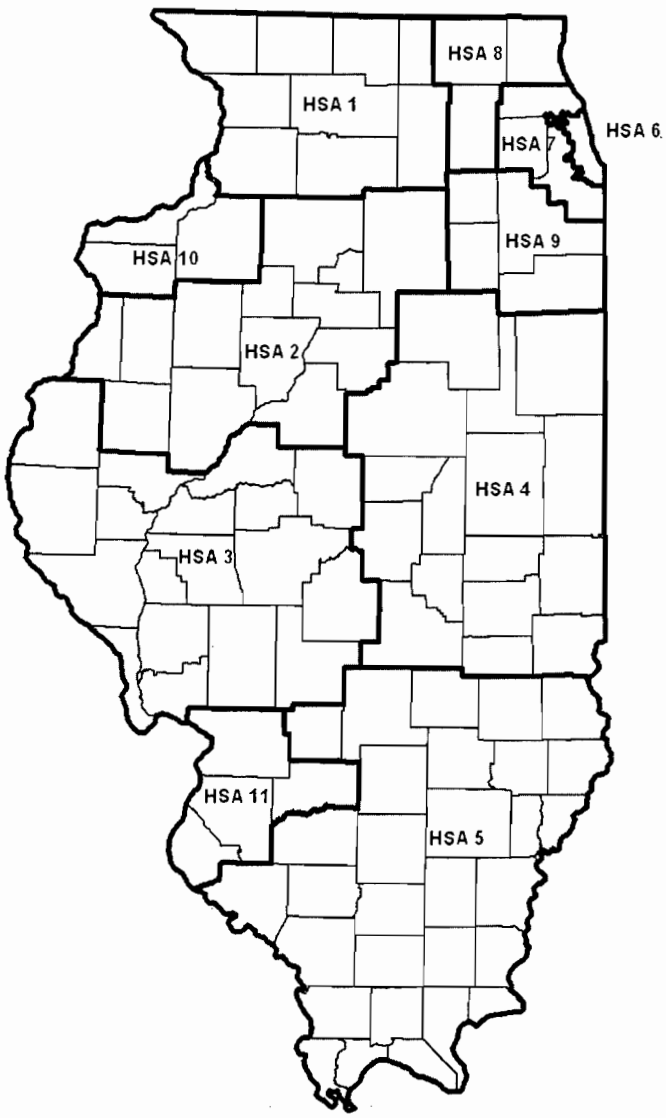
	Community-Based Residential Care Models	C - 11 – C - 12

SECTION A

IN-CENTER HEMODIALYSIS
Category of Service

Planning Process for In-Center Hemodialysis Category of Service



For the In-Center Hemodialysis category of service:

1. The planning areas are the designated Health Service Areas

2. The utilization standard is a facility must operate at a minimum of 80 percent utilization rate, assuming three patient shifts per day per renal dialysis station operating six days a week.

3. The need for end stage renal disease (ESRD) stations is calculated for a five-year period from the base year. The need for additional treatment stations is determined utilizing the following methodologies:

   a. Five-year Projection:

      i. Establish a minimum institutional dialysis rate by dividing the total number of institutional dialysis patients in the base year by the State base year estimated population in thousands and multiply the result by .6 (60%).

      ii. Determine each planning area's experienced institutional dialysis rate by dividing the number of patients receiving dialysis in the base year by the planning area estimated population in thousands for the base year.

      iii. Multiply each planning area's projected population in thousands five (5) years from the base year by the greater of the minimum institutional dialysis rate or the experienced institutional dialysis rate for the planning area to determine the estimated number of institutional dialysis patients.

      iv. Multiply the planning area's estimated number of institutional dialysis patients by a factor of 1.33 (estimated increase in prevalence) to determine the projected number of institutional dialysis patients in the planning area for the projected year.

      v. Multiply the projected number of institutional dialysis patients by 156 to determine the projected number of institutional procedures

      vi. Divide the projected number of institutional procedures by 749 to determine the projected number of stations needed for the projected year.

      vii. Subtract the number of existing stations from the projected number of needed stations to determine the excess or additional stations needed.

IN-CENTER HEMODIALYSIS
Category of Service
Existing Services and Projected Need

Planning Area	2010			2015			
	Existing Facilities	Existing Stations	Estimated Population	Projected Population	Projected Station Need	Additional Stations Needed	Excess Stations
HSA 1	12	157	688,100	677,500	141	0	16
HSA 2	12	169	681,700	679,300	147	0	22
HSA 3	13	158	581,900	582,200	133	0	25
HSA 4	11	174	836,500	837,300	162	0	12
HSA 5	16	188	623,000	619,500	164	0	24
HSA 6	56	1,168	2,698,300	2,724,800	1,262	94	0
HSA 7	64	1,190	3,419,600	3,490,000	1,284	94	0
HSA 8	23	361	1,530,100	1,556,100	333	0	28
HSA 9	16	251	957,800	978,200	228	0	23
HSA 10	6	90	214,500	213,500	71	0	19
HSA 11	11	177	610,500	609,400	173	0	4
STATE TOTAL	**240**	**4,083**	**12,842,000**	**12,967,800**	**4,098**	**188**	**173**

IN-CENTER HEMODIALYSIS Category of Service

PLANNING AREA: Health Service Area: 7

FACILITY	CITY	STATIONS	PATIENTS - 2010
Alsip Dialysis Center	Alsip	20	68
2/5/2013 E-009-12	Exemption to add 4 stations approved. Facility authorized stations increased from 16 to 20.		
2/28/2013 E-009-12	ESRD stations increased from 16 to 20.		
ARA-South Barrington Dialysis	S. Barrington	14	50
Big Oaks Dialysis Center	Niles	12	9
Center for Renal Replacement	Lincolnwood	16	68
Central Dupage Dialysis Center	West Chicago	16	72
Chicago Heights Renal Care	Chicago Heights	16	85
Community Dialysis of Harvey	Harvey	18	72
DaVita Evanston Renal Center	Evanston	18	54
8/16/2011 11-029	Received permit for change of ownership.		
7/24/2012 12-010	Received permit to discontinue 18 station ESRD at 1715 Center Street in Evanston, and to establish an 18 station ESRD facility at 1922 Dempster Street in Evanston.		
Direct Dialysis - Crestwood Care Centre	Crestwood	7	62
3/29/2013 Station Change	Facility approved to increase stations from 6 to 7.		
Downers Grove Dialysis Center	Downers Grove	19	105
DSI - Arlington Heights	Arlington Heights	18	56
8/16/2011 11-027	Received permit for change of ownership.		
DSI - Buffalo Grove	Buffalo Grove	16	61
8/16/2011 11-028	Received permit for change of ownership.		
DSI - South Holland	South Holland	20	106
8/16/2011 11-035	Received permit for change of ownership.		
Elk Grove Dialysis Center	Elk Grove Village	28	154
Evanston Hospital (Northwestern)	Evanston	5	0
FMC - Orland Park	Orland Park	18	78
FMC Dialysis Services of Willowbrook	Willowbrook	20	84
FMC Merrionette Park	Merrionette Park	24	88
10/30/2012 12-072	Received permit to add 6 stations to existing ESRD facility; facility is now authorized for 24 ESRD stations.		
FMC MidAmerica - Berwyn	Berwyn	28	142
Fresenius Medical Care - Crestwood	Crestwood	24	119
6/5/2012 12-012	As part of project 12-012, facility will reduce authorized stations from 32 to 24.		
Fresenius Medical Care - Lombard	Lombard	12	4
Fresenius Medical Care - Steger	Steger	12	0
7/19/2011 09-028	Completed project to establish an ESRD facility with 12 ESRD stations at 219 East 34th Street, Steger.		
Fresenius Medical Care Blue Island	Blue Island	24	109

IN-CENTER HEMODIALYSIS Category of Service

Fresenius Medical Care Burbank		Burbank	26	120
9/15/2011	Station Change	Received permission to add 4 ESRD stations to existing facility; facility now authorized for 26 ESRD stations.		
1/10/2012	11-071	Received permit for change of ownership.		
Fresenius Medical Care Cicero		Cicero	16	0
4/17/2012	11-096	Received permit to establish 16 station End Stage Renal Dialysis facility at 3000 South Cicero Avenue, Cicero.		
Fresenius Medical Care Des Plaines		Des Plaines	12	0
7/1/2011	10-067	Received permit 3/22/2011 to establish an ESRD facility with 12 stations at 1625 Oakton Place, Des Plaines, IL 60018.		
Fresenius Medical Care Elmhurst		Elmhurst	28	116
5/22/2012	10-033	Formerly RCG Villa Park		
4/3/2013	E-005-13	Approved for addition of 4 ESRD stations to an existing facility; facility now authorized for 28 stations.		
Fresenius Medical Care Evanston		Evanston	14	67
10/13/2011	11-054	As part of project 11-054, discontinued 8 ESRD stations at existing facility. Facility now has 12 ESRD stations.		
6/22/2012	Station Change	Added 2 stations to existing facility; facility now has 14 ESRD stations.		
Fresenius Medical Care Evergreen Park		Evergreen Park	30	168
1/10/2012	11-072	Received permit for change of ownership.		
Fresenius Medical Care Glendale Heights		Glendale Heights	21	85
8/1/2012	E-006-12	Approved to add 4 stations to existing facility. Facility now has 21 stations.		
2/11/2013	E-006-12	4 approved stations became operational.		
6/26/2013	13-027	Received permit to relocate 21 station facility from 520 North Avenue, Glendale Heights to 130 East Army Trail Road, Glendale Heights.		
Fresenius Medical Care Hazel Crest		Hazel Crest	16	80
1/10/2012	11-073	Received permit for change of ownership.		
Fresenius Medical Care Hoffman Estates		Hoffman Estates	20	113
1/10/2012	11-074	Received permit for change of ownership.		
10/16/2012	Station Change	Facility approved for addition of 3 ESRD stations; facility now has 20 authorized ESRD stations.		
Fresenius Medical Care Melrose Park		Melrose Park	18	63
1/10/2012	11-077	Received permit for change of ownership.		
Fresenius Medical Care Niles		Niles	32	139
1/10/2012	11-079	Received permit for change of ownership.		
Fresenius Medical Care Norridge		Norridge	16	58
1/10/2012	11-080	Received permit for change of ownership.		
Fresenius Medical Care North Avenue		Melrose Park	24	114
10/13/2011	11-057	Received permit to add 2 ESRD stations to existing facility; facility now has 24 ESRD stations.		
Fresenius Medical Care Northfield		Northfield	12	0
10/13/2011	11-054	Received permit to establish a 12 station ESRD facility at 480 Central Avenue in Northfield.		
Fresenius Medical Care Oak Forest		Oak Forest	12	0
6/5/2012	12-012	Received permit to establish a 12 station ESRD facility at 5340A West 159th Street in Oak Forest.		

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IN-CENTER HEMODIALYSIS Category of Service

Fresenius Medical Care of Deerfield		Deerfield	12	24
Fresenius Medical Care of Naperville-North		Naperville	21	67
4/22/2013	**E-010-13**	**Received exemption to add 7 ESRD stations to existing facility; facility now authorized for 21 ESRD stations.**		
Fresenius Medical Care of West Chicago		West Chicago	12	31
Fresenius Medical Care Palatine		Palatine	12	0
7/1/2011	**09-058**	**Completed project to establish 12 station ESRD at 605 East Dundee Road, Palatine effective 6/9/2011.**		
Fresenius Medical Care River Forest		River Forest	20	0
8/22/2012	**10-012**	**Completed project to establish 20 station ESRD at 103 Forest Avenue in River Forest.**		
Fresenius Medical Care Rolling Meadows		Rolling Meadows	24	106
1/10/2012	**11-084**	**Received permit for change of ownership.**		
Fresenius Medical Care South Holland		South Holland	19	72
1/10/2012	**11-088**	**Received permit for change of ownership.**		
4/22/2013	**Station Change**	**Facility approved to increase stations from 17 to 19.**		
Fresenius Oak Park Dialysis Center		Oak Park	12	129
Fresenius RCG South Suburban		Olympia Fields	27	153
Glenview Dialysis Center		Glenview	20	96
Hazel Crest Renal Center		Hazel Crest	19	82
8/16/2011	**11-030**	**Received permit for change of ownership.**		
7/26/2012	**Station Change**	**Approved to add 2 ESRD stations to an existing facility; facility now authorized for 19 ESRD stations.**		
Loyola Univ. Hosp. Outpatient Dialysis Center		Maywood	30	151
5/14/2013	**E-013-13**	**Received exemption for change of ownership.**		
5/14/2013	**E-013-03**	**Received exemption for change of ownership.**		
Maple Avenue Kidney Center		Oak Park	18	66
Markham Renal Center		Country Club Hills	24	100
8/16/2011	**11-032**	**Received permit for change of ownership.**		
3/26/2013	**12-097**	**Received permit to discontinue a 24-station ESRD located at 3053 West 159th Street, Markham, and to establish a 24-station ESRD facility at 4215 West 167th Street in Country Club Hills.**		
Naperville Dialysis Center		Naperville	15	81
Olympia Fields Dialysis Center		Matteson	24	105
Palos Park Dialysis		Orland Park	12	0
3/12/2012	**09-055**	**Completed project to establish 12 station ESRD at 13155 South LaGrange Road, Orland Park.**		
RCG Skokie		Skokie	14	55
Satellite Dialysis of Glenview		Glenview	16	0
6/21/2012	**11-061**	**Completed project to establish a 16 station ESRD facility at 2601 Compass Road in Glenview.**		
Schaumburg Renal Center		Schaumburg	20	72

IN-CENTER HEMODIALYSIS Category of Service

8/16/2011 11-033	**Received permit for change of ownership.**			
6/5/2012 12-009	**Received permit to add 6 ESRD stations to existing facility; facility now authorized for 20 ESRD stations.**			
1/29/2013 12-009	**Number of operational stations increased from 14 to 20.**			
Stony Creek Dialysis		Oak Lawn	12	64
U.S. Renal Care Villa Park Dialysis		Villa Park	13	0
2/4/2013 12-026	**Completed project to establish a 13 station ESRD facility at 200 East North Avenue in Villa Park.**			
USRC Oak Brook Dialysis		Downers Grove	13	0
9/26/2012 11-024	**Completed project to establish a 13 station ESRD facility at 1213 Butterfield Road in Downers Grove.**			
USRC Streamwood Dialysis		Streamwood	13	0
7/10/2012 11-026	**Completed project to establish a 13 station ESRD facility at 149 Irving Park Road in Streamwood.**			
West Suburban Hosp. Dialysis Unit		Oak Park	46	229
Westchester Dialysis Center		Westchester	20	90
		PLANNING AREA TOTALS	**1,190**	**4,542**

State ESRD Patients - 2010	14,635	**2010 State Population**	12,842,000	**State Use Rate - 2010**	1.140	**Minimum Use Rate - 2010**	0.684

Planning Area Population - 2010	Area Use Rate - 2010	Planned Use Rate	Planning Area Population - 2015	Projected Patients - 2015	Adjustment Factor	Patients Adjusted for Increase	Projected Treatments - 2015	Stations Needed- 2015	Stations Needed
3,419,600	1.328	1.328	3,490,000	4,635.5	1.33	6,165	961,775	1,284	**94**

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Attachment 12(b)

HRSA Summaries and Charts

(see attached)

HEALTH PROFESSIONAL SHORTAGE AREAS (HPSAS) & MEDICALLY UNDERSERVED AREAS AND POPULATION GROUPS (MUA/PS)

The U.S. Department of Health and Human Services' Health Resources and Services Adminiatration ("HRSA") is a federal agency that develops shortage designation criteria and uses them to decide whether or not a geographic area, population group or facility is a Health Professional Shortage Area ("HPSA") or a Medically Underserved Area or Population ("MUA/P").

Health Professional Shortage Areas

A HPSA is a geographic area, population group, or health care facility that has been designated by the Federal government through HRSA as having a shortage of health professionals. There are three categories of HPSAs: primary care (shortage of primary care clinicians), dental (shortage of oral health professionals), and mental health (shortage of mental health professionals).

HPSAs are designated using several criteria, including population-to-clinician ratios. This ratio is usually 3,500 to 1 for primary care, 5,000 to 1 for dental health care, and 30,000 to 1 for mental health care.

HRSAs may be urban or rural areas, population groups or medical or other public facilities.

Medically Underserved Areas and Population Groups

MUAs may be a whole county or a group of contiguous counties, a group of county or civil divisions or a group of urban census tracts in which residents have a shortage of personal health services.

MUPs may include groups of persons who face economic, cultural or linguistic barriers to health care.

U.S. Department of Health and Human Services

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Health Resources and Services Administration

Print Close

Find Shortage Areas: HPSA & MUA/P by Address

Reported location: 14255 Cicero Ave, Crestwood, IL, 60445
(---- **Input location**: 14255 south cicero avenue, Crestwood, Illinois)

In a Primary Care Health Professional Shortage Area: Yes [Additional result analysis]	
Primary Care HPSA Name:	Low Income - Robbins/Dixmoor/Harvey/Phoenix
Primary Care HPSA ID:	11799917B1
Primary Care HPSA Status:	Designated
Primary Care HPSA Score:	17
Primary Care HPSA Designation Date:	2011/06/07
Primary Care HPSA Designation Last Update Date:	- - -
In a Mental Health Professional Shortage Area: No	
In a Dental Care Health Professional Shortage Area: Yes [Additional result analysis]	
Dental Health HPSA Name:	Low Income - Robbins/Markham Service Area
Dental Health HPSA ID:	617999170H
Dental Health HPSA Status:	Designated
Dental Health HPSA Score:	15
Dental Health HPSA Designation Date:	2001/06/28
Dental Health HPSA Designation Last Update Date:	2012/03/16

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In a Medically Underserved Area/Population: Yes [Additional result analysis]	
MUA/P Service Area Name:	Robbins Service Area
MUA/P ID:	00830

State Name:	Illinois
County Name:	Cook
County Subdivision Name:	Bremen
Census Tract Number:	824400 [Additional result analysis]
ZIP Code:	60445
Post Office Name:	Midlothian
Congressional District Name:	Illinois District 01
Congressional District Representative Name:	Bobby L. Rush

Note: The address you entered is geocoded and then compared against the HPSA and MUA data (as of 10/3/2013) in the HRSA Data Warehouse. Due to geoprocessing limitations, the designation result provided may be inaccurate and does not constitute an official determination. If you feel the result is in error, please refer to http://answers.hrsa.gov.

Date of query: 10/3/2013

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Criteria:

State: Illinois
County: Cook County
ID #: All

Results: 491 records found.

Name	ID#	Type	Score	Designation Date	Update Date
Cook County					
Rogers Park Service Area	00522	MUA	61.20	1999/06/10	
CT 0101.00					
CT 0102.01					
CT 0102.02					
CT 0103.00					
CT 0104.00					
CT 0105.01					
CT 0105.02					
CT 0105.03					
CT 0106.00					
CT 0107.01					
CT 0107.02					
CT 8306.00					
Communities Asian-American Population	00801	GOV MUP	0.00	1988/03/31	
Roseland Service Area	00802	MUA	46.90	1995/10/23	
CT 4409.00					
CT 4903.00					
CT 4905.00					
CT 4906.00					
CT 4907.00					
CT 4908.00					
CT 4909.01					
CT 4909.02					
CT 4910.00					
CT 4911.00					
CT 4912.00					
CT 4913.00					
CT 4914.00					
CT 8340.00					
Leclaire Courts Service Area	00822	MUA	56.50	1992/12/09	1994/02/01

CT 5601.00					
CT 5602.00					
CT 5603.00					
CT 5604.00					
Cook Service Area	00826	MUA	48.50	1992/08/13	1994/02/03
CT 6103.00					
CT 6104.00					
CT 6108.00					
CT 6110.00					
CT 6111.00					
CT 6112.00					
CT 6113.00					
CT 6114.00					
CT 6116.00					
CT 6117.00					
CT 6118.00					
CT 6119.00					
CT 6120.00					
CT 6121.00					
CT 6301.00					
CT 8426.00					
CT 8438.00					
Cook Service Area	00827	MUA	57.90	1992/08/13	1994/02/03
CT 3102.00					
CT 3103.00					
CT 3104.00					
CT 3105.00					
CT 3106.00					
CT 3107.00					
CT 3108.00					
CT 3109.00					
CT 8412.00					
CT 8413.00					
CT 8432.00					
Cook Service Area	00828	MUA	43.30	1992/08/13	1994/02/03
CT 3301.00					
CT 3302.00					
CT 8410.00					
Cook Service Area	00829	MUA	59.20	1992/08/05	1994/02/03
CT 3005.00					
CT 3006.00					
CT 3007.00					
CT 3008.00					
CT 3009.00					
CT 3011.00					

CT 3012.00					
CT 3016.00					
CT 3017.01					
CT 3017.02					
CT 3018.01					
CT 3018.02					
CT 3018.03					
CT 8305.00					
CT 8407.00					
CT 8408.00					
CT 8417.00					
CT 8435.00					
Robbins Service Area	00830	MUA	46.70	1992/06/11	1994/02/03
CT 8243.00					
CT 8244.00					
CT 8248.00					
Harvey/Phoenix Service Area	00831	MUA	45.20	1992/06/11	1994/02/03
CT 8269.01					
CT 8269.02					
CT 8273.00					
CT 8274.00					
Chicago Heights/Ford Heights Service Area	00832	MUA	45.00	1992/06/11	1994/02/03
CT 8289.00					
CT 8290.00					
CT 8291.00					
CT 8297.00					
Cook Service Area	00835	MUA	36.70	1984/06/04	1994/05/03
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CT 0818.00					
CT 0819.00					
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CT 2415.00					
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CT 4603.01					
CT 4603.02					
CT 4604.00					

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CT 0306.03					
CT 0306.04					
CT 0307.01					
CT 0307.02					
CT 0307.03					
CT 0307.06					
CT 0312.00					
CT 0313.00					
CT 0315.01					
CT 0315.02					
CT 8307.00					
Cook Service Area	00839	MUA	56.20	1994/05/11	
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CT 2410.00					
CT 2412.00					
CT 2413.00					
CT 2414.00					
Cook Service Area	00840	MUA	56.40	1994/05/11	
CT 2434.00					
CT 8423.00					
Cook Service Area	00841	MUA	54.50	1994/05/11	
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CT 2602.00					
CT 2608.00					
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CT 8387.00					
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CT 8415.00					
CT 8419.00					
CT 8429.00					
CT 8430.00					
CT 8431.00					
Cook Service Area	00842	MUA	51.70	1994/05/11	
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CT 3406.00					
CT 3504.00					
CT 3511.00					
CT 3514.00					
CT 3515.00					
CT 8395.00					
CT 8396.00					
CT 8420.00					
Cook Service Area	00843	MUA	52.60	1994/05/11	
CT 3602.00					
CT 3801.00					
CT 3802.00					
CT 3805.00					

CT 3807.00					
CT 3812.00					
CT 3814.00					
CT 3815.00					
CT 3817.00					
CT 3818.00					
CT 3819.00					
CT 3901.00					
CT 3902.00					
CT 3903.00					
CT 4003.00					
CT 8345.00					
CT 8355.00					
CT 8356.00					
CT 8357.00					
CT 8358.00					
CT 8359.00					
CT 8360.00					
CT 8361.00					
CT 8364.00					
CT 8365.00					
CT 8436.00					
Cook Service Area	00844	MUA	54.60	1994/05/11	
CT 4109.00					
CT 4110.00					
CT 4201.00					
CT 4202.00					
CT 4203.00					
CT 4204.00					
CT 4208.00					
CT 4212.00					
CT 8344.00					
CT 8362.00					
CT 8439.00					
Cook Service Area	00845	MUA	53.60	1994/05/11	
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CT 4314.00					
Cook Service Area	00846	MUA	55.80	1994/05/18	
CT 6809.00					
CT 7101.00					
CT 8346.00					
CT 8347.00					
CT 8348.00					
CT 8425.00					
Cook Service Area	00874	MUA	49.00	1994/05/11	

CT 0605.00					
Cook Service Area	00875	MUA	55.10	1994/05/11	
CT 0609.00					
Cook Service Area	00876	MUA	57.10	1994/05/11	
CT 0633.01					
CT 0633.02					
CT 0633.03					
Cook Service Area	00877	MUA	57.10	1994/05/11	
CT 0714.00					
Cook Service Area	00878	MUA	55.80	1994/05/11	
CT 8326.00					
Cook Service Area	00879	MUA	58.00	1994/05/11	
CT 8367.00					
Cook Service Area	00880	MUA	58.00	1994/05/11	
CT 8314.00					
Cook Service Area	00881	MUA	35.10	1994/05/11	
CT 8390.00					
CT 8391.00					
Evanston Service Area	00883	MUA	60.00	1994/05/18	1999/06/10
CT 8094.00					
Cook Service Area	00884	MUA	47.90	1994/05/18	
CT 8179.00					
Riverdale Service Area	06126	MUA	52.30	1999/05/27	
CT 5401.01					
CT 5401.02					
CT 8215.00					
CT 8264.01					
CT 8264.02					
CT 8265.00					
CT 8266.00					
CT 8267.00					
Summit	06219	MUA	54.60	2001/05/24	
CT 8203.00					
CT 8204.00					
CT 8205.01					
CT 8205.02					
Maywood	06220	MUA	59.50	2001/05/25	
CT 8172.00					
CT 8173.00					
CT 8175.00					
Low Inc - Cicero Service Area	07058	MUP	60.30	1999/06/10	
CT 8136.00					
CT 8137.01					
CT 8137.02					
CT 8138.01					

CT 8138.02					
CT 8139.00					
CT 8141.00					
CT 8142.00					
Low Inc - Melrose Park/ Maywood Sa	07155	MUP	61.10	2002/02/27	
CT 8113.02					
CT 8162.00					
CT 8163.00					
CT 8164.01					
CT 8164.02					
CT 8165.00					
CT 8174.00					
Kenwood Area	07176	MUA	57.10	2002/04/04	
CT 3904.00					
CT 3905.00					
Des Plaines Service Area	07304	MUA	61.40	2003/02/28	
CT 7706.01					
CT 7706.02					
CT 8049.02					
CT 8059.01					
CT 8061.02					
CT 8062.01					
CT 8062.02					
CT 8063.00					
Low Inc - Blue Island	07308	MUP	61.60	2003/02/28	
CT 8212.00					
CT 8213.00					
CT 8234.00					
CT 8235.00					
CT 8236.03					
CT 8268.00					
West Ridge Service Area	07316	MUA	59.80	2003/03/13	
CT 0205.00					
CT 0206.01					
CT 0206.02					
CT 0207.01					
CT 0207.02					
CT 0208.01					
CT 0208.02					
CT 0209.01					
CT 0209.02					
Low Inc - Calumet City	07321	MUP	59.10	2003/04/04	
CT 8258.01					
CT 8258.02					
CT 8258.03					

CT 8259.00					
CT 8260.00					
CT 8261.00					
CT 8262.01					
CT 8262.02					
Brighton Park / Gage Park Service Area	07323	MUA	61.60	2003/04/07	
CT 5801.00					
CT 5802.00					
CT 5803.00					
CT 5804.00					
CT 5805.01					
CT 5805.02					
CT 5806.00					
CT 5807.00					
CT 5808.00					
CT 6301.00					
CT 6302.00					
CT 6303.00					
CT 6304.00					
CT 6305.00					
CT 6308.00					
CT 6309.00					
CT 8351.00					
CT 8428.00					
Humboldt Park Service Area	07335	MUA	60.70	2003/05/14	
CT 2312.00					
CT 2315.00					
CT 8366.00					
CT 8421.00					
Austin Community Service Area	07336	MUA	51.00	2003/05/22	
CT 2502.00					
CT 2503.00					
CT 2504.00					
CT 2506.00					
CT 2507.00					
CT 2508.00					
CT 2510.00					
CT 2511.00					
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CT 2516.00					
CT 2517.00					
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CT 2519.00					
CT 2520.00					
CT 2521.01					
CT 2521.02					
CT 2522.01					
CT 2522.02					
CT 8313.00					
CT 8314.00					
West Ridge Service Area	07337	MUA	61.50	2003/05/22	
CT 0201.00					
CT 0202.00					
CT 0203.01					
CT 0203.02					
CT 0204.00					
Low Inc - Logan Square/ Hermosa	07486	MUP	61.70	2005/06/27	
CT 1605.01					
CT 1605.02					
CT 1606.01					
CT 1606.02					
CT 1607.00					
CT 1608.00					
CT 1901.00					
CT 1902.00					
CT 1906.01					
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CT 2001.00					
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CT 2209.01					
CT 2209.02					
CT 2210.00					
CT 2211.00					
CT 2212.00					
CT 2213.00					
CT 2214.00					
CT 2215.00					
CT 2225.00					
CT 2226.00					
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CT 2228.00					
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CT 8309.00					
CT 8311.00					
CT 8312.00					
CT 8315.00					
CT 8324.00					
Low Inc - Arlington Heights	07553	GOV MUP	68.40	2007/02/13	2007/02/13
Chicago Lawn, West Lawn, Ashburn	07679	MUP	61.70	2008/08/28	2008/08/28
CT 6501.00					
CT 6502.00					
CT 6503.01					
CT 6503.02					
CT 6504.00					
CT 6505.00					
CT 6603.01					
CT 6603.02					
CT 6604.00					
CT 6605.00					
CT 6606.00					
CT 6607.00					
CT 6608.00					
CT 6609.00					
CT 6610.00					

CT 6611.00					
CT 7001.00					
CT 7002.00					
CT 7003.01					
CT 7003.02					
CT 7004.01					
CT 7004.02					
CT 7005.01					
CT 7005.02					
CT 8350.00					
Low Inc-Skokie	07886	MUP	61.00	2012/09/24	

Attachment 12(c)

2013 HHS-CMS Quality Certificate

(see attached)

U.S. DEPARTMENT of HEALTH & HUMAN SERVICES
CENTERS for MEDICARE & MEDICAID SERVICES

End-Stage Renal Disease Quality Incentive Program

2013 Certificate of Dialysis Facility Performance - Part 1

Facility CMS Certification Number: 142655

*** The information shown below is based on 2011 data. ****

Certificate of Dialysis Facility Performance

This Facility Meets 2 of 2 Quality Standards

TOTAL PERFORMANCE SCORE	**30 out of 30**
National Average	**29**

MEASURES OF QUALITY	FACILITY SCORE	NATIONAL AVERAGE	MEETS STANDARD
Anemia Management: *(Shows how well a facility keeps red blood cell counts at an acceptable level)*			
Percentage of patients with hemoglobin greater than 12 g/dL	10 of 10	10 of 10	Yes
Dialysis Adequacy: *(Shows how well a facility cleans blood during a dialysis treatment)*			
Percentage of patients with urea reduction ratio of at least 65%	10 of 10	9 of 10	Yes

Facility Name and Address
DIRECT DIALYSIS
14255 S CICERO AVENUE
CRESTWOOD, IL 60445

James Rydell MD
Facility Medical Director

Patrick Conway, M.D., M.Sc.
CMS Chief Medical Officer
Director, Office of Clinical Standards and Quality

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Attachment 12(d)

Operations Transfer Agreement

(see attached)

Execution Version

OPERATIONS TRANSFER AGREEMENT
by and between

Crestwood Care, LLC, an Illinois limited liability company, Deerbrook Care, LLC, an Illinois limited liability company, Countryside Care, LLC, an Illinois limited liability company, Northwoods Care, LLC, an Illinois limited liability company, Maple Crest Care Centre, L.L.C., an Illinois limited liability company, Maple Ridge Care Centre, L.L.C., an Illinois limited liability company, Aspen Ridge Care Centre, L.L.C., an Illinois limited liability company, McKinley Avenue, L.L.C., an Illinois limited liability company and Sycamore Village, LLC, an Illinois limited liability company

collectively, the **"Old Operators"**

and

Symphony Aspen Ridge LLC, an Illinois limited liability company, Symphony Countryside LLC, an Illinois limited liability company, Symphony Crestwood LLC, an Illinois limited liability company, Symphony Deerbrook LLC, an Illinois limited liability company, Symphony Maple Crest LLC, an Illinois limited liability company, Symphony Maple Ridge LLC, an Illinois limited liability company, Symphony McKinley LLC, an Illinois limited liability company, Symphony Northwoods LLC, an Illinois limited liability company, and Symphony Sycamore LLC, an Illinois limited liability company

collectively, the **"New Operators"**

Dated as of: December 31, 2011

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OPERATIONS TRANSFER AGREEMENT

This OPERATIONS TRANSFER AGREEMENT (this **"Agreement"**) is entered into the 31st day of December, 2011 (the **"Effective Date"**) by and between Crestwood Care, LLC, an Illinois limited liability company, Deerbrook Care Centre LP, an Illinois limited partnership, Countryside Care, LLC, an Illinois limited liability company, Northwoods Care, LLC, an Illinois limited liability company, Maple Crest Care Centre, L.L.C., an Illinois limited liability company, Maple Ridge Care Centre, L.L.C., an Illinois limited liability company, Aspen Ridge Care Centre, L.L.C., an Illinois limited liability company, McKinley Avenue, L.L.C., an Illinois limited liability company and Sycamore Village, LLC, an Illinois limited liability company (individually each an, **"Old Operator"** and collectively, the **"Old Operators"**), and Symphony Aspen Ridge LLC, an Illinois limited liability company, Symphony Countryside LLC, an Illinois limited liability company, Symphony Crestwood LLC, an Illinois limited liability company, Symphony Deerbrook LLC, an Illinois limited liability company, Symphony Maple Crest LLC, an Illinois limited liability company, Symphony Maple Ridge LLC, an Illinois limited liability company, Symphony McKinley LLC, an Illinois limited liability company, Symphony Northwoods LLC, an Illinois limited liability company, and Symphony Sycamore LLC, an Illinois limited liability company (individually each a **"New Operator"** and collectively, the **"New Operators"**).

WITNESSETH:

WHEREAS, Old Operators currently operate those eight skilled nursing facilities, one assisted living facility, one renal dialysis center, and thirty-eight rental apartments (individually, a **"Facility"** and collectively, the **"Facilities"**) that are described on Schedule 1 attached hereto;

WHEREAS, the Facilities are located at the sites (the **"Real Property"**) set forth on Schedule 1 attached hereto;

WHEREAS, Old Operators currently own certain furniture, fixtures, and equipment and other items of personal Properties (the **"Personal Property"**) used in connection with the Facilities. The Personal Property and the Real Property is collectively referred to in this Agreement as the **"Properties"**;

WHEREAS, those certain entities described in Schedule 1 attached hereto (collectively, the **"Purchasers"**) are acquiring the Facilities and other related assets from those certain affiliates of Old Operators described in Schedule 1 attached hereto (collectively, the **"Sellers"**) pursuant to that certain Asset Purchase Agreement of even date herewith (the **"Purchase Agreement"**) by and among Sellers and Purchasers;

WHEREAS, New Operators will enter into leases (collectively, the **"New Leases"**), of even date herewith, with an affiliate of New Operators who in turn will be entering into a lease (the **"Prime Lease"**) with an affiliate of Purchasers, which shall commence simultaneously upon the consummation of the transactions contemplated in the Purchase Agreement and this Agreement, at which point New Operators shall be the operators and managers of the Facilities as set forth in Schedule 1 attached hereto; and

WHEREAS, in order to transition the operations of the Facilities, the New Operators and the Old Operators desire to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the closing and the purchase of the Facilities under the Purchase Agreement and the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged by the parties hereto, the parties hereto agree as follows:

1. **CLOSING**.

a. The closing (**"Closing"**) under this Agreement shall occur on the date that the transactions contemplated under the Purchase Agreement have been consummated by the parties thereto (the **"Closing Date"**). New Operators shall use their best efforts to obtain all governmental or quasi-governmental approvals that are necessary or appropriate in order for New Operators to operate the Facilities under Illinois law, including a nursing home license (individually a **"License"**, and collectively, the **"Licenses"**) issued by the IDPH to operate each Facilities as currently operated (including, but not limited to the renal dialysis unit at Crestwood), and also obtain Medicare and Medicaid provider agreements with respect to each of the Facilities (**"Regulatory Approvals"**). Old Operators will provide reasonable cooperation to New Operators in connection with their efforts to obtain the Regulatory Approvals, and in that regard, Old Operators agree, promptly upon request by New Operators, to execute any reasonable applications or notifications required in connection with such efforts. Old Operators agree to promptly provide or make available to New Operators upon request, to the extent such documentation is within Old Operators' possession or control, any and all existing documentation requested by IDPH or otherwise necessary for the issuance of such Licenses. In the event that New Operators shall be unable to obtain such Regulatory Approvals prior to the Closing Date, then if Purchasers and Seller are otherwise prepared to consummate the transactions contemplated in the Purchase Agreement, then until such time that New Operators obtain such Regulatory Approvals, Old Operators shall authorize New Operators to manage and operate the Facilities using Old Operators' nursing home licenses, Medicare provider agreements and Medicaid provider agreements, as applicable, provided that New Operators shall maintain such licenses and provider agreements in good standing and shall indemnify and hold Old Operators harmless on account of any liabilities as a result of New Operators' use of such licenses and provider agreements.

b. Without limitation of the matters set forth in Section 1(a) above:

(i) Crestwood Care Centre LP (the **"Old Crestwood Operator"**) will enter into a management agreement (the **"Dialysis Management Agreement"**) with Symphony Crestwood LLC (the **"New Crestwood Operator"**) under which Old Crestwood Operator will continue to operate the renal dialysis unit at the Crestwood Care Centre in the manner that it is currently being operating until such time as New Crestwood Operator has obtained the necessary license to operate such dialysis unit. The Dialysis Management Agreement will be in form and content reasonably acceptable to both New Crestwood Operator and Old Crestwood Operator.

(ii) Crestwood Heights Nursing Centre, an Illinois limited partnership (**"Old Crestwood Owner"**) shall enter into an interim management agreement (the **"Crestwood**

Interim Management Agreement") with New Crestwood Operator until such time as the Purchasers are granted a special use permit (the "**Use Permit**") by the Village of Crestwood, Illinois (the "**Village**"). The Crestwood Interim Management Agreement will be in form and content reasonably acceptable to both New Crestwood Operator and Old Crestwood Owner. If Purchasers have not obtained the Use Permit on or before June 30, 2012, then at New Crestwood Operator's option, any obligations of Old Operators and New Operators under this Agreement with respect to Crestwood Care Center will terminate and no longer be of any force or effect.

c. Notwithstanding anything to the contrary contained in this Agreement, the Closing Date for the Maple Crest Care Centre in Belvidere, Illinois ("**Maple Crest**") may be delayed in accordance with the terms and provisions of the Purchase Agreement. If the Closing Date for Maple Crest is delayed beyond the Closing Date for the other Facilities, then the terms and provisions of this Agreement will remain in full force and effect with respect to Maple Crest, but the parties' obligations relating to Maple Crest will be delayed until the date (the "**Maple Crest Closing Date**") that the Purchasers acquire Maple Crest pursuant to the Purchase Agreement. If Purchasers have not acquired Maple Crest on or before a date that is three (3) years after the Closing Date for the other Facilities, then any obligations of Old Operators and New Operators under this Agreement with respect to Maple Crest will terminate and no longer be of any force or effect.

2. COOPERATION; INTERIM OPERATIONS OF THE FACILITIES

a. Old Operators agree to cooperate with New Operators, and New Operators agree to cooperate with Old Operators to effect an orderly transfer of the operation of the Facilities.

b. Old Operators will provide reasonable cooperation to New Operators in connection with their efforts to obtain the Regulatory Approvals, and in that regard, Old Operators agree, promptly upon request by New Operators, to execute any reasonable applications or notifications required in connection with such efforts. Old Operators agree to promptly provide or make available to New Operators upon request, to the extent such documentation is within Old Operators' possession or control, any and all existing documentation requested by IDPH or otherwise necessary for the issuance of such licenses.

c. In the event there is a cost incurred to resolve any conditions relating to the Facilities, subject to and required by IDPH or other regulatory authorities as a result of a survey and/or re licensing inspection by a governmental authority arising from this transaction (the "**Change of Ownership Survey**"), Old Operators' responsibilities or liabilities for the same shall be governed by the applicable provisions of the Purchase Agreement to the extent Old Operators is responsible under the Purchase Agreement. To the extent not already deliverd to New Operators, Old Operators must provide New Operators with all document (including, but not limited to plans of correction) related to any Survey that has taken place at any of the Facilities within six (6) months prior to the Effective Date.

d. Old Operators will not make any changes in the normal and ordinary operations of the Facilities from the date hereof through the Closing Date. From and after full

execution hereof, Old Operators shall not amend, revise or modify any existing lease with respect to the Facilities. From and after full execution hereof, Old Operators will ensure that all tenants, any management company or consultants will operate the Facilities in the ordinary course of business in the current manner, shall maintain the Facilities and continue to make ordinary repairs, replacements and maintenance with respect to the Facilities, the Properties and all machinery, air conditioners, equipment, partitions and fixtures and shall deliver the Properties on the Closing Date in substantially the same condition and repair as in existence on the date hereof.

e. From and after full execution hereof, Old Operators will use reasonable commercial efforts to: (A) preserve the present residency occupancy levels of the Facilities; (B) preserve the goodwill with all of the suppliers, residents and others having business relations with Old Operators or the Facilities; and (C) use commercially reasonable best efforts to keep available the services of all of the Facilities' employees, including but not limited to the Administrator, the Director of Nursing and the employee(s) responsible for public relations and marketing.

f. From and after full execution hereof, Old Operators will not make any material change in the operation of the Properties nor sell or agree to sell any items of machinery, equipment or other assets of the Properties nor otherwise enter into, extend or renew an agreement affecting the Properties. From and after full execution hereof, there will be no change in ownership, operation or control of any of the Properties prior to Closing, and Old Operators will not take any other action inconsistent with its obligations under this Agreement.

g. From and after full execution hereof, Old Operators will maintain in force or renew on commercially reasonable terms the existing hazard and liability insurance policies as are now in effect for all of the Properties.

h. Old Operators will not, without New Operators' prior written consent, which shall not be unreasonably delayed or denied: (A) enter into any new contract or commitment which shall become the obligation of New Operators nor modify, cancel, accept the surrender of or renew (except when any such acceptance of surrender or renewal is non-discretionary) any contract or commitment which exists at present; (B) decrease the private pay rates of the residents of the Facilities; (C) other than as consistent with past practice, increase or promise to increase any wages or benefits of, or grant or promise to grant any bonuses to, any of the employees of the Facilities; (D) take any action which will or would cause any of the representations or warranties in this Agreement or the Operators Supplemental Agreement by and between Old Operators and Purchasers (the "**OSA**") to become untrue or be violated.

i. From and after full execution hereof, Old Operators will satisfy and discharge or contest in good faith all claims, liens, security interests, tenancies, liabilities or other financial obligations which constitute a lien or encumbrance on any of the Properties, except for the Permitted Exceptions (as defined in the Purchase Agreement).

j. From and after full execution hereof, during normal business hours and upon not less than twenty-four (24) hours prior notice, Old Operators will provide New Operators and their representatives with reasonable access to the Facilities and the Properties.

k. From and after full execution hereof, Old Operators will file all returns, reports and filings of any kind or nature, required to be filed by Old Operators on a timely basis and will timely pay all taxes or other obligations and liabilities which are due and payable with respect to the Properties in the ordinary course of business.

l. From and after full execution hereof, Old Operators will: (A) cause all of the Properties to be operated in compliance with all applicable laws, regulations and ordinances, as are now in effect; (B) take all actions reasonably necessary to achieve compliance with any laws, regulations and ordinances which are entered after execution of this Agreement and prior to Closing; (C) maintain the Facilities' licensure status, and Medicare and Medicaid provider agreements, in compliance with all applicable laws, rules and regulations; and (D) maintain records in accordance with all applicable federal and state laws and in such manner so that all records will be prepared in a consistent manner and will be current, complete, accurate and true.

m. From and after full execution hereof, Old Operators will promptly notify New Operators in writing of any material adverse change of which Old Operators become aware in the condition, ownership, use, occupancy, operation, management or maintenance of the Properties, including delivery to New Operators within three (3) business days: (A) copies of all surveys and inspection reports from any governmental agencies received after the date hereof; and (B) notices received of any action pending, threatened or recommended by the appropriate state or federal agency having jurisdiction thereof to revoke, withdraw or suspend any right of Old Operators to operate the Facilities, to terminate the participation of the Facilities in the Title XVIII or Title XIX of the Social Security Act programs, to terminate or fail to renew any provider agreement related to the Facilities, or to take any action that would have a material adverse effect on Purchasers' or New Operators' ability to purchase and operate the Facilities as a skilled and intermediate care nursing home Facilities and conduct their other business.

n. From and after full execution hereof, Old Operators will promptly deliver to New Operators a copy of any notice received from any Heath Care Authority, or that relates to violations or potential violations of any current licenses, Permits, provider agreements, or Medicare or Medicaid programs.

3. **CONDITIONS PRECEDENT OF NEW OPERATORS** New Operators' obligations to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and as of the Closing Date to the reasonable satisfaction of New Operators or the waiver thereof by New Operators:

a. **Compliance**. During the time period commencing on the date hereof and ending on the Closing Date, there shall be no notice issued or action initiated which could cause the suspension or termination of any of Regulatory Approvals or otherwise adversely effect the operation of the Facilities, unless the notice or action shall have been withdrawn prior to the Closing Date including, without limitation, the following:

i. Any notice stating that the Facilities is not in substantial compliance with applicable IDPH, Illinois Department of Healthcare and Family Services, state or local building, fire safety or health authorities regulations, Life Safety Code, or United States

Centers for Medicare and Medicaid Services regulations, unless remedied by the Closing Date.

ii. Any notice imposing any sanctions upon the Facilities under applicable law, rule or regulations, including, but not limited to, denial of payment for new admissions, civil monetary penalties or termination or suspension of participation in the Medicare or Medicaid reimbursement program.

b. **Old Operators' Representations, Warranties and Covenants.** Old Operators' representations, warranties and covenants contained in the OSA, this Agreement or in any certificate or document delivered in connection with this Agreement or the transactions contemplated herein shall be true on the date hereof and as of the Closing Date in all material respects as though such representations, warranties and covenants were then again made.

c. **Old Operators' Performance**. Old Operators shall have performed all of its obligations and covenants under this Agreement that are to be performed prior to or at Closing, including but not limited to, Old Operators' delivery of all of Old Operators' Closing Documents, pursuant to Section 3(n). hereof.

d. **No Defaults**. Old Operators shall not be in material default under any contract, lease or other agreement affecting or relating to the Properties that would materially and adversely affect New Operators' ability to operate the Facilities as a skilled and intermediate care nursing home Facilities with the same number of beds as currently being used in the operations thereof.

e. **Change in Ownership**. There shall be no change in the ownership, operation or control of the Properties between the date hereof and the Closing Date.

f. **Absence of Litigation**. No action or proceeding has been instituted or threatened before any court or governmental body or authority the result of which is reasonably likely to prevent or make illegal the acquisition by Purchasers of the Properties, or the consummation of the transaction contemplated hereby, or which could materially and adversely affect New Operators' ability to operate the Facilities as nursing home with the number of beds for which the Facilities are currently licensed.

g. **Removal of Personal Property Liens**. The Properties shall be free and clear of all liens, claims and encumbrances other than those permitted herein or that will be paid or otherwise satisfied by Old Operators .

h. **Closing of Facilities**. There are no orders which are entered after execution of this Agreement and prior to Closing and which shall result in the immediate forced closing of the Facilities prior to the Closing Date.

i. **New Licenses.** Purchasers and New Operators shall have received adequate assurance of obtaining all governmental and quasi-governmental licenses and other regulatory approvals needed to own and operate the Facilities under Illinois law including the License.

j. **Resident Transfers.** From and after full execution hereof, Old Operators shall not voluntarily transfer residents from the Facilities to skilled/intermediate care nursing home facilities, supportive living facilities or assisted living facilities owned or operated by an entity which is owned in whole or part, directly or indirectly, by the Old Operators or its affiliates, nor shall there be any voluntary transfers by Old Operators of residents from the Facilities to any other skilled/intermediate care nursing home facilities, supportive living facilities, or assisted living facilities where such transfer is not in the ordinary course of business and is not for reasons relating to the health and well-being of the resident transferred or otherwise required by law.

k. **Taxes.** Pursuant to Section 16(b), New Operators shall have received Bulk Sales Stop Orders and Letters of Clearance from the Illinois Department of Revenue and Illinois Department of Employment Security which certifies that Old Operators do not have any tax due to the State of Illinois other than real and personal Properties taxes to be paid by Old Operators at Closing.

l. **Code Violations.** There are no outstanding Life Safety Code or IDPH violations with a scope and severity level of F or greater or that have not been addressed by a plan of correction accepted by IDPH.

m. **Recapture Claim**. There shall be no Recapture Claim currently outstanding with respect to the Facilities that will not be resolved by Old Operators in the ordinary course. There shall be no outstanding unpaid civil money penalties with respect to the Facilities that will not be satisfied by Old Operators.

n. **Closing Documents**. Old Operators shall deliver to New Operators on or before the Closing Date the following (collectively, the **"Old Operators' Closing Documents"**), each of which shall be in form and substance reasonably satisfactory to New Operators:

i. duly executed assignments by Old Operators, in substantially the form annexed hereto as Exhibit A (the **"General Assignment"**), of all of Old Operators' right, title and interest in, to and under:

(a) the Patient Trust Funds and Properties (as defined herein);

(b) all resident contracts or other agreements with residents of the Facilities; and

(c) all licenses, permits, accreditations, Medicaid and Medicare contracts, and other regulatory approvals, and all rights of Old Operators under any government or non-government provider agreements or any other third party payor programs, if any, issued by any federal, state, municipal or local governmental authority relating to the use, maintenance or operation of the Facilities running to, or in favor of, Old Operators, to the extent legally assignable (including all modifications thereto or renewals thereof) (collectively, the **"Permits"**).

ii. duly executed Bills of Sale;

iii. a certificate of Old Operators, in a form reasonably acceptable to New Operators, executed by a duly authorized manager of Old Operators, dated the Closing Date, to the effect that the representations and warranties of Old Operators set forth in this Agreement are true and complete on and as of the Closing Date to the best of such party's knowledge;

iv. a certificate from Old Operators, executed by a duly authorized manager of Old Operators, certifying the resolutions authorizing the transactions contemplated hereby, and appearing on said certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement (and all documents to be executed and delivered pursuant hereto);

v. the Stop Order;

vi. the Clearance Letter;

vii. in addition to the Escrow Holdback Amount established under the Purchase Agreement which acts as security for Old Operators' obligations under this Agreement, Old Operators shall also deposit $300,000.00 (the **"Escrow"**) with the Title Company (as defined in the Purchase Agreement) as escrowee in accordance with the terms and conditions of an escrow agreement dated of even date herewith, in form and substance substantially similar to **Exhibit B** attached hereto (the **"Escrow Agreement"**), as security for Old Operators' obligations in connection with the following (collectively, the **"Indemnification Obligations"**): (1) any Recapture Claim relating to any period prior to the Closing Date, (2) any claim in connection with the Patient Trust Funds and Properties relating to any action or inaction of any of the Old Operators, (3) any failure by Old Operators to timely file its final cost reports as required in Section 7(a), (4) any CMP or penalty relating to or pertaining to any action or inaction of any of the Old Operators, (5) any unpaid tax and/or assessment, including but not limited to State Bed Tax/Assessment, for any period prior to the Closing Date, or (6) any other liabilities or obligations of any of the Old Operators arising as a result of the management and operations of, or any condition that exists at, the Facilities prior to the Closing Date, including, but not limited to those obligations under Section 17 of this Agreement;

viii. an assignment and assumption of leases with respect to the residential leases at Maple Ridge Retirement Center located in Lincoln, Illinois;

ix. establish the Benefits Escrow (as defined in Section 10(c))

x. the Dialysis Management Agreement; and

xi. the Crestwood Interim Management Agreement.

o. **Other Facilities.** Subject to Sections 1(b) and 1(c) of this Agreement, the closings on the purchase of the Facilities, pursuant to the Purchase Agreement and the transfer of the operations of the Facilities under the Purchase Agreement shall occur concurrently with the transfer of operations under this Agreement.

4. **CLOSING CONDITIONS OF NEW OPERATORS** Old Operators' obligation to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and as of the Closing Date to the reasonable satisfaction of Old Operators or the waiver thereof by Old Operators:

a. **New Operators' Representations, Warranties and Covenants.** New Operators' representations, warranties and covenants contained in this Agreement or in any certificate or document delivered in connection with this Agreement or the transactions contemplated herein shall be true at the date hereof and as of the date of Closing as though such representations, warranties and covenants were then again made.

b. **New Operators' Performance**. New Operators shall have performed its obligations and covenants under this Agreement that are to be performed prior to or at Closing.

c. **Absence of Litigation**. No action or proceeding shall have been instituted, nor any judgment, order or decree entered by any court or governmental body or authority preventing the acquisition by Purchasers of the Properties of the other assets or the consummation of the transaction contemplated hereby, or which could materially and adversely affect New Operators' ability to operate the Facilities as a nursing home Facilities with the same number of licensed beds on the date hereof.

d. **New Licenses.** Purchasers and New Operators shall receive adequate assurances of obtaining all governmental and quasi-governmental licenses and other regulatory approvals needed to own and operate the Facilities under Illinois law including Licenses issued by IDPH.

e. **Closing Documents.** New Operators shall deliver to Old Operators on or before the Closing Date the following (**"New Operators' Closing Documents"**), each of which shall be in form and substance reasonably satisfactory to Old Operators:

i. A certificate of New Operators, executed by a duly authorized manager of New Operators, dated the Closing Date, to the effect that the representations and warranties of New Operators set forth in this Agreement are true and complete on and as of the Closing Date to the best of such party's knowledge;

ii. a certificate from New Operators, executed by a duly authorized manager of New Operators, certifying the resolutions authorizing the transactions contemplated hereby and appearing on said certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement who have executed this Agreement (and all documents to be executed and delivered pursuant hereto); and

iii. duly executed counterpart copies of the General Assignment.

f. **Other Facilities.** Subject to Sections 1(b) and 1(c) of this Agreement, the closings on the purchase of the Facilities, pursuant to the Purchase Agreement and the transfer of the operations of the Facilities under the Purchase Agreement shall occur concurrently with the transfer of operations under this Agreement.

5. **CONVEYANCE OF SUPPLIES.**

a. In consideration of this Agreement, on the Closing Date, Old Operators shall deliver to New Operators a bill of sale (the **"Bill of Sale"**) for the Supplies (as defined herein), in the form annexed hereto as **Exhibit C**, as shall be necessary to convey to New Operators good and marketable right, title and interest in and to the Supplies, free and clear of all liens, claims, encumbrances, charges, restrictions, rights or interests of others of any kind.

b. Old Operators shall have no obligation to deliver the Supplies to any location other than that at which each item of Supplies is currently located, and New Operators agree that the presence of the Supplies at the Facilities on the Closing Date shall constitute delivery thereof.

6. **TRANSFER OF PATIENT TRUST FUNDS.**

a. On or prior to the Closing Date, Old Operators shall provide to New Operators a true, correct and complete accounting (properly reconciled) certified as being true, correct and complete by Old Operators of any patient trust funds and an inventory of all residents' property held by Old Operators on the Closing Date for patients at the Facilities, a copy of which is attached hereto as Schedule 6(a) (**"Patient Trust Funds and Properties"**).

b. Old Operators will indemnify, defend and hold New Operators harmless from all liabilities, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, in the event the amount of funds, if any, transferred to New Operators did not represent the full amount of the funds delivered to Old Operators as custodian or with respect to any Patient Trust Funds delivered, or claimed to have been delivered, to Old Operators, but which were not delivered by Old Operators to New Operators, or for claims which arise from actions or omissions of Old Operators with respect to the Patient Trust Funds and Properties prior to the Closing Date.

c. New Operators will indemnify, defend and hold Old Operators harmless from all liabilities, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, in the event a claim is made against Old Operators by a patient for his/her Patient Trust Funds and Properties where said funds were transferred to New Operators pursuant to the terms hereof, or for claims which arise from actions or omissions of New Operators after the Closing Date with respect to Patient Trust Funds and Properties actually received by New Operators.

7. **COST REPORTS; OVERPAYMENTS, CIVIL MONETARY PENALTIES.**

a. Old Operators shall prepare and file with the appropriate Medicare and Medicaid agencies their final cost reports in respect to their operations of the Facilities as soon as practicable after the Closing Date, but in any event prior to the expiration of the period of time as may be required by law for the filing of each such final cost report under the applicable third party payor program, it being specifically understood and agreed that the intent and purpose of this provision is to ensure that the reimbursement paid to New Operators for the period beginning on the Closing Date is not delayed, reduced or offset in any manner as a result of Old Operators' failure to timely file such final cost reports. Old Operators must provide New

Operators with true, correct and complete copies of their final cost reports. Upon Old Operators' expected final reimbursement payment from the State of Illinois, Old Operators shall cancel any existing direct deposit arrangement that Old Operators have in connection with their operation of the Facilities, but thereafter Old Operators shall not be responsible if future payments continue to be sent to such account.

b. Each party hereto agree to notify the other within five (5) business days after receipt of any notice of any claim of recapture by HFS, CMS, OIG or any other governmental or quasi governmental authority with respect to an alleged Medicare or Medicaid overpayment or any alleged underpayment of any tax or assessment, including, but not limited to the claims for readjustment (the "**HFS Readjustments**") as set forth in those letters from HFS attached hereto as Schedule 7(b) (collectively referred to herein as a **"Recapture Claim"**) for periods relating prior to the Closing Date. To the extent ascertainable on or prior to the Closing Date, Old Operators shall pay or cause to be paid any non-disputed Recapture Claim which is for the periods prior to the Closing Date; provided, however, nothing herein shall be deemed to prevent or restrict Old Operators from contesting any such Recapture Claim, and, if, based on the advice of their attorneys, by paying such Recapture Claim, Old Operators shall have forfeited their right to such contest, Old Operators may delay paying such Recapture Claim until final resolution of such contest.

c. In the event HFS, CMS, OIG or any other governmental or quasi governmental authority or agency making payments to New Operators for services performed at the Facilities on or after the Closing Date make any Recapture Claim for any period prior to the Closing Date, then Old Operators shall be entitled to contest such Recapture Claim; provided however, that New Operators shall be allowed the opportunity to participate in all meetings, and be provided with copies of all audit adjustments and work papers. Old Operators and New Operators shall cooperate to resolve such audit to their mutual satisfaction. In the event Old Operators fail to pursue any issue or issues raised in any such appeal, New Operators may (but are not required), at their own expense, pursue an appeal of such issue or issues and Old Operators will cooperate fully with New Operators in such appeal, including by providing copies of any documentation required to substantiate costs reported on the cost reports.

d. Old Operators hereby agree to save, indemnify, defend and hold New Operators harmless from and against any loss, damage, injury or expense incurred by New Operators arising from or related to any such Recapture Claim. Without limitation of the foregoing, Old Operators must either: i) obtain a written release of the HFS Adjustments; or ii) pay the HFS Adjustments prior to the time that funds are withheld from New Operators' Medicaid payments. Old Operators' must pay the HFS Adjustments must be from sources other than escrows established under this Agreement or the Purchase Agreement; however, this requirement will not prevent New Operators' recourse to such escrows if Old Operator's fail make the necessary payments.

e. Old Operators shall be and remain obligated for and shall pay on or before the date due thereof all amounts of any license fees/taxes or other amounts payable to any other government authority with jurisdiction over the Facilities accrued through the Closing Date, including but not limited to all amounts of Illinois assessment tax or Illinois license fees/taxes accrued through the Closing Date, as well as any Medicaid provider taxes owed to the IDPH.

Upon written request, Old Operators shall provide to New Operators, evidence reasonably satisfactory to New Operators of payment or arrangement for payment of all of such fees and taxes. New Operators shall pay, on or before the date due, all amounts of any license fees/taxes or other amounts payable to any other government authority with jurisdiction over the Facilities accrued after the Closing Date, including, but not limited to, any Medicaid provider taxes owed to the IDPH.

f. Old Operators shall at their sole and exclusive cost and expense be liable and responsible for, and shall indemnify and hold New Operators harmless in connection with, the correction of all open violations cited by IDPH in any survey (**"Survey"**) prior to the Closing Date as detailed in the Statement of Deficiencies issued by IDPH (**"Statement"**), if any, accompanying said Survey, and all proposed or imposed remedies, including but not limited to any CMP, that result from a condition that existed at the Facilities prior to the Closing Date, until the same are cured and, if applicable, any proposed denial of payment by, or termination of certification to participate in, the Medicare or Medicaid programs set forth in the Statement or otherwise resulting from the Survey or Statement.

8. **CONTRACTS; RESIDENT AGREEMENTS.**

a. As soon as practicable after the date hereof, Old Operators shall deliver to the New Operators true, accurate and complete copies of all Contracts, a schedule of which is attached hereto as Schedule 8(a). No later than ten (10) days prior to the Closing Date, New Operators shall deliver written notice to Old Operators as to which of the Contracts (collectively, the **"Assumed Contracts"**) that New Operators desires to assume pursuant to the General Assignment and continue in full force and effect after the Closing Date. Any Contracts (collectively, the **"Rejected Contracts"**) that New Operators do not elect to assume and continue shall be deemed rejected by New Operators and Old Operators shall terminate such Rejected Contracts and New Operators shall have no rights or obligations with respect to the Rejected Contracts.

b. Old Operators shall transfer, convey and assign to New Operators, in accordance with the terms of the General Assignment, on the Closing Date all existing agreements with residents and any guarantors thereof, to the extent assignable by Old Operators (excluding only the right to any payments for periods prior to the Closing Date).

9. **NO ASSUMPTION OF LIABILITIES.**

a. Other than as specifically set forth in this Agreement, New Operators shall not assume and shall not be liable for any debts, liabilities or obligations of the Old Operators including, but not limited to, any (i) liabilities or obligations of the Old Operators to its creditors, shareholders, members or owners, (ii) liabilities or obligations of the Old Operators with respect to any Contracts, acts, events or transactions occurring prior to, on or after the Closing Date, (iii) liabilities or obligations of the Old Operators for any federal, state, county or local taxes applicable to or assessed against the Old Operators or the assets or business of the Old Operators, or (iv) any contingent liabilities or obligations of the Old Operators, whether known or unknown by the Old Operators or New Operators.

b. Old Operators shall not assume and shall not be liable for any debts, liabilities or obligations of the New Operators including, but not limited to, any (i) liabilities or obligations of the New Operators to its creditors, employees, shareholders or owners, (ii) liabilities or obligations of the New Operators with respect to any Contracts, acts, events or transactions occurring prior to, on or after the Closing Date, (iii) liabilities or obligations of the New Operators for any federal, state, county or local taxes applicable to or assessed against the New Operators or the assets or business of the New Operators, or (iv) any contingent liabilities or obligations of the New Operators, whether known or unknown by the New Operators or Old Operators.

c. Except as specifically provided in this Agreement, New Operators shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs arising from or related to any services provided or costs incurred in connection with the management and operation of the Facilities prior to the Closing Date, including, but not limited to, any matters relating to Contracts, cost reports, collections, audits, hearing, or legal action arising therefrom, and Old Operators shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs arising from or related to any services provided or costs incurred in connection with the management and operation of the Facilities on or after to the Closing Date, including, but not limited to, any matters relating to cost reports, collections, audits, hearing, or legal action arising therefrom.

10. **EMPLOYEES**.

a. Old Operators shall terminate the employment of all employees providing services at the Facilities (collectively, the **"Current Employees"**), a listing of which is attached hereto as Schedule 10(c), as of the Closing Date. New Operators shall not be bound by or assume any employment contracts to which Old Operators may be a party. Other than consistent with past practice, Old Operators shall not make any material changes in the compensation or benefits of the employees at the Facilities prior to the Closing Date.

b. New Operators shall determine, in their sole discretion, which of the Current Employees shall be offered employment with New Operators, pursuant to employment terms acceptable to New Operators (collectively, the **"Retained Employees"**). Nothing in this paragraph, however, shall create any right in favor of any person not a party hereto, including without limitation, the Current Employees, or constitute an employment agreement or condition of employment for any employee of Old Operators or any affiliate of Old Operators who is a Current Employee; provided however, that New Operators shall offer employment to a sufficient number of the Current Employees so as to not trigger any liability under the WARN Act..

c. Not later than ten (10) days prior to Closing, Old Operators shall prepare and attach as Schedule 10(c), a schedule containing the names of the employees of Old Operators, listing length of employment, position, social security number, salary (and bonus, if any) and benefits (including but not limited to health care benefits, vacation, personal and sick pay benefits). Old Operators shall be responsible for (i) the payment of wages to the employees of Old Operators and all applicable employer payroll taxes through the afternoon shift (which ends at 11:30 p.m.) on the Closing Date (the **"Final Payroll"**), and (ii) the payment of unpaid

payroll and benefits accrued by the employees of Old Operators as of the end of the afternoon shift on the Closing Date (the **"Unpaid Benefits"**). The Final Payroll will be distributed by Old Operators on the Closing Date. New Operators shall assume the responsibility of Old Operators for the payment of the first hour of wages for the employees of Old Operators working the midnight shift on the Closing Date and for the payment of all applicable employer payroll taxes thereon. Old Operators shall remain liable for the payment of Unpaid Benefits but the actual payment of the same shall be made by New Operators to Old Operators' former employees hired by New Operators following the Closing as and when the same are requested by such employees and the payment is so required to be paid under applicable law, provided however, for a period of twenty four (24) months following the Effective Date, Old Operators shall fund an escrow at Closing to reimburse New Operators for the amount of such Unpaid Benefits that are required to be paid and are actually paid by New Operators (the **"Benefits Escrow"**) in the form of escrow agreement (the **"Benefits Escrow Agreement"**) attached hereto as **Exhibit D**. Old Operators shall initially fund the Benefits Escrow with a deposit in the amount of $1,800,000.00 and Old Operators and New Operators shall reconcile the payment of Unpaid Benefits from the Benefits Escrow on a monthly basis and Old Operators shall replenish the Benefits Escrow as required form time to time as required to maintain a balance therein of $250,000.00. On or before the Closing Date, Old Operators will notify their employees that their employment by Old Operators will terminate as of 11:59 p.m. on the Closing Date.

11. **EMPLOYMENT RECORDS** Old Operators shall deliver to New Operators, prior to the Closing Date, either the originals or full and complete copies of all employee records for all Retained Employees in its possession (including, without limitation, all employee employment applications, Forms W-4's, I-9's and any disciplinary reports) (collectively, the **"Employee Records"**). Old Operators represent and warrant to New Operators that the Employee Records delivered to New Operators represent all employee records in Old Operators' possession or control as of the Closing Date with regard to the Retained Employees.

12. **ACCESS TO RECORDS**.

a. On the Closing Date, Old Operators shall deliver to New Operators all of the records of the Facilities, including patient medical and financial records, provided, however, that nothing herein shall be construed as precluding Old Operators from removing from the Facilities on the Closing Date its corporate financial records which relate to its operations at the Facilities or to its overall corporate operations; and provided, further, that Old Operators shall give New Operators access to any information in any such removed records as is necessary for the efficient and lawful operation of the Facilities by New Operators or is otherwise required by law to be maintained at the Facilities. Within sixty (60) days after the Closing Date, Old Operators must provide a listing of any patient medical and financial records that are stored off-site and must cooperate with New Operators in accessing such off-site patient medical and financial records.

b. Subsequent to the Closing Date, New Operators shall allow Old Operators and its agents and representatives to have reasonable access to (upon reasonable prior notice and during normal business hours), and to make copies of, the books and records and supporting material of the Facilities relating to the period prior to and including the Closing Date, at its own

expense, to the extent reasonably necessary to enable Old Operators to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns.

c. Old Operators shall, if allowed by applicable law and subject to the terms of such applicable law, be entitled to remove any records delivered to New Operators, for purposes of litigation involving a resident or employee to whom such record relates, as certified to New Operators in writing prior to removal by an officer of or counsel for Old Operators in connection with such threatened or actual litigation. Any record so removed shall promptly be returned to New Operators following its use.

d. New Operators agree to maintain such books, records and other material comprising records of the Facilities' operations prior to the Closing Date that have been received by New Operators from Old Operators or otherwise, including patient records and records of patient funds, to the extent required by law, but in no event less than three (3) years.

13. **ACCOUNTS RECEIVABLE; ACCOUNTS PAYABLE.**

a. Old Operators shall retain the right to collect all unpaid accounts receivable as of the close of business on the Closing Date with respect to the Facilities, but only to the extent that such accounts receivable relate to services rendered prior to the Closing Date.

b. If at any time after the Closing Date, New Operators shall receive any payment from any federal or state agency, which payment includes any reimbursement with respect to payments or underpayments made to Old Operators for services rendered prior to the Closing Date, then New Operators shall remit such payments to Old Operators. New Operators and Old Operators shall send copies of all Medicare and Medicaid remittance advices to the other party for purposes of recording and pursuing accounts receivable for the period of twenty four (24) months following the Closing Date and thereafter as reasonably requested by each party. If at any time after the Closing Date, Old Operators receive any payment from any federal or state agency, which payment represents reimbursement with respect to payments or underpayments made to New Operators for services rendered on or after the Closing Date, then Old Operators shall remit such payments to New Operators. Any such remittances pursuant to this Section 13(b) shall occur within seven (7) days from the date the party required to make such remittance receives payment thereof, and if not paid in full by such date, any amount outstanding shall bear interest at the Default Rate until paid in full.

c. Payments received by New Operators from non governmental payment sources shall be paid to the party designated in such payments entitled to the payments for the services provided thereunder. Any non designated payments received by New Operators or Old Operators from non governmental payments sources after the Closing Date shall first be applied to any pre Closing Date balances due to Old Operators for services provided prior to the Closing Date, with the excess if any, applied to any post Closing Date monthly balances due for services rendered by New Operators on or following the Closing Date. Any non designated payments received by New Operators or Old Operators from non governmental payment sources more than ninety (90) days after the Closing Date shall first be applied to any post Closing Date balances due to New Operators for services provided on or following the Closing Date, with the excess, if any, applied to any pre Closing Date monthly balances due for services rendered by Old Operator

prior to the Closing Date. Notwithstanding the foregoing, New Operators acknowledge and agree that such pre Closing Date monthly balances are the Properties of Old Operators and Old Operators reserve the right to continue to directly pursue the collection of such pre Closing Date monthly balances.

14. **USE OF NAME; TELEPHONE NUMBER WEBSITE AND DOMAIN NAME**. New Operators may use the current name and present telephone numbers of the Facilities. Old Operators shall as of the Closing Date transfer or cause to be transferred, at its expense, all right, title and interest in and to the names of the Facilities set forth on Schedule 1 attached hereto or any derivations thereof, the telephone numbers used by the Facilities, and the websites, URL's, and domain names used by the Facilities.

15. **POLICY AND PROCEDURE MANUALS** Old Operators agree to leave their policy and procedure manuals at the Facilities and to transfer all of their right, title, and interest in and to such policy and procedure manuals to New Operators.

16. **TAXES** a. Old Operators shall discharge any provider tax charged by IDPH for periods relating prior to the Closing Date before same shall become due. In addition, Old Operators shall pay before the same shall become due all taxes, duties and other governmental charges that accrue prior to the Closing Date, which, if not paid, would create or may hereafter create a lien on any of the assets of New Operators or for which New Operators could become liable as a successor Operators of the Facilities.

b. Old Operators shall also file any required bulk transfer filings necessary to establish that New Operators shall not succeed to any state tax liabilities. In connection with the foregoing, Old Operators shall prepare and request at least thirty (30) days prior to Closing: (A) Bulk Sales Stop Orders (collectively, the **"Stop Order"**) from the Illinois Department of Revenue under the provisions of the Illinois Income Tax Act (35 ILCS § 5/902(d)) and the Retailers Occupational Tax Act (35 ILCS § 120/5j), dated not earlier than thirty (30) days before the Closing Date and either a full release of claims from the Illinois Department of Revenue with respect to all debts owed by Old Operators under the above Acts, or a statement setting forth the amount to be withheld by Purchasers, and such amounts shall be held in escrow by the Title Company pending the full release of claims by the Illinois Department of Revenue; and (B) Letters of Clearance (collectively, the **"Clearance Letter"**) from the Illinois Department of Employment Security under the provisions of the Illinois Unemployment Insurance Act (820 ILCS § 405/2600) and either a full release of claims from the Illinois Department of Employment Security with respect to all debts owed by Old Operators under the above Act, or a statement setting forth the amount to be withheld from the sales proceeds, and such amounts shall be held in escrow by the Title Company pending the full release of claims by the Illinois Department of Employment Security.

17. **INDEMNIFICATION**.

a. New Operators shall indemnify, save, protect, defend and hold harmless Old Operators and their respective employees, affiliates, managers, shareholders, officers, directors and agents, from and against all claims, liabilities, losses, damages, demands and causes of action of any nature whatsoever (including demands and causes of action relating to

injury or death to persons or loss of or damage to Properties), and all costs and expenses (including penalties and reasonable attorneys' and other professional fees and disbursements incurred in the investigation or defense of any such claims, or in asserting, pursuing or enforcing any such claims), whether or not resulting from third-party claims (collectively, "**Losses**") arising from, out of, or relating to (i) operation of the Facilities by New Operators on or after the Closing Date, (ii) New Operators' use or occupancy of the Properties or the condition thereof on or after the Closing Date, and (iii) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation of New Operators contained in this Agreement, or in any of the New Operators' Closing Documents.

b. Old Operators shall indemnify, save, protect, defend and hold harmless New Operators and its respective employees, affiliates, managers, members, officers, directors and agents, from and against all Losses arising from, out of, or relating to (i) operation of the Facilities by Old Operators prior to the Closing Date, (ii) Old Operators' use or occupancy of the Properties or the condition thereof prior to the Closing Date, and (iii) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation of Old Operators contained in this Agreement or in any of the Old Operators' Closing Documents.

c. In the event that any liability, claim, demand or cause of action which is indemnified against by or under any term, provision, section or paragraph of this Agreement ("**Indemnitee's Claim**") is made against or received by any indemnified party (hereinafter "**Indemnitee**") hereunder, said Indemnitee shall notify the indemnifying party (hereinafter "**Indemnitor**") in writing within twenty one (21) calendar days of Indemnitee's receipt of written notice of said Indemnitee's Claim, provided, however, that Indemnitee's failure to timely notify Indemnitor of Indemnitee's receipt of an Indemnitee's Claim shall not impair, void, vitiate or invalidate Indemnitor's indemnity hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect so long as Indemnitee's delay in notifying Indemnitor does not, solely by itself, directly and materially prejudice Indemnitor's right or ability to defend the Indemnified Claim. Upon its receipt of any or all Indemnitee's Claim(s), Indemnitor shall diligently and vigorously defend, compromise or settle said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense and shall promptly provide Indemnitee evidence thereof within fourteen (14) calendar days of the final, unappealable resolution of said Indemnitee's Claim. Upon the receipt of the written request of Indemnitee, Indemnitor shall within two (2) calendar days provide Indemnitee a true, correct, accurate and complete written status report regarding the then current status of said Indemnitee's Claim. Prior to an Indemnification Default (as defined herein), Indemnitee may not settle or compromise an Indemnitee's Claim without Indemnitor's prior written consent. In the event that Indemnitor fails or refuses to indemnify, save, defend, protect or hold Indemnitee harmless from and against an Indemnitee's Claim and/or to diligently pursue the same to its conclusion, or in the event that Indemnitor fails to timely report to Indemnitee the status of its efforts to reach a final resolution of an Indemnitee's Claim, on seven (7) calendar days prior written notice to Indemnitor during which time Indemnitor may cure any alleged default hereunder, the foregoing shall immediately, automatically and without further notice be an event of default hereunder (an "**Indemnification Default**") and thereafter Indemnitee may, but shall not be obligated to, immediately and without notice to Indemnitor, except such notice as may be required by law and/or rule of Court, intervene in and defend, settle and/or compromise said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense, including but not

limited to attorneys' fees, and, thereafter, within seven (7) calendar days of written demand for the same Indemnitor shall promptly reimburse Indemnitee all said Indemnitee's Claims and the reasonable costs, expenses and attorneys' fees incurred by Indemnitee to defend, settle or compromise said Indemnitee's Claims.

d. Non-disputed or fully adjudicated Indemnification Obligations of Old Operators may collected by New Operators from the Escrow, in accordance with the terms and conditions of the Escrow Agreement.

18. **REPRESENTATIONS AND WARRANTIES OF NEW OPERATORS** As an inducement to Old Operators to enter into this Agreement, New Operators covenant and make the following representations and warranties set forth below, which are true and correct as of the date hereof and which shall be true and correct on the Closing Date:

a. **Status of New Operators**. New Operators are each limited liability companies duly formed and validly existing under the laws of the State of Illinois and are duly qualified to own Properties and conduct their businesses in the State of Illinois.

b. **Authority**. New Operators each have full power and authority to execute and to deliver this Agreement and all documents to be executed and/or delivered by it hereunder, and to carry out the transaction contemplated herein. This Agreement is, and all instruments and documents, including without limitation the New Operators' Closing Documents, delivered pursuant hereto at the Closing will be, valid and binding documents enforceable against New Operators in accordance with their terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer and similar laws affecting creditors' rights generally. The execution, delivery and performance of this Agreement and all related documents and the consummation of the transaction contemplated herein will not: (i) result in a breach of the terms and conditions of nor constitute a default under or violation of New Operators' organizational agreement, or any law, regulation, court order, mortgage, note, bond, indenture, agreement, license or other instrument or obligation to which New Operators are now a party or by which New Operators or any of the Properties of New Operators may be bound or affected; or (ii) terminate, accelerate or modify, or give any party the right to terminate, accelerate or modify any notes or other financing arrangements or agreements to which any of the members of Purchasers is a party or by which any of them may be bound or affected.

c. **Necessary Action**. New Operators have taken all action required under their respective organizational agreements necessary to enter into this Agreement and to carry out the terms of this Agreement. This Agreement has been, and the other documents to be executed by New Operators when delivered at Closing will have been, duly executed and delivered by New Operators.

d. **No Consent Required**. No consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required in connection with the execution or delivery by New Operators of this Agreement, or the performance by New Operators of this Agreement, prior to, or as of or at the Closing Date, or as a consequence thereof, or with the consummation by New Operators of the transactions

contemplated hereby to be consummated prior to, as of or at the Closing Date, except the receipt by New Operators of the Licenses for the Facilities from IDPH.

e. **Untrue Statement of Material Fact**. No representation or warranty by New Operators in this Agreement or in any instrument, certificate or statement furnished to New Operators pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading.

19. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF OLD OPERATORS** As an inducement to New Operators to enter into this Agreement, Old Operators covenant and make the following representations and warranties, which are true and correct as of the date hereof and which shall be true and correct as of the Closing Date:

a. **Due Incorporation**. Old Operators are each limited liability companies duly organized and validly organized under the laws of the state where they are organized, with full power and authority to carry on their respective businesses as currently being conducted and to operate the Facilities as it are now being operated.

b. **Authority; Binding Effect**. Old Operators each have the full and unrestricted right, power and authority to execute and deliver this Agreement and each of the other agreements, assignments, certificates, instruments and documents executed, furnished or to be furnished in connection with this Agreement (collectively, the **"Transaction Documents"**) to which they are a party and to consummate the transactions contemplated thereby. This Agreement and the Transaction Documents will, when executed and delivered, constitute valid and binding obligations of the Old Operators, enforceable in accordance with their terms, except to the extent that (i) enforcement may be limited by or subject to any bankruptcy, insolvency, reorganization, moratorium, or similar law as is now or hereinafter in effect relating to creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief are subject to certain equitable defenses and to the discretion of the court or other authority or person before which any proceeding therefore may be brought..

c. **Consents and Approvals; Authority Relative to this Agreement.**

(i) Except as set forth on Schedule 19(c)(1), no consent, authorization or approval of, filing or registration with, or cooperation from, any Governmental Authority or any other Person not a party to this Agreement is necessary in connection with the execution, delivery and performance by the Old Operators of this Agreement and the execution, delivery and performance by the Old Operators of the Transaction Documents to which it is a party or the consummation of the transactions contemplated hereby or thereby.

(ii) Except as set forth on Schedule 19(c)2, the execution, delivery and performance of this Agreement by the Old Operators and the execution, delivery and performance by the Old Operators of the Transaction Documents to which they are a party do not and will not (A) violate any Law; (B) violate or conflict with, result in a breach or termination of, constitute a default or give any third party any additional right (including a termination right) under, permit cancellation of, result in the creation of any Lien upon any of the assets or

properties of the Old Operators, or result in or constitute a circumstance which, with or without notice or lapse of time or both, would constitute any of the foregoing under, any Contracts to which the Operators is a party or by which the Old Operators or its assets or properties are bound; (C) permit the acceleration of the maturity of any indebtedness of the Old Operators or indebtedness secured by the Old Operators' assets or properties; or (D) violate or conflict with any provision of the limited liability company agreement or similar organizational instruments of the Old Operators.

d. **Utilities**. All utility services, including heat, air-conditioning, hot and cold water, telephones, gas and electricity are available at the Facilities in quantities sufficient for Old Operators' present use of the Properties.

e. **Litigation**. After due inquiry, there are no claims, actions, suits, proceedings or investigations pending or, to Old Operators' Knowledge, threatened by or against Old Operators with respect to this Agreement or the Transaction Documents, or in connection with the transactions contemplated hereby or thereby.

f. **Insurance**. Schedule 19(e) contains an accurate and complete list of all current policies of fire, liability and workmen's compensation and other forms of insurance owned, held by or applicable to the Facilities, and Old Operators have heretofore made available to New Operators a true and complete copy of all such policies, including all occurrence-based policies applicable to Old Operators (or its business) for the two (2) years prior to the Closing Date. All such policies are in full force and effect, all premiums with respect thereto covering all periods up to and including the Closing Date have been paid or will be paid in the ordinary course of Old Operators' business and no notice of cancellation or termination has been received with respect to any such policy.

g. **Payment of Liabilities**. Subject to Old Operators' right to contest by appropriate administrative or legal proceedings, diligently conducted in good faith, the amount, validity or application of any debt, liability or obligation, Old Operators have paid, will pay or will provide for the payment of, all of its debts, liabilities and obligations arising from the ownership and operation of the Properties, including salaries, state and federal taxes and accounts payable incurred by Old Operators for the period prior to the Closing Date, and such liabilities have been paid, will be paid, or provisions will be made for the payment of the same, by Old Operators

h. **Audits**. Old Operators agree to fully cooperate with New Operators in connection with any desk audit or full audit by CMS or HFS or other applicable governmental regulatory agency in connection with the desk audit or full audit of any Medicaid or Medicare cost reports filed by Old Operators, including but not limited to providing New Operators with any and all necessary documentation, supporting schedules and personnel in its possession in order to properly support the dollar figures and classifications/characterizations contained in Old Operators' cost reports so that New Operators' Medicaid or Medicare reimbursements are maximized.

i. **Reports; Audits; Readjustments**. Old Operators have filed, or will file, within the appropriate reporting period and with the appropriate authority, all cost reports

required to be filed pursuant to Titles XVIII and XIX of the Social Security Act prior to the date hereof with respect to the Facilities, in accordance with all applicable laws, rules and regulations. Old Operators have been audited by the Medicaid program for all fiscal periods through _____. The status of the pending Medicare and Medicaid audits are attached as Schedule 19(i). There are no claims for readjustment except as set forth in Schedule 7(b) attached hereto.

j. **Restrictive Covenant**. That certain Non-Competition Agreement by and among Sellers, Old Operators, Principals (as defined in the Purchase Agreement) and Purchasers dated as if December 31, 2011, is incorporated herein by reference made a part hereof and for purposes hereof, is amended as follows:

i. Operators shall be deleted and replaced with "New Operators"; and

ii. Facilities shall be deleted and replaced with "Facilities". All other terms of the Non-Competition Agreement shall be deemed modified for purposes hereof to apply only to the Facilities with New Operators holding the right to enforce same.

k. **Census/Rate**. As of the date of this Agreement: (i) The Facilities' census as is set forth on Schedule 19(k)(i); and (ii) The Facilities' Medicaid rate is set forth on Schedule 19(k)(ii).

l. **Furniture**. There are at each of the Facilities a number of beds equal to the maximum bed capacity as permitted under the Facilities' licenses.

m. **Inventory**. The inventory and supplies at each of the Facilities consists of a quality and quantity usable in the ordinary course of business and in compliance with all Applicable Laws.

n. **Employee Benefit Plans**. Except as provided in Schedule 19.n.:

i. Old Operators do not maintain or contribute to any non-qualified deferred compensation or retirement plans, contracts or arrangements;

ii. Old Operators do not maintain or contribute to any qualified defined contribution plans (as defined in Section 3(34) of ERISA, or Section 414(i) of the Internal Revenue Code of 1986, as amended (the **"Code"**));

iii. Old Operators do not maintain or contribute to any qualified defined benefit plans (as defined in Section 3(35) of ERISA or Section 414(j) of the Code);

iv. Old Operators do not maintain or contribute to any employee welfare benefit plans (as defined in Section 3(1) of ERISA); and

v. Old Operators have not entered into, nor have Old Operators established or maintained, any change-in-control or severance agreements or plans.

o. **Status of Residents**. To the best of Old Operators' knowledge, all of the residents at the Facilities have full legal status for reimbursement as citizens or legal residents of the United States of America.

p. **Survival of Representations and Warranties of Old Operators**. Each representation and warranty of Old Operators hereunder shall be true, complete and correct as of the Closing Date with the same force and effect as though such representation or warranty was made on such date. The representations and warranties of Old Operators shall survive the Closing for a period of twenty (24) month, after which no any claim for breach thereof may be asserted.

20. **NO JOINT VENTURE**. Nothing contained herein shall be construed as forming a joint venture or partnership between the parties hereto with respect to the subject matter hereof. The parties hereto do not intend that any third party shall have any rights under this Agreement.

21. **EXHIBITS AND SCHEDULES** If any exhibits or schedules are not attached hereto, the parties hereto agree to attach such exhibits and schedules as soon as reasonably practicable but in any event prior to ten (10) days before the Closing Date. This Agreement is subject to New Operators reasonably approving all exhibits and schedules within five (5) days of submission thereof to New Operators. The parties hereto agree that the party charged with providing an exhibit or schedule to this Agreement shall, to the extent necessary after delivery thereof, amend or supplement all exhibits and schedules in order for the same to be current, true and correct as of the Closing Date.

22. **EVENTS OF DEFAULT; REMEDIES** Except as to those specific notices and cure periods, if any, particularly set forth elsewhere herein, the breach by either party ("**Defaulting Party**") hereto of any term, provision, condition, promise, covenant, agreement, representation, warranty, guaranty, indemnity, duty or obligation if not cured within ten (10) business days of the earlier of said Defaulting Party's receipt or refusal of written notice of the same from the other party ("**Non-Defaulting Party**") hereto shall automatically and without further notice hereunder be an immediate event of default ("**Event of Default**") entitling the Non-Defaulting Party to exercise any and all remedies available to it hereunder or in law or equity, provided, however, that if a non-monetary breach is not reasonably capable of being cured within the aforesaid ten (10) business days but the Defaulting Party promptly commences to cure within said period, within said period notifies the Non-Defaulting Party in writing of the commencement of said cure, and thereafter diligently pursues the same to conclusion and successfully completes said cure within thirty (30) calendar days of its first receipt of notice of said breach or violation, it shall not be an Event of Default hereunder. The Non-Defaulting Party's rights and remedies hereunder shall be cumulative and not mutually exclusive and the exercise by the Non-Defaulting Party of one or more rights or remedies granted it hereunder or in law or equity shall not be deemed, interpreted or construed as an election of the same or to bar, prevent or preclude the simultaneous or consecutive exercise of any other right or remedy granted to the Non-Defaulting Party hereunder or in law or equity, including but not limited to the simultaneous or successive pursuit of money damages and injunctive relief. The Non-Defaulting Party shall not be required to post any bond, surety or security of any nature whatsoever to pursue injunctive relief, the necessity or requirement for the same being hereby waived by the Defaulting Party

23. **CHOICE OF LAW**. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT, AND IN ALL OTHER RESPECTS.

24. **JURISDICTION; VENUE**. EXCEPT AS PROVIDED OTHERWISE IN THIS AGREEMENT, IN THE EVENT ANY DISPUTE BETWEEN THE PARTIES HERETO RESULTS IN LITIGATION, ALL SUCH ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREIN SHALL BE LITIGATED IN COURTS HAVING SITUS IN COOK COUNTY, ILLINOIS. EACH OF THE PARTIES HERETO HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN SAID COUNTY AND STATE. EACH OF THE PARTIES HERETO HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREE THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON SUCH PARTIES BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH PARTY, AT THE ADDRESS SET FORTH FOR NOTICE IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST SUCH PARTY IN ACCORDANCE WITH THIS SECTION.

25. **ATTORNEYS' FEES IN THE EVENT OF DISPUTE**. In the event any dispute between the parties hereto results in arbitration or litigation, the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorneys' fees.

26. **DEFINITIONS** For purposes of this Agreement, the following terms shall have the following meanings (all terms used in this Agreement which are not defined in this paragraph shall have the meanings set forth elsewhere in this Agreement):

a. "*Benefits Escrow*" shall have the meaning set forth in Section 10(c) of this Agreement.

b. "*CMS*" shall mean the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

c. "*Contracts*" shall mean all contracts, agreements, leases, commitments and arrangements (whether written or oral), including all service contracts, maintenance contracts and consulting agreements, and all of Old Operators' duties, obligations, covenants, promises, rights and privileges therein or thereunder to which the Old Operators or their predecessors or agents is a party and which relate to the Facilities and the operations thereof.

d. "*Governmental Authority*" shall mean the government of the United States or any foreign country or any state or political subdivision thereof and any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or

pertaining to government, and other quasi-governmental entities established to perform such functions

e. *"Escrow"* shall have the meaning set forth in Section 3(n)(vii) of this Agreement.

f. *"Health Care Authority"* shall mean any Governmental Authority or quasi-Governmental Authority or any agency, intermediary, board, authority or entity concerned with the ownership, operation, use or occupancy of the Facilities as a nursing facilities, long-term acute care facilities or assisted living facilities.

g. *"HFS"* shall mean the Illinois Department of Healthcare and Family Services.

h. *"IDPH"* shall mean the Illinois Department of Public Health.

i. *"Knowledge of Old Operators"* or *"Old Operators' Knowledge"* shall mean the actual knowledge of a fact of matter by any of Old Operators' Vice President of Operations, the Regional Manager, the Administrator of the Facilities, the controller and the chief financial officer or Mr. Shael Bellows or Mr. Manny Binstock.

j. *"Law"* shall mean any law, statute, regulation, ordinance, rule, order, decree, judgment, consent decree, settlement, agreement, or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Authority.

k. *"Lien"* shall mean any mortgage, lien (except for the lien for real estate taxes not yet due and payable), charge, restriction, pledge, security interest, option, lease, or sublease claim, right of any third party, easement encroachment or encumbrance.

l. *"OIG"* shall mean the United States Department of Health and Human Services, Office of Inspector General.

m. *"Person"* shall mean any individual, corporation, limited liability company, proprietorship, firm, partnership, limited partnership, trust, association, or other entity.

n. *"Resident Census Information"* shall mean a schedule that is true, correct and complete in all material respects (provided in accordance with applicable laws and regulations related to privacy) which accurately and completely sets forth the occupancy status of each Facilities, the average daily rate and other charges payable with respect thereto, the class of payment or reimbursement (i.e., private, third-party payor, Medicare, Medicaid, and Veterans Administration), the average monthly census of each Facilities, occupancy rates and any arrearages in payments.

o. *"Supplies"* shall mean the food, central supplies, linens and housekeeping supplies and other consumable and non-consumable inventory present at the Facilities as of the Closing Date but not including the Excluded Properties.

p. *"Survey Report"* shall mean any and all survey reports, waivers if deficiencies, plans of correction and any other investigation reports issued with respect to each of the Facilities for the last three (3) years.

27. **GENERAL PROVISIONS**.

a. Each party hereto agree to use commercially reasonable efforts to cause the conditions to its obligations and to the other party's obligations herein set forth to be satisfied at or prior to the Closing Date. Each of the parties hereto agree to execute and deliver any further agreements, documents or instruments necessary to effectuate this Agreement and the transactions referred to herein or contemplated hereby or reasonably requested by the other party to perfect or evidence their rights hereunder. Each party shall promptly notify the other party of any information delivered to or obtained by such party which would prevent the consummation of the transactions contemplated hereby, or which would indicate a breach of the representations or warranties of any other party hereto.

b. All notices to be given by either party to this Agreement to the other party hereto shall be in writing, and shall be: (i) given in person; (ii) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested; (iii) sent by national overnight courier service, priority next business day service; or (iv) sent by facsimile or e-mail (followed by delivery by one of the other means identified in (i)-(iii)) each addressed as follows:

if to Old Operators:	c/o Kensington Group, LLC 8140 River Drive Morton Grove, Illinois 60053 Attn: Shael Bellows and Emanuel Binstock Fax: (847) 583-8840
with copies to:	Roy L. Bernstein, Esq. Arnstein & Lehr LLP 120 South Riverside Plaza Suite 1200 Chicago, IL 60606 Facsimile: (312) 876-6239 E-mail: rlbernstein@arnstein.com
if to New Operators:	Symphony Healthcare LLC 7257 North Lincoln Avenue Lincolnwood, IL 60712 Facsimile: (847) 713-4807 Attn: Gerry Jenich E-mail: gjenich@nucareonline.com

with a copy to:

Abraham J. Stern, Esq.
Much Shelist Denenberg Ament and Rubenstein, P.C.
191 North Wacker Dr., Suite 1800
Chicago, Illinois 60606
Facsimile: (312) 521-3279
Email: astern@muchshelist.com

Any such notice personally delivered shall be deemed delivered when actually received; any such notice deposited in, the United States mail, registered or certified, return receipt requested, with all postage prepaid, shall be deemed to have been given on the earlier of the date received or the date when delivery is first refused; any notice deposited with an overnight courier service for delivery shall be deemed delivered on the next business day following such deposit; and any such notice delivered via facsimile shall be deemed delivered upon the notifying party's receipt of facsimile confirmation provided that the notifying party follows up such facsimile transmission with one of the other means identified above. Any party to whom notices are to be sent pursuant to this Agreement may from time to time change its address for further communications thereunder by giving notice in the manner prescribed herein to all other parties hereto.

c. Each party hereto shall bear its own legal, accounting and other expenses incurred in connection with the preparation and negotiation of this Agreement and the consummation of the transaction contemplated hereby, whether or not the transaction is consummated.

d. This Agreement, together with all exhibits and schedules attached hereto and any other agreements referred to herein, constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements.

e. This Agreement may not be modified or amended except in writing signed by the parties hereto.

f. No waiver of any term, provision or condition of this Agreement, if any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder.

g. Neither this Agreement nor the rights, duties or obligations arising hereunder shall be assignable or delegable by either party hereto without the express prior written consent of the other party hereto.

h. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. Captions of paragraphs are for convenience only and are not part of this Agreement and do not affect, change or modify the paragraphs they precede.

i. All understandings and agreements heretofore and between the parties are merged in this Agreement and all exhibits and schedules attached hereto, which alone fully and completely expresses their agreement.

j. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed an original, and all of such counterparts shall together constitute one and the same agreement.

k. All of the provisions of this Agreement shall be deemed and construed to be "conditions" and "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate provision hereof

l. The recitals set forth at the beginning of this Agreement constitute an integral part of this Agreement and are hereby incorporated by reference herein and made apart hereof as if fully set forth herein.

m. All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require, or " any" shall mean "any and all"; "or" shall mean "or" "including" shall mean "including without limitation.

n. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by law.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the day and year first above written.

OLD OPERATORS:

Aspen Ridge Care Centre, L.L.C.,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: manager

Countryside Care, LLC,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: manager

Crestwood Care, LLC,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: manager

Deerbrook Care, LLC,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: manager

NEW OPERATORS:

Symphony Aspen Ridge LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Symphony Countryside LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Symphony Crestwood LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Symphony Deerbrook LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the day and year first above written.

OLD OPERATORS:

Aspen Ridge Care Centre, L.L.C.,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

Countryside Care, LLC,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

Crestwood Care, LLC,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

Deerbrook Care, LLC,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

NEW OPERATORS:

Symphony Aspen Ridge LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Symphony Countryside LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Symphony Crestwood LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Symphony Deerbrook LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Maple Crest Care Centre L.L.C.,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: manager

Symphony Maple Crest LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Maple Ridge Care Centre L.L.C.,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: manager

Symphony Maple Ridge LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

McKinley Avenue L.L.C.,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: manager

Symphony McKinley LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Northwoods Care, LLC,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: manager

Symphony Northwoods LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Maple Crest Care Centre L.L.C.,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

Symphony Maple Crest LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Maple Ridge Care Centre L.L.C.,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

Symphony Maple Ridge LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

McKinley Avenue L.L.C.,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

Symphony McKinley LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Northwoods Care, LLC,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

Symphony Northwoods LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Sycamore Village L.L.C.,
an Illinois limited liability company

By: _____
Name: Shael Bellows
Its: Manager

Symphony Sycamore LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Sycamore Village L.L.C.,
an Illinois limited liability company

By: _____
Name: _____
Its: _____

Symphony Sycamore LLC, an Illinois limited liability company

By: Symphony HMG LLC, an Illinois limited liability company, its Manager

By: _____
David J. Hartman, Manager

Exhibits

Exhibit A	Form of General Assignment
Exhibit B	Escrow Agreement
Exhibit C	Form of Bill of Sale
Exhibit D	Benefits Escrow

Schedules

Schedule 1	Facilities, Real Property, Purchasers, Sellers, Old Operators, New Operators
Schedule 6(a)	Patient Trust Funds and Properties
Schedule 8(a)	Contracts
Schedule 10(a)	Current Employees
Schedule 10(c)	Employees of Old Operators
Schedule 19(c)(1)	Consents and Approvals
Schedule 19(c)(2)	Violations
Schedule 19(e)	Insurance Policies
Schedule 19(i)	Pending Medicare and Medicaid Audits
Schedule 19(k)(i)	Facilities' Census
Schedule 19(k)(ii)	Facilities' Medicaid Rate
Schedule 19(n)	Employee Benefit Plans

Exhibit A

FORM OF GENERAL ASSIGNMENT

GENERAL ASSIGNMENT

THIS ASSIGNMENT, is made as of the ___ day of _____ 2011, by _____, a _____ ("**Assignor**"), to [_], an Illinois limited liability company ("**Assignee**").

W I T N E S S E T H:

WHEREAS, by Operations Transfer Agreement (the "**OTA**"), dated as of _____, 2011, by and between Assignor and Assignee, among others, Assignor agreed to sell to Assignee certain real Properties, improvements, fixtures, personal Properties and such other assets (collectively, the "**Transferred Assets**") as more fully described in the Purchase Agreement that relate to _____ located in _____, Illinois (the "**Transferred Facility**");

WHEREAS, the OTA provides, inter alia, that Assignor shall assign to Assignee, the Permits, the Patient Trust Funds and Properties, the resident contracts and agreements and such other items applicable to the Transferred Assets, as more fully provided in the OTA; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the OTA.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby agrees as follows:

1. **Transfer of Permits**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under the Permits that relate to the Transferred Facility.

2. **Transfer of Patient Trust Funds and Properties**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in, to and under the Patient Trust Funds and Properties that relate to the Transferred Facility.

3. **Contracts**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in, to the Assigned Contracts, as well as all contracts and agreements with residents of the Transferred Facility.

4. **Assumption**. Assignee hereby accepts the foregoing assignments set forth in Sections 1, 2, and 3 above, provided, that said assignment and assumption shall in all respects be subject to the terms of the OTA with regard to the rights and obligations of each of the parties

hereto with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.

5. **Miscellaneous**. This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions referred to in the OTA shall be binding upon and inure to the benefit of Assignor and Assignee, and their respective successors and assigns, shall be governed by and construed in accordance with the laws of the State of Illinois and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the day and year first above written.

ASSIGNOR

_____, a _____

By:_____
Name:_____
Its:_____

ASSIGNEE
[_]
By:_____
Name:_____
Its:_____

Exhibit B

FORM OF ESCROW AGREEMENT

Exhibit C

FORM OF BILL OF SALE

BILL OF SALE

_____, a _____ ("**Old Operator**"), in consideration of Ten and No/100 Dollars ($10.00), receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over to [_], an Illinois limited liability company ("**New Operator**"), all of its right, title and interest in and to the following described personal Properties, to-wit:

All of the "Supplies", as defined in that certain Operations Transfer Agreement ("**OTA**"), dated as of _____, 2011, by and among Old Operator and New Operator, among others that relate to _____ located in _____, Illinois.

Old Operator hereby represents and warrants to New Operator that Old Operator is the absolute owner of said Supplies, that said Supplies are free and clear of all liens, charges and encumbrances, and that Old Operator has full right, power and authority to sell said Supplies and to make this Bill of Sale. Except as set forth in the OTA, all warranties of quality, fitness and merchantability are hereby excluded.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be signed and sealed in its name by its officer thereunto duly authorized this ___ day of _____, 2011.

SELLER

_____, a _____

By:_____
Name:_____
Its:_____

Exhibit D

FORM OF BENEFITS ESCROW AGREEMENT

Schedule 1

Name of Facility	Address of Facility	Old Operator	New Operator	Seller	Purchaser
Aspen Ridge Care Centre					
Countryside Care Centre					
Crestwood Care Centre					
Deerbrook Care Centre					
Maple Ridge Care Centre					
McKinley Court					
Northwoods Care Centre					
Sycamore Village					
Maple Crest Care Centre					

ATTACHMENT 13

Criterion 1110.230 -- Alternatives

Pursuant to 77 Ill. Adm. Code § 1110.230(c), Concerto Dialysis, LLC (the "Applicant") considered the following alternatives to the proposed project:

1. Do Nothing.

The first alternative considered by the Applicant was to maintain the status quo and forgo changing ownership.

Total Project Cost: $0

Reason(s) for Rejecting Alternative:

This option was rejected by the Applicant because the existing owner no longer wants to be a supplier of dialysis services. Thus, the change of ownership is necessary to ensure that dialysis patients living in Crestwood, Illinois and its surrounding communities can continue to access high-quality dialysis services from a Medicare-certified supplier that is able to offer a treatment plan that best meets the medical needs of each patient.

2. Acquire Direct Dialysis.

The other alternative considered by the Applicant was to acquire the ESRD Facility from the entity retaining the ultimate control over the existing ESRD Facility -- Direct Dialysis Crestwood.

Total Project Cost: $594,719.00

Reason(s) for Rejecting Alternative:

The Applicant selected this option because it ensures that dialysis patients living in Crestwood, Illinois and its surrounding communities can continue to access high-quality dialysis services from a Medicare-certified supplier that is able to offer a treatment plan that best meets the medical needs of each patient.

Documentation and Evidence

As noted previously on Attachment 12, the existing ESRD facility plays a vital role in meeting the dialysis needs of persons living in Crestwood, Illinois and the surrounding communities. The Applicant provided information to show that the existing Facility is needed, including the following:

- Illinois Health Facilities and Services Review Board, September 25, 2013 Update to the Inventory of Other Health Services.

- HRSA Summaries and Charts showing that Crestwood, Illinois and many of its surrounding communities lie within areas designated by HRSA as being Health Professional Shortage Areas, Medically Underserved Areas and Medically Underserved Populations.

- The Facility's 2013 Quality Certificate, issued by HHS-CMS.

ATTACHMENT 19

Criterion 1110.240
Change of Ownership

The following addresses the review criterion found at 77 Ill. Adm. Code § 1110.240 as it pertains to the change of ownership and control of a health care facility subject to review by the Illinois Health Facilities and Services Review Board ("State Board"). Specifically, this attachment addresses the current project, which is proposing the change of ownership of Direct Dialysis - Crestwood Care Centre, a seven station end stage renal disease facility located in Crestwood, Illinois (the "Facility").

A. Criterion 1110.240(b) - Impact Statement

1. Transaction Documents

The executed Asset Purchase Agreement between Diana Master Landlord, LLC ("Seller") and Concerto Dialysis, LLC ("Buyer" and "Applicant") for the acquisition of property related to the dialysis operations at the Facility and the amendments of several property leases that will continue to be held by the existing property owner is provided hereto as Attachment 19(a).

2. Change in Services Currently Offered

The Applicant will not reduce the number of ESRD stations at the Facility following the proposed change of ownership. In fact, the Applicant may submit a subsequent proposal to add dialysis stations at the Facility due to the Health Service Area's existing station need as identified by the State Board in its September 25, 2013 update to the Inventory of Other Health Services.

3. Operating Entity

Concerto Dialysis, LLC will be the entity that operates the ESRD Facility.

4. Reason for Transaction

The goal of this project is to ensure that dialysis patients living in Crestwood, Illinois and its surrounding communities can continue to access high-quality dialysis services from a Medicare-certified supplier that is able to offer a treatment plan that best meets the medical needs of each patient.

5. Anticipated Additions/Reductions of Employees

The Applicant does not plan to reduce the number of employees working at the existing Facility or with the Medicare Part B home dialysis program. However, that the Applicant may choose to not make an offer of employment to any person that loses a license to

provide services, becomes ineligible to work at a Medicare or Medicaid facility due to program exclusion, debarrment, or similar adverse action taken by a government authority, or any other event that might affect the Applicant's ability to own and operate the Facility in compliance with federal, state and local laws. In addition, the Applicant may need to temporarily reduce Facility staff based on patient census and needs.

6. Cost-Benefit Analysis

This CON permit application seeks State Board approval for a change of ownership of an existing ESRD facility. The Applicant believes that the continuation of the Facility is vital to the health care needs of the communities served. It is difficult to measure the impact and related costs that might result if an existing provider becomes unavailable, especially in an area that has a stated need for dialysis stations and is recognized by the federal government as an area with significant unmet health care needs and services.

B. Criterion 1110.240(c) - Access

1. Current Admissions Policies

The current admissions policies of the ESRD facility are attached hereto as Attachment 19(b).

2. Proposed Admissions Policies

The Applicant will continue using the admissions policies of Direct Dialysis following the change of ownership; provided, however, that such policies may be changed as required by law, changes in federal or state regulations, or as may be required by provider agreements with payors such as Medicare, Medicaid or commercial insurers.

3. CEO Certification

A certification made by Robert J. Hartman, the Chief Executive Officer of Concerto Dialysis, LLC, attesting that the admission policies of the dialysis facility involved with this change of ownership transaction will not become more restrictive. The certification is provided hereto as Attachment 19(c).

C. Criterion 1110.240(d) - Health Care System

The Applicant is not part of a larger health care system; therefore, this review criterion is not applicable to this project. Nevertheless, the existing ESRD facility has a number of referral agreements in place with back up providers, as required by the Medicare conditions for coverage for ESRD suppliers. The Applicant will assume these agreements upon the closing of the change of ownership transaction. Copies of these dialysis patient back up agreements are attached hereto as Attachment 19(d).

Attachment 19(a)

Criterion 1110.240(b) - Transaction Documents

(see attached)

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

DIANA CICERO AVENUE, LLC

(as "Seller")

and

CONCERTO DIALYSIS, LLC

(as "Buyer")

Effective Date:
October 15, 2013

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (the "Agreement"), is made and entered into as of the 15th day of October, 2013 (the "Effective Date"), by and between **DIANA CICERO AVENUE, LLC,** a Delaware limited liability company (the "Seller") and **CONCERTO DIALYSIS, LLC**, an Illinois limited liability company (the "Buyer"). Seller and Buyer may each be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the rights of Seller to certain Purchased Assets (as defined herein) of a Medicare-certified end stage renal disease facility located at 14255 South Cicero Avenue, Crestwood, Illinois 60445 (the "ESRD Facility") which is currently operated by Symphony Dialysis, LLC through a management agreement (the "Current Facility Manager"), subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound hereby agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 Purchase and Sale of Assets.

(a) Subject to the terms and conditions set forth in this Agreement, and on the basis of the representations made herein, Seller agrees to sell, convey, assign, transfer and deliver to Buyer as of the Closing Date (as defined herein), and Buyer agrees to purchase from Seller as of the Closing Date (as defined herein), all of Seller's right, title and interest in the assets set forth on Schedule 1.01(a)(1) attached hereto (the "Purchased Assets"), free and clear of any mortgage, pledge, lien, charge, security interest, claim or other encumbrance (the "Encumbrances") other than: (i) liens for taxes not yet due and payable or being contested in good faith by appropriate procedures; and (ii) mechanics', carriers', workmens', repairmen's or other similar liens arising or incurred in the ordinary course of business consistent with past practice and are not material to the Purchased Assets (collectively, the "Permitted Encumbrances"), with all such Encumbrances and Permitted Encumbrances, if any, being set forth hereto on Schedule 1.01(a)(b).

(b) [Excluded Assets. Notwithstanding anything contained in Section 1.01(a) of this Agreement, and without limiting the foregoing, Buyer is not purchasing certain assets that will be excluded from this transaction (the "Excluded Assets"), which, if any, shall be disclosed

hereto on Schedule 1.01(b). Schedule 1.01(b) shall be finalized and agreed to by Seller as of the Closing Date. To the extent possible, Seller shall remove from the ESRD Facility all Excluded Assets on the day immediately preceding the Closing Date; provided, however, that the Parties may agree to a complete removal of the Excluded Assets no later than thirty (30) days following the Closing Date. To the extent that such removal occurs after the Closing Date, the Parties shall cooperate with each other to ensure that such removal does not unreasonably interfere with patient care and the normal operations of the ESRD Facility.]

Section 1.02 Purchase Price. The aggregate purchase price for the Purchased Assets shall be Fifteen Thousand, Seven Hundred and Nineteen Dollars ($15,719.00). The Buyer shall pay the Purchase Price to Seller on the Closing Date (as defined herein) in cash, by wire transfer of immediately available funds in accordance with the wire transfer instructions set forth on Schedule 1.02 attached hereto.

Section 1.03 Withholding Tax. Buyer shall be entitled to deduct and withhold from the Purchase Price all taxes that Buyer may be required to deduct and withhold under any applicable tax law. All such withheld amounts shall be treated as delivered to Seller hereunder.

Section 1.04 Master Lease. Seller and Buyer acknowledge and agree that the Purchased Assets are subject to a Master Lease and Security Agreement by and between Seller, as Landlord, and Diana Master Landlord, LLC (an affiliate of Seller), as Tenant, dated as of December 31, 2011 (the "Master Lease"), and further subject to a Master Sublease and Security Agreement by and between Diana Master Landlord, LLC (hereinafter "Landlord") and Symphony M.L. LLC (an affiliate of Buyer), as Tenant, dated as of December 31, 2011 (the "Master Sublease") and several additional sub-subleases (collectively, the "Subleases") as set forth on Schedule 1.04 attached hereto. The Master Lease shall be amended prior to Closing to remove the Purchased Assets from the lien and effect of the Master Lease (the "Master Lease Amendment"). The Master Sublease and each of the Subleases shall be amended prior to Closing to remove the Purchased Assets and approximately 1,279 square feet of space (the "Leased Premises") from the Premises (as that term is defined in the Master Sublease and the Subleases) and from the lien and effect of the Master Sublease and Subleases (collectively, with the Master Lease Amendment, the "Lease Amendments"). The Lease Amendments will be fully executed and delivered on or prior to Closing and shall be effective as of the Closing Date. Negotiated Value.

Section 1.05 Negotiated Value. The Parties to this Agreement acknowledge and agree that the Purchase Price to be paid for the Purchased Assets, together with all rent payments made under any and all lease agreements described in Section 1.04 of this Agreement, reflects the fair market value of said assets and leases, respectively, and that such fair market valuations have been agreed to by the Parties hereto as a result of arms' length negotiations. The Parties hereto further agree that no consideration is, or will be, paid for the value of any patient referrals (direct or indirect) to or from Buyer, Seller or any of their respective affiliates.

ARTICLE II
CLOSING

Section 2.01 Closing. The closing of the sale and purchase of the Purchased Assets (the "Closing") shall take place on or about the 31st day of December, 2013, or such other date and time as mutually agreeable to Buyer and Seller (the "Closing Date"). The Closing Date shall be on a time and date: (a) that follows the Effective Date of this Agreement; and (b) that follows the hearing of the Illinois Health Facilities and Services Review Board (the "State Board") at which the State Board has reviewed this proposed transaction and has granted the Buyer a certificate of need ("CON") permit approving the change of control over the ESRD Facility and the purchase of the Purchased Assets. The Closing shall take place at the offices of Williams Mullen located at 200 South 10th Street, Suite 1600, Richmond, Virginia 23219. For all financial accounting, Medicare change of ownership, Medicaid provider enrollment, and all other necessary regulatory and licensure purposes that must be adhered to by the Buyer and the current operator of the ESRD Facility, the consummation of the transactions contemplated by this Agreement shall be deemed to have occurred at 12:01 a.m. local time on the first day of the month following the Closing Date unless the actual Closing Date is the first day of the month.

Section 2.02 Closing Deliverables.

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) a bill of sale in form and substance reasonably satisfactory to the parties hereto (the "Bill of Sale") and duly executed by Seller, transferring the Purchased Assets to Buyer;

(ii) duly executed counterpart of the Lease Amendment for the Master Sublease pursuant to Section 1.04 above, and a copy of the Master Lease Amendment;

(iii) duly executed counterpart of the New Lease, as defined in Section 5.02 herein;

(iv) duly executed counterpart of the Subordination, Non-Disturbance and Attornment Agreement (the "SNDA") with Seller's Lender, Landlord and Buyer, as set forth in Section 5.03 herein;

(v) a certificate of the Manager of Seller certifying as to (A) the resolutions of the members of Seller, duly adopted and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, and (B) the names and signatures of the officers of Seller authorized to sign this Agreement and the documents to be delivered hereunder;

(vi) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement;

(b) At the Closing, Buyer shall deliver to Seller the following:

(i) the Purchase Price;

(ii) duly executed counterpart of the Lease Amendment for the Master Sublease pursuant to Section 1.04 above, and copies of fully executed Lease Amendments for each Sublease as set forth on Schedule 1.04 attached hereto;

(iii) duly executed counterpart of the New Lease, as defined in Section 5.02 herein;

(iv) duly executed counterpart of the SNDA with Landlord, Seller and Seller's Lender, as set forth in Section 5.03 herein;

(v) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of Buyer certifying as to (A) the resolutions of the board of directors of Buyer, duly adopted and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, and (B) the names and signatures of the officers of Buyer authorized to sign this Agreement and the documents to be delivered hereunder; and

(vi) all necessary governmental approvals pursuant to Section 5.04 herein.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this **Article III** are true and correct as of the date hereof.

Section 3.01 Organization and Authority of Seller; Enforceability. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Delaware. Seller has full limited liability company power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Seller of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of Seller.

Section 3.02 No Conflicts; Consents. The execution, delivery and performance by Seller of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of organization, operating agreement or other organizational documents of Seller; and (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Seller or the Purchased Assets. No consent, approval, waiver or authorization is required to be obtained by Seller from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.03 Title to Purchased Assets. Subject to the lien on the Purchased Assets in favor of Seller's Lender, to be released as of the Closing Date, as set forth in Section 5.03 herein, Seller owns and has good title to the Purchased Assets, free and clear of Encumbrances other than Permitted Encumbrances.

Section 3.04 Legal Proceedings. There is no claim, action, suit, proceeding or governmental investigation ("Action") of any nature pending or, to Seller's knowledge, threatened against or by Seller (a) relating to or affecting the Purchased Assets; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this **Article IV** are true and correct as of the date hereof.

Section 4.01 Organization and Authority of Buyer; Enforceability. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Illinois. Buyer has full limited liability company power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Buyer, and this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

Section 4.02 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of organization, operating agreement or other organizational documents of Buyer; or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Buyer. No consent, approval, waiver or authorization is required to be obtained by Buyer from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby.

Section 4.03 Legal Proceedings. There is no Action of any nature pending or, to Buyer's knowledge, threatened against or by Buyer that challenges or seeks to prevent, enjoin or

otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

ARTICLE V
COVENANTS

Section 5.01 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the documents to be delivered hereunder shall be borne and paid by Buyer when due. Buyer shall, at its own expense, timely file any tax return or other document with respect to such taxes or fees (and Seller shall cooperate with respect thereto as necessary).

Section 5.02 New Lease. Buyer shall enter into a new lease for the Leased Premises with Landlord for the Buyer's operation of a dialysis center serving the residents of the Crestwood Care Center (the "New Lease"). The New Lease shall be effective as of the Closing Date, on terms mutually acceptable to Buyer and Seller and substantially in the form attached hereto as Schedule 5.02(a). Buyer, at its sole cost and expense, shall be responsible for transferring the dialysis license and any other governmental approvals necessary to continue to provide dialysis services to the residents of Crestwood Care Center after Closing, pursuant to Section 5.04 herein. The Leased Premises are subject to a first lien Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated December 30, 2011 which shall remain an Encumbrance on the Leased Premises. Seller, Buyer, Landlord and Seller's Lender shall execute a subordination, non-disturbance and attornment agreement as to the New Lease (the "SNDA") as of the Closing Date, substantially in the form attached hereto as Schedule 5.02(b).

Section 5.03 Release of Liens. Seller shall cause all liens encumbering the Purchased Assets, including the Security Agreement executed as of December 30, 2011, to and for the benefit of General Electric Capital Corporation (the "Seller's Lender") and related UCC Financing Statements, to be partially released as of the Closing Date as to only the Purchased Assets, so that the Purchased Assets may be conveyed to Buyer free and clear of all Encumbrances other than Permitted Encumbrances.

Section 5.04 Governmental Approvals. Between the Effective Date and the Closing Date, each Party agrees to the following:

(a) to use its reasonable efforts and, as applicable, cooperate with the other Parties, to secure, as promptly as practicable before the Closing Date, all consents, approvals, authorizations, clearances, certificates of need (or certificates of exemption) and licenses required to be obtained from governmental and regulatory authorities in order to carry out the

Transaction and to cause all of its covenants and agreements to be performed, satisfied and fulfilled, including a certificate of exemption or a certificate of need, as applicable, from the Illinois Health Facilities and Services Review Board ("HFSRB"), and

(b) to provide such information and communications to governmental and regulatory authorities as any Party or such authorities may reasonably request to ensure compliance with the requirements set forth above in paragraph (a)(1).

Section 5.05 Indeminification.

(a) Seller's Indemnification Obligation. Except as otherwise provided herein, Seller hereby indemnifies and agrees to defend and hold Buyer, and its equity owners, members, managers, officers, agents, employees, representatives, subsidiaries, successors, assigns and affiliates (each a "Buyer Indemnified Party" and collectively, the "Buyer Indemnified Parties") harmless from and against any and all Losses (as defined herein) which any of them may suffer as a result of:

(i) any breach by Seller of a representation made in this Agreement.

(b) Buyer's Indemnification Obligation. Except as otherwise provided herein, Buyer hereby indemnifies and agrees to defend and hold Seller, and its respective officers, directors, agents, employees, representatives, subsidiaries, successors, assigns and affiliates (each a "Seller Indemnified Party" and collectively, the "Seller Indemnified Parties") harmless from and against any and all Losses (as defined herein) which any of them may suffer as a result of:

(i) any breach by Buyer of a covenant, representation or warranty made in this Agreement or any other certificate, document, or instrument delivered by Buyer to Seller pursuant to or in connection with the transactions contemplated hereunder;

(ii) any liability for Losses arising out of the ownership or operation of the Purchased Assets on or after the Closing Date.

(c) A Seller Indemnified Party shall notify Buyer, or a Buyer Indemnified Party shall notify Seller, in writing of any claim or demand that may arise hereunder within a reasonable period of time given the nature of the claim or demand, but such claims shall not be deemed waived so long as the Seller Indemnified Party notifies Buyer, or the Buyer Indemnified Party notifies Seller, and is within such time frame so that:

(i) the Seller's or Buyer's defense or pursuit of a claim is not prejudiced by the delay in a Buyer Indemnified Party's or Seller Indemnified Party's delivery of notice of such claim; and

(ii) notice is within the applicable survival periods provided for in this Agreement or under applicable Federal or State law.

(d) For the Purposes of this Section 5.05, "Loss" or "Losses" means any and all actual, direct and out-of-pocket losses, liabilities, claims, damages, costs and expenses (including reasonable attorneys' fees and reasonable costs of investigation and defense). In no event shall Loss or Losses include any punitive, incidental or consequential damages.

(e) Notwithstanding any other provision of this Agreement, the Parties acknowledge and agree that the maximum aggregate liability of the Seller with respect to any claim brought under or arising out of this Agreement, whether pursuant to the foregoing indemnification provisions or otherwise, shall be limited to an amount equal to the Purchase Price.

(f) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OR COVENANTS SET FORTH IN THIS AGREEMENT, BUYER HAS AGREED TO PURCHASE AND ACCEPT THE PURCHASED ASSETS ON THE CLOSING DATE ON AN "AS IS, WHERE IS" BASIS WITH ALL FAULTS AND DEFECTS, LATENT AND PATENT, AND BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SET FORTH IN THIS AGREEMENT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS, OR GUARANTIES OF ANY KIND OF CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN. Buyer further acknowledges that prior to the transfer of the Purchased Assets to the Buyer, the business conducted at the ESRD Facility was conducted by the Current Facility Manager. The Buyer acknowledges that any claim for Losses with relating to the operation of the ESRD Facility, including the operation of the Purchased Assets and the related business, either before or after the Closing Date, shall be brought against the Current Facility Manager and Buyer hereby indemnifies and agrees to defend and hold Seller, and the Seller Indemnified Parties, harmless from and against any and all Losses which any of them may suffer as a result of the operation of the ESRD Facility and the Purchased Assets, arising prior to the Closing Date. Except as provided in this Agreement, Buyer shall not seek recourse against Seller on account of any loss, cost or expense suffered or incurred by Buyer.

Section 5.06 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder.

ARTICLE VI
MISCELLANEOUS

Section 6.01 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 6.02 Risk of Loss. The risk of loss or damage to any of the Purchased Assets shall remain with Seller and its respective affiliates prior to the Closing Date.

Section 6.03 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 6.03):

(a) If to Seller, to:

DIANA CICERO AVENUE, LLC
3820 Mansell Road Suite 280,
Alpharetta, Georgia 30022
Attention: Christina K. Firth
Phone: (800) 845-1695
Facsimile: (770) 754-3085

With a copy to (which shall not constitute notice):

Williams Mullen
200 South 10th Street, Suite 1600
Richmond, Virginia 23219
Attention: Robert C. Dewar
Phone: (804) 420-6935
Facsimile: (804) 420-6507

(b) If to the Buyer to:

CONCERTO DIALYSIS, LLC
7358 North Lincoln Avenue, Suite 120
Lincolnwood, Illinois 60712
Attention: Michael Munter, Chief Operating Officer
Phone: (847) 767-5200

With a copy to (which shall not constitute notice):

Holland & Knight LLP
131 South Dearborn Street, 30th Floor
Chicago, Illinois 60603
Attention: Joseph J. Hylak-Reinholtz
Phone: (312) 715-5885
Facsimile: (312) 578-6666

Section 6.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 6.05 Incorporation. The recitals set forth above, and all exhibits, attachments, schedules, and documents referenced herein, are hereby incorporated into and made part of this Agreement.

Section 6.06 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 6.07 Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder, the statements in the body of this Agreement will control.

Section 6.08 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 6.09 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 6.10 Amendment and Modification. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto.

Section 6.11 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 6.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction).

Section 6.13 Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of Illinois. In any such case, the venue of any legal suit, action or proceeding in Federal or State court shall be Cook County, Illinois, and in such instance, each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding that may arise under this Agreement.

Section 6.14 Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 6.15 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 6.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

DIANA CICERO AVENUE, LLC,
a Delaware limited liability company

By: _____
Christina K. Firth
President

BUYER:

CONCERTO DIALYSIS, LLC,
an Illinois limited liability company

By: _____
Michael Munter
Chief Operating Officer

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

DIANA CICERO AVENUE, LLC,
a Delaware limited liability company

By: _____
Christina K. Firth
President

BUYER:

CONCERTO DIALYSIS, LLC,
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a Delaware limited liability company

By: _____
Christina K. Firth
President

BUYER:

CONCERTO DIALYSIS, LLC,
an Illinois limited liability company

By: _____
Michael Munter
Chief Operating Officer

Schedule 1.01(a)(1)

Purchased Assets

(see attached)

DIRECT DIALYSIS - F,F, & E - NET BOOK VALUE AS OF 05/31/13

				COST	DEPRECIATION	NET BOOK VALUE 05/31/13
FURNITURE & FIXTURES						
Deerbrook						
2/26/10 BELL HOSPITAL SYSTEMS	6 15" PDI ATSC LCD HOSPITAL TV'S	Yes	$	5,586.00	$ 4,943.00	$ 643.00
3/24/10 DIRECT DIALYSIS	UNDERCOUNTER REFRIGERATOR W/ LOCK	Yes	$	640.00	$ 566.00	$ 74.00
4/10/10 STAPLES	CABINET - 2 DR	Yes	$	615.00	$ 544.00	$ 71.00
Crestwood						
7/19/04 CHAMPION MANUFACTURING	RT/ICED MINT W/TREND 2/TBLS CAL CUSHION	Yes	$	1,950.00	$ 1,950.00	$ -
7/29/04 INTERMETRO INDUSTRIES CO	SHELVING UNITS FOR DIALYSIS UNIT	Yes	$	1,484.00	$ 1,484.00	$ -
8/11/04 AMS COMMUNICATIONS INC	6 CABLING FOR DIALYSIS TV SYSTEM	Yes	$	1,500.00	$ 1,500.00	$ -
9/1/04 ENCOMPASS	TUB02 CHAIR W/OPEN ARMS,LOVESEAT,OVAL	Yes	$	2,249.00	$ 2,249.00	$ -
11/2/04 CHICAGO OFFICE PRODUCTS	CHAIRS FOR DIAYLSIS UNIT	Yes	$	451.00	$ 451.00	$ -
1/14/05 CHAMPION MANUFACTURING	RT ICED MINT W/TREND 2/TBLS CAL	Yes	$	2,695.00	$ 2,695.00	$ -
3/9/05 LOUIS RYSDON	REPLACEMENT DIALYSIS DOOR #323	Yes	$	1,023.00	$ 1,023.00	$ -
8/2/06 CHAMPION MANUFACTURING	DIALYSIS CHAIR	Yes	$	966.00	$ 966.00	$ -
11/8/10 BELL HOSPITAL SYSTEMS	6 15" PDI ATSC LCD HOSP. TV'S & MOUNTS	Yes	$	5,759.00	$ 5,759.00	$ -
TOTAL FURNITURE & FIXTURES			$	24,918.00	$ 24,130.00	$ 788.00
MACHINERY & EQUIPMENT						
Deerbrook						
12/13/10 GIA MEDICAL	6 FRESENIUM MACHINES	Yes	$	34,562.00	$ 34,562.00	$ -
4/23/10 DIRECT SUPPLY	DETECTO PORTABLE BARIATRIC WHEELCHAIR SCALE	Yes	$	2,480.00	$ 2,194.00	$ 286.00
5/27/10 CDW DIRECT	HP COMPUTER	Yes	$	1,104.00	$ 977.00	$ 127.00
Crestwood						
3/16/06 H2O TECHNICAL SERVICES	STATION REVERSE OSMOSIS SYSTEM	Yes	$	13,776.00	$ 13,776.00	$ -
7/27/06 G.I.A. MEDICAL	10 FRESENIUS DIALYSIS MACHINES	Yes	$	30,268.00	$ 30,268.00	$ -
8/7/06 ALCO SALES & SERVICE	MEDICAL WHLCHAIR SCALE	Yes	$	2,386.00	$ 2,386.00	$ -
8/15/06 THERMO SYSTEMS	MCQUAY FAN COIL UNIT	Yes	$	2,290.00	$ 2,290.00	$ -
10/4/06 AMS COMMUNICATIONS	3 PANASONIC SPEAKERPHONES; 2 CABLING JACKS	Yes	$	1,570.00	$ 1,570.00	$ -
2/16/07 G.I.A. MEDICAL	3 FRESENIUS 2008 H DIALYSIS MACHINES	Yes	$	18,291.00	$ 18,291.00	$ -
3/16/07 GIA MEDICAL	5 FRESENIUS 2008 H DIALYSIS MACHINES	Yes	$	30,405.00	$ 30,405.00	$ -
6/12/07 GIA MEDICAL	13 FRESENIUS 2008 H DIALYSIS MACHINES	Yes	$	48,492.00	$ 48,492.00	$ -
8/21/07 G.I.A. MEDICAL	7 FRESENIUS 2008 H DIALYSIS MACHINES	Yes	$	41,098.00	$ 41,098.00	$ -
4/22/08 G.I.A. MEDICAL	2 FRESENIUM 2008 H DIALYSIS MACHINES	Yes	$	11,948.00	$ 11,948.00	$ -
2/19/09 GIA MEDICAL	5 FRESENIUS A2008H DIALYSIS MACHINE	Yes	$	29,506.00	$ 27,806.00	$ 1,700.00
1/28/10 DELL	DELL LAPTOP	Yes	$	1,306.00	$ 1,155.00	$ 151.00
4/20/10 GIA MEDICAL	5 FRESENIUM DIALYSIS MACHINES	Yes	$	28,275.00	$ 25,018.00	$ 3,257.00
5/31/10 GIA MEDICAL	14 FRESENIUS DIALYSIS MACHINES	Yes	$	79,950.00	$ 70,740.00	$ 9,210.00
6/9/10 ALCO SALES & SERVICE	54 SERIES RECLINER TRANSPORTER	Yes	$	1,737.00	$ 1,537.00	$ 200.00
11/17/10 ALCO SALES & SERVICE	4 - 54 SERIES RECLINER TRANSPORTER	Yes	$	7,132.00	$ 7,132.00	$ -
TOTAL MACHINERY & EQUIPMENT			$	386,576.00	$ 371,645.00	$ 14,931.00
TOTAL FURNITURE, FIXTURES, & EQUIPMENT			$	411,494.00	$ 395,775.00	$ 15,719.00

Schedule 1.01(a)(2)

Encumbrances and Permitted Encumbrances

I. Encumbrances

None.

II. Permitted Encumbrances

None.

Schedule 1.01(b)

Excluded Assets

None.

Schedule 1.02

Wire Instructions

(see attached)

Schedule 1.04

Master Lease and Subleases

(see attached)

Schedule 5.02(a)

New Lease

(see attached)

Schedule 5.02(b)

SNDA

(see attached)

Attachment 19(b)

Criterion 1110.240(c) - ESRD Facility Admissions Policies

(see attached)

A9

ADMISSION AND DISCHARGE OF PATIENTS

PURPOSE:

To ensure adequate staffing to provide appropriate care for the number and acuity of the facility's patients.

POLICY:

1. A patient will be considered by a physician for acceptance to the chronic dialysis program upon application. The Medical Director reviews the applications. All patients must at all times, have a treating physician with admitting privileges to the facility. The Nurse Manager or designee will assess staff availability, space availability, and type of space available (i.e. isolation) to determine the total number and type of patients who may be accepted.

   Home patients will be evaluated for appropriateness into the program by the Home Nurse and Medical Director or designee.

2. Patients are accepted without regard to national origin, race, age, sex, religion, disability, or other factors unrelated to the provision of appropriate medical care. Patients will be required to comply with the Patient Financial Policy as well as any and all other guidelines that are in effect.

3. Transient hemodialysis patients are accepted for short-term care whenever there is adequate staffing, space and type of space available.

4. Patients may be disapproved for admission or may be transferred or discharged to another facility if the Medical Director determines any of the following:
   - The patient's overall status has been determined that treatment in the outpatient facility is inappropriate.
   - The patient's welfare or that of other patients or staff, are endangered by words or behavior (violent or other) exhibited repeatedly after remediation measures are taken.
   - The patient has a communicable disease that the facility is unable to accommodate appropriate infection control measures required for such disease
   - Non- payment of fees

Whenever possible, discharged patients will be given 30-day notice to ensure adequate time for orderly transfer. In the event of a patient transfer, the patient is responsible to find an alternative facility, however Social Worker assistance will be offered.

5. When a patient is transferred to another facility on a temporary or permanent basis, current information will be sent as requested by the facility and/or required/allowed by law in accordance with policy regarding Releasing Information to Third Parties. Records requested may include by not limited to:
    - Insurance information
    - Current dialysis prescription
    - Treatment data
    - Results of most recent chest X-ray and EKG
    - Most recent labs
    - Hepatitis B antigen and antibody
    - TB skin test results
    - Advance Directives
    - History and physical
    - Short and Long-term care plans

6. Medical Records will be retained on all discharged patients a minimum of five years.

7. Any patient who feels that he or she has been improperly disapproved for admission, or once admitted, requested to transfer for an unjust reason, may file an appeal as outlined in the Patient Grievance Policy.

Attachment 19(c)

Criterion 1110.240(c) - CEO Certification Letter

(see attached)

Concerto Dialysis, LLC
7257 North Lincoln Avenue
Lincolnwood, Illinois 60712
(847) 767-5200

October 9, 2013

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761
Attention: Kathryn J. Olson, Board Chairperson

Re: Admissions Policies - Concerto Dialysis, LLC

Dear Chairperson Olson:

Pursuant to the regulations of the Illinois Health Facilities and Services Review Board at 77 Ill. Adm. Code § 1110.240(c), the undersigned representative of certificate of need permit applicant Concerto Dialysis, LLC hereby certifies that the admissions policies related to that certain end stage renal disease facility known as Direct Dialysis - Crestwood Care Centre will not become more restrictive following the change of ownership of this health care facility.

Respectfully Submitted,

David Hartman
Chief Executive Officer
Concerto Dialysis, LLC

NOTARY:

Subscribed and sworn to me this 10 day of October, 2013

Amy L Kaniff
Notary Public

Seal:

OFFICIAL SEAL
AMY L. KANIFF
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES OCTOBER 12, 2014

Attachment 19(d)

Criterion 1110.240(d) - Dialysis Back Up Provider Agreements

(see attached)

BACK-UP DIALYSIS SERVICES AGREEMENT

THIS BACK-UP DIALYSIS SERVICES AGREEMENT (the "Agreement"") is made and entered the 10th day of November, 2010, by and between Direct Dialysis (the "Facility") and DSI Scottsdale Renal Center (the "Back-up Facility").

WITNESSESTH:

WHEREAS, the Facility owns and operates the out patient dialysis facility certified by Medicare listed on Exhibit A (attached hereto and incorporated herein by this reference).

WHEREAS, the parties desire to enter into an agreement for necessary emergency back-up hemodialysis.

NOW, THERFORE, for and in consideration of the mutual benefits to be derived by each of the parties hereto and the performance of the terms hereinafter set forth, the parties agree as follows:

1. The Facility agrees to provide to the Back-up Facility necessary assistance and information required for the treatment of the Facility's dialysis patients, including the following:

a. Assess the patient's emergency needs and assist with patient scheduling.
b. Notify the patients that dialysis has been arranged at the Back-up Facility.
c. Arrange transportation for the patients.
d. Transfer any necessary patient records or special supplies to the Back-up Facility.

2. The Back-up Facility agrees to:

a. Furnish institutional dialysis services and supplies.
b. Furnish dialysis-related emergency services.
c. Arranging for the provision of any ESRD related laboratory tests, as needed.
d. Furnish all other necessary dialysis services and supplies.

3. This Agreement shall be effective with respect to the Facility from the date hereof through and including the last day that the Back-up Facility supplies emergency care and support to patients of the Facility.

4. During the term hereof, and for a period of four (4) years after services are furnished under this Agreement, the Back-up Facility shall make available to the Secretary of the U.S,. Department of Health and Human Services (the "Secretary"), the U.S. Comptroller General (the "Comptroller General") and their representatives, this Agreement and all

books, documents and records necessary to certify the nature and extent of the costs of those services and will provide such documentation as they may reasonably require pursuant to Section 18612 (v) 1 (1) of the U.S. Social Security Act (42 U.S.C. §1395(x)(v)(1)(I) as amended and regulations thereunder or any successor provisions.

If the Back-up Facility carries out any of the duties of this Agreement through a subcontract worth Ten Thousand Dollars ($10,000) or more over a twelve-month period with a related organization, the subcontract will also contain a clause to permit access by the Secretary, Comptroller General and their representatives to the related organization's books and records pursuant to such statute.

5. The validity, construction, interpretation and enforceability of this Agreement and the capacity of the parties shall be determined and governed by the laws of the State of Texas, without regard to the conflicts of laws provisions of any jurisdiction.

6. If any one or more of the provisions of this Agreement should be ruled wholly or partly invalid or unenforceable by a court or other governmental body of competent jurisdiction, then the validity and enforceability of all provisions of the Agreement not ruled to be invalid or unenforceable shall be unaffected.

INWITNESS WHEREOF, the parties have hereunto executed the Agreement on the day and year first above written.

DIRECT DIALYSIS:

By: Judy Hoffman

Title: Administrator

Printed Name: Judy Hoffman

DSI SCOTTSDALE RENAL CENTER:

By: Myrtle C Rocha-Vela

Title: Scottsdale Facility Manager

Printed Name: Myrtle C Rocha-Vela

SNF OUTPATIENT DIALYSIS SERVICES AGREEMENT

This Agreement is made by and between **Symphony Crestwood LLC, d/b/a Crestwood Care Centre** (hereinafter referred to as the "Owner") and Dialysis Centers of America- Illinois, INC., d/b/a **Fresenius Medical Care Crestwood**, (hereinafter referred to as the "Company"), effective **January 31, 2013.**

RECITALS:

WHEREAS, Owner owns and operates a skilled nursing facility/nursing home called **Crestwood Care Centre** located at 14255 Cicero Ave, Crestwood, IL. 60445 (the "Nursing Facility"); and

WHEREAS, Nursing Facility participates as a nursing facility provider of services to beneficiaries of Medicare and/or applicable state Medicaid Programs ("Medicaid") and promotes its ESRD Residents' rights to obtain Medicare and Medicaid benefits and services appropriate to their needs; and

WHEREAS, Nursing Facility has ESRD Residents who have End Stage Renal Disease and wish to receive hemodialysis ("ESRD Residents"); and

WHEREAS, the provision of hemodialysis services to ESRD Residents deemed appropriate for such care is consistent with ESRD Residents' rights, community standards of care, public policy, and the efficient and economic delivery of care; and

WHEREAS, Nursing Facility desires to enter into an arrangement with Company in compliance with the provisions of 42 C.F.R. §483.75(h) (2) to obtain professional and timely services that the Nursing Facility does not furnish independently; and

WHEREAS, Company has established a dialysis treatment facility at 4861 W. Cal Sag Road, Crestwood, IL 60445 (the "ESRD Dialysis Unit"); and

WHEREAS, Company is experienced and qualified to administer dialysis services ("Services") and clinically manage ESRD Residents with irreversible renal failure on an outpatient basis; and

WHEREAS, Company shall provide Services to the Nursing Facility's ESRD Residents in accordance with the applicable Conditions of Coverage of 42 C.F.R. §§405.2100 through 405.2171;

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner, Nursing Facility, Company and ESRD Dialysis Unit agree as follows:

A. Obligations of Nursing Facility and/or Owner

1. ESRD Residents Information. The Nursing Facility shall ensure that all appropriate medical and administrative information accompanies all ESRD Residents at the time of referral to the ESRD Dialysis Unit. This information, shall include, but is not limited to, where appropriate, the following:

   A. ESRD Resident's name, address, date of birth and Social Security Number;

   B. Name, address and telephone number of the ESRD Resident's next of kin;

   C. ESRD Resident's third party payor data;

   D. Appropriate medical records, including history of the ESRD Resident's illness, laboratory and x-ray findings;

   E. Treatment presently being provided to the ESRD Residents, including medications;

   F. Name, address and telephone number of the nephrologist with admitting privileges at the ESRD Dialysis Unit referring the ESRD Resident to the ESRD Dialysis Unit; and

   G. Prescription for treatment by any other prescribing physician, as appropriate; and

   H. A power of attorney, health care proxy or other legal document ("Advanced Directive") whereby the ESRD Resident has delegated authority to another to consent for treatment in the event of the ESRD Resident's disability, incompetence or incapacity. If the ESRD Resident does not have such Advanced Directive, the Nursing Facility shall be responsible for helping the ESRD Resident to obtain it.

2. Interchange of Information. The Nursing Facility shall provide for the interchange of information useful or necessary for the care of the ESRD Residents, including a Registered Nurse as a contact person at the Nursing Facility whose responsibilities include oversight of provision of Services to the ESRD Residents.

3. Preparation of ESRD Residents. The Nursing Facility shall ensure that ESRD Residents are prepared to spend an extended length of time at the ESRD Dialysis Unit and have received proper nourishment and any medications prescribed, as appropriate, before coming to the ESRD Dialysis Unit.

4. Transport and Referral of ESRD Residents.

A. The Nursing Facility shall be responsible for arranging for suitable and timely transportation of the ESRD Residents to and from the ESRD Dialysis Unit, including the selection of the mode of transportation, qualified personnel to accompany the ESRD Residents, transportation equipment usually associated with this type of transfer or referral in accordance with the applicable federal and state laws and regulations and all costs or transportation expenses associated with such transfer. The Nursing Facility shall be responsible for ensuring that the ESRD Residents are medically stable to undergo such transportation and medically suitable to receive treatment at the ESRD Dialysis Unit.

B. The need for referral of an ESRD Resident from the Nursing Facility to the ESRD Dialysis Unit shall be determined by the ESRD Resident's attending nephrologist and the Nursing Facility's Administrator. When such a determination has been made, the Nursing Facility shall notify the ESRD Dialysis Unit in writing. Within the limits of its then available resources, subject to the agreement of a nephrologist with admitting privileges at the ESRD Dialysis Unit to accept responsibility for such ESRD Resident, and the ESRD Resident's satisfaction of the ESRD Dialysis Unit's criteria for admission and continued treatment, the ESRD Dialysis Unit shall accept the ESRD Resident for the provision of Services. The Nursing Facility must receive confirmation from the ESRD Dialysis Unit that it shall accept the ESRD Resident, and all necessary admissions documentation must be completed by the Nursing Facility and sent in advance to the ESRD Dialysis Unit.

B. Obligations of the ESRD Dialysis Unit and/or Company

1. Standards of ESRD Dialysis Unit. The ESRD Dialysis Unit shall conform to standards not less than those required by any applicable laws and regulations of any local, state or federal regulatory body, as the same may be amended from time to time. The Company shall provide only Services and shall perform no other services, medical or otherwise, except as such services relate to or are an integral part of the provision of dialysis Services. The Company shall retain all management and administrative prerogatives and responsibilities as would normally be assumed by the owner and operator of a medical facility. Without limiting the generality of the foregoing, the Company agrees to provide Services at the ESRD Dialysis Unit as follows:

A. To operate the ESRD Dialysis Unit as renal dialysis facility under the Medicare End Stage Renal Disease ("ESRD") Program and, if required, as a properly licensed medical facility under state laws and regulations;

B. To provide all necessary equipment, personnel, supplies and services (other than medical services) required for the operation of the ESRD Dialysis Unit including a business manager or administrator;

C. To establish, modify and implement policies and procedures concerning the administration of the ESRD Dialysis Unit including purchasing, personnel staffing, inventory control, equipment maintenance, accounting, legal, data processing, medical record keeping, laboratory, billing, collection, public relations, insurance, cash management, scheduling and hours of operation; and

D. To provide to the Nursing Facility information on all aspects of the management of the ESRD Resident's care related to the provision of Services, including directions on management of medical and non-medical emergencies, including, but not limited to, bleeding, infection, and care of dialysis access site.

2. Written Protocols. Company and the ESRD Dialysis Unit shall develop written protocols governing specific responsibilities, policies and procedures to be used in rendering Services, including but not limited to, the development and implementation of a care plan relative to the provision of Services.

3. Personnel. The ESRD Dialysis Unit shall maintain personnel files and documentation regarding the professional licensure (if applicable), CPR certification, clinical competency validations, Hepatitis B vaccination, TB screening, and eligibility to participate directly or indirectly in federal health care programs (including clearance reviews of exclusion lists maintained by the General Services Administration, the Office of Inspector General of the U.S. and the Department of Health & Human Services upon hire) of its employees providing Services herein. The ESRD Dialysis Unit shall provide certification of such documentation to Nursing Facility upon request.

4. Discontinuation of Services. Notwithstanding anything herein to the contrary, the Company and the ESRD Dialysis Unit reserve the right to immediately discontinue the provision of Services to any ESRD Residents of the Nursing Facility who, in their sole discretion, does not observe the established responsibilities, policies and procedures of the ESRD Dialysis Unit or is not deemed medically suitable to receive Services at an outpatient ESRD Dialysis Unit.

C. Term

The term of this Agreement shall be one (1) year and shall commence upon the Effective Date listed herein. **OPTIONAL: This Agreement shall automatically renew for successive one (1) year periods unless terminated by either party upon written notice given to the other party not less than ninety (90) days prior to the end of the then current term.** Either party may terminate this Agreement, at

any time, with or without cause, upon thirty (30) days written notice to the non-terminating party; provided that, if so terminated without cause, the parties shall not enter into any agreement or arrangement with each other for the provision of Services on substantially similar terms to those contained herein to be provided within a period of one (1) year from the initial Effective Date of the Agreement or most recent Amendment. The Company and the ESRD Dialysis Unit shall have no duty to dialyze ESRD Residents of the Nursing Facility after the effective date of the termination.

D. Mutual Obligations

1. Collaboration of Care. Both parties shall ensure that there is documented evidence of collaboration of care and communication between the Nursing Facility and ESRD Dialysis Unit. Documentation shall include, but not be limited to, participation in care conferences, continual quality improvements program, annual review of infection control of policies and procedures, and the signatures of team members from both parties on a Short Term Care Plan (STCP) and Long Term Care Plan (LTCP). Team members shall include the physician, nurse, social worker and dietitian from the ESRD Dialysis Unit and a representative from the Nursing Facility. The ESRD Dialysis Unit shall keep the original the STCP and LTCP in the medical record of the ESRD Resident and the Nursing Facility shall maintain a copy.

2. Billing. The parties agree that for all Services performed on behalf of ESRD Residents pursuant to the Agreement, the Company shall separately bill the ESRD Residents, the ESRD Resident's commercial medical insurance company, the intermediary for the Medicare program, or the state Department of Public Welfare for Medicaid Program, as appropriate and necessary, to collect the amount of the Company's bills. The Nursing Facility shall assist the Company in proper billing by providing the Company with any and all necessary information as the Company may reasonably require for billing purposes.

3. Insurance. Company, Nursing Facility and Owner shall each maintain at their respective sole cost and expense the following insurance in full force and effect during the term of this Agreement:

   A. Comprehensive General Liability Insurance, including but not limited to contractual liability on a blanket basis or contractual liability specifically covering this Agreement, contractors protective liability and products liability coverage in an amount not less than $1,000,000 each occurrence and $3,000,000 aggregate for injury to persons.

   B. Professional Liability Insurance or self-insurance with coverage in an amount not less than $1,000,000 each occurrence and $3,000,000 aggregate.

   C. Workers' Compensation Insurance as required by statute.

Each party shall provide the other party with certificates evidencing such insurance, if and, when reasonably requested. All certificates of insurance provided pursuant to this section shall provide that the insurer shall notify the other party, in writing, prior to any termination of the policy or coverage or any material alterations in the policy or coverage, which alterations change, restrict or reduce the coverage provided. In the event that an insurer refuses to so notify the additional insured, it shall be the responsibility of each party to notify the other upon receipt or notification of such material alteration. Either party may provide for the insurance coverage set forth in this Section through self-insurance.

4. Indemnification. The Company and the Nursing Facility agree to indemnify and hold each other harmless, including the other's Board of Directors, individually and collectively, and the other's officers, shareholders, employees, agents, and other representatives, individually and collectively, from and against all claims, liabilities, damages, costs and expenses, including, without limitation, reasonable attorneys' fees, based upon or arising from, or in any manner relating to the others breach of any of the terms and conditions of this Agreement or their negligence in rendering Services under this Agreement. This includes the negligence or allegations of negligence of the Nursing Facility and the Company, their agents, representatives, or employees.

   The party seeking indemnification shall promptly notify the other party in writing of any claim, lawsuit, or demand for payment asserted against it for which indemnification is sought, and shall promptly deliver to the other party a true copy of any document or material of any kind that asserts such claim. The party seeking indemnification, its agents, representatives, and employees shall cooperate fully with the other party at all times during the pendency of the claim or lawsuit. Failure by the party seeking indemnification to comply with the above terms shall nullify the other party's duties under this section.

   When the indemnifying party accepts its indemnification obligation, it reserves the right to control the investigation, trial, and defense of such lawsuit or action (including all settlement negotiations) any appeal involved, and the choice of any attorneys do be engaged. The party seeking indemnification may, at its own cost, participate in the investigation, trial, defense, and appeal of such lawsuit or action.

5. Independent Contractors. Company (which shall include ESRD Dialysis Unit) and Owner (which shall include Nursing Facility) are independent contractors and not partners or joint venturers with each other. Nothing in this Agreement shall be construed as authorizing or appointing either party or any of its agents, representatives, or employees to represent the other in any matter.

6. Assurances and Warranties. The Company and the Owner represent and warrant to the other that each, and the ESRD Dialysis Unit or Nursing Facility, respectively, are not currently excluded, debarred, or otherwise ineligible to participate in the applicable Federal and State health care programs and agencies. Should any of the

party's status change in any manner, the affected party shall promptly notify the other party of any such change and the other party shall have cause to immediately terminate this Agreement.

7. Confidentiality. Each party acknowledges that in the course of performing the duties contemplated by this Agreement, it will become privy to various trade secrets and confidential information of the other and may have access to certain information of the other party that is confidential and constitutes valuable, special and unique property of the other party. Throughout the term of this Agreement and at any time thereafter, each party agrees not to use or disclose to any person, firm or corporation any information known by the other party to be confidential or trade secrets relating to the business of the other or any parent, subsidiary, affiliate or division thereof.

8. HIPAA. Company is not a "business associate" (as defined under 45 C.F.R. § 164.501) of Nursing Facility in the performance of Services hereunder. Nevertheless, the parties expressly agree to comply with all applicable patient information privacy and security regulations set for in the Health Insurance Portability and Accountability Act ("HIPAA") final regulations for Privacy of Individually Identifiable Health Information by the federal due date for compliance, as amended from time to time.

9. Affirmative Action. The provisions of 41 C.F.R. §60-1.4, §60-250.5(a) and §60 741.5(a) pertaining to affirmative action obligations are incorporated herein by reference.

10. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all negotiations, prior discussions, agreements or understandings, whether written or oral. No amendment to this Agreement or its attachments are effective or binding on either party unless agreed to in writing signed by an authorized representative of both parties.

11. Waiver of Breach. One party's waiver, expressed or implied, of any default by the other party of any provision of this Agreement is not a waiver of any other default. A party's waiver of any default shall not affect the right of that party to require performance of the defaulted provision at any future time. In addition, the waiver of any breach of any term or condition of this Agreement is not a waiver of any other term or condition of this Agreement.

12. Successors and Assigns. Neither party shall assign this Agreement in whole or in part without the written consent of the other which consent shall not be unreasonably withheld, conditioned or delayed. Neither party shall assign any monies, obligations, or entitlements due or to become due to it under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the successors, permitted assigns, heirs, and representatives of the Owner, Nursing Facility, Company and ESRD Dialysis Unit. Any attempted assignment of this Agreement in violation of the provisions of this section is void.

13. Access to Books and Records. Until the expiration of four (4) years after the furnishing of the Services provided under this Agreement, the Company shall make available to the Secretary, United States Department of Health and Human Services, and the United States Comptroller General, and their representatives, a copy of this Agreement and such books, documents and records of the Company that are necessary to certify the nature and extent of any cost incurred by Nursing Facility. If the Company carries out the duties of the Agreement through a subcontract worth $10,000.00 or more over a twelve (12) month period with a related organization, the subcontract shall also contain an access clause to permit access by the Secretary, Comptroller General, and their representatives to the related organization's books and records. In the event this Agreement is not subject to the provision of Social Security Act section 1861 (v)(1)(I) and 42 C.F.R. section 420.300 or relevant regulations, this section of the Agreement shall be null and void.

14. Notices. All notices pursuant to this Agreement shall be in writing and shall be given by depositing said notices in the United States registered or certified mails, return receipt requested, addressed to the parties hereto at the addresses set forth in this section, or to such other address as may hereafter be specified by any party or parties. All notices given in the manner prescribed in this section shall be deemed properly served upon receipt.

Notice to the Company:

FMC Crestwood
4861.73 W. Cal Sag Road
Crestwood, Il 60445
Attention: Linda Bradley, Area Manager

With a Copy to:
Legal Department
c/o Fresenius Medical Care North America
920 Winter Street
Waltham, MA 02451-1457
Attention: Law Department

Notice to the Nursing Facility: **PERSONAL & CONFIDENTIAL**

Crestwood Care Centre
14255 Cicero Ave
Crestwood, IL
60445

15. Severability. If any of the provisions of this Agreement shall be declared invalid or unenforceable under applicable law, said provisions shall be ineffective to the extent of

such invalidity or unenforceability only, without in any way affecting the remaining provisions of the Agreement.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State/Commonwealth of Illinois without regard to its conflicts of law rules.

17. No Personal Liability. No elected official, director, officer, agent or employee of the Company or the ESRD Dialysis Unit shall be charged personally or held contractually liable by or to Nursing Facility under any term or provision of this Agreement or because of any breach thereof or because of its or their execution, approval or attempted execution of this Agreement.

18. Headings. The headings of the several Sections of this Agreement are inserted only as a matter of convenience and for reference, and they in no way define, limit or describe the scope or intent of any provision of this Agreement, nor shall they be construed to affect, in any manner, the terms and provisions hereof or the interpretation or construction thereof.

19. Force Majeure. Neither party shall be liable, nor deemed in default, for any delay or failure to perform any of its duties or obligations under this Agreement or for any other interruption of Services, resulting directly or indirectly from acts of God or any other cause beyond the reasonable control of the party. Notwithstanding the foregoing, each party shall, at all times, shall use commercially reasonable efforts to perform its duties and obligations under this Agreement.

20. Miscellaneous. Nothing in this Agreement shall be construed to require any Nursing Facility to require its ESRD Residents to elect to receive any or all of his/her dialysis services from Company or to otherwise restrict the ESRD Resident's freedom of choice of Medicare providers or suppliers.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date last written below.

OWNER for NURSING FACILITY

Name: [signature]

Title: Administrator

Date: 2/28/13

COMPANY for ESRD DIALYSIS UNIT

Name: [signature] Paul J. Colantonio

Title: Assistant Treasurer

Date: 3/4/13

St. James
Sisters of St. Francis Health Services

CHICAGO HEIGHTS
1423 Chicago Road, Chicago Heights, Illinois 60411-3483
(708)756-1000

OLYMPIA FIELDS
20201 S. Crawford Avenue, Olympia Fields, Illinois 60461-1010
(708)747-4000

November 12, 2010

Sema Jose, Director Dialysis
Crestwood Care Centre d/b/a Direct Dialysis
14255 Cicero Avenue
Crestwood, IL 60445

RE: Agency agreement between St. James Hospital and Health Centers and Crestwood Care Centre d/b/a Direct Dialysis

Dear Sema,

Enclosed please find four original signed agreement between St. James Hospital and Health Centers and Crestwood Care Centre d/b/a Direct Dialysis. Once the agreement has been signed, please forward an original copy to me.

If you have questions, please do not hesitate to call me at (708) 747-4000, extension 1704.

Thank you.

Sincerely,

Luigina Santiago
Executive Assistant
St. James Hospital and Health Centers

/ls

Enclosure

300

St. James Hospital and Health Centers
Patient Transfer Agreement

This agreement is made and effective as of October 15, 2010 between St. James Hospital and Health Centers (Olympia Fields) and Direct Dialysis d/b/a Crestwood Care Centre.

In the interests of good patient care and in securing the optimum use of the hospital and Direct Dialysis d/b/a Crestwood Care Centre, the parties agree as follows:

AUTONOMY

Each party shall have exclusive control of its management, assets and affairs. Neither party by virtue of this agreement assumes any liability for any debts or obligations of either a financial or legal nature incurred by the other party to this agreement.

TRANSFER OF RESIDENTS

When a patient's need for transfer from one of the above institutions to another has been determined by the patient's physician, the institution to which the transfer is to be made agrees to admit the patient as promptly as possible. Neither St. James Hospital and Health Centers, nor any employee will be responsible for the patient after the patient is released from the hospital.

PRIORITY OR METHOD OF SELECTION OF PATIENTS

All patients admitted to the hospital must be under the medical care of a member of the hospital's medical staff.

The hospital agrees to admit the patient from Crestwood Care Centre as promptly as possible, depending on urgency of need.

1. Patients declared as emergencies by their physicians will be admitted without delay unless physical facilities absolutely do not permit it.
2. Patients categorized as urgent will be admitted as soon as possible.
3. Elective cases will be booked and admitted according to the routine procedure of the hospital.

TRANSFER INFORMATION

Both parties agree to send with each patient, at the time of transfer, or in case of emergency, as promptly as possible thereafter, a summary of pertinent medical and other information utilizing the PATIENT TRANSFER FORM and/or other medical forms. Each party agrees to notify the other party as far in advance as possible, of an impending transfer.

TRANSFER OF PERSONAL EFFECTS

A patient's personal effects and valuables will ordinarily be transferred with the patient from one institution to the other, under the responsibility of the patient and/or family. Each institution assumes responsibility for items placed by patients into safekeeping and these items are released only to the patients or close relatives and only upon signing a receipt.

FINANCIAL RELATIONSHIPS

Neither party shall assume any responsibility for the collection of any accounts receivable, other than those incurred as a result of rendering services directly to the patient; and neither institution shall be

liable for any debts, obligations, or claims of a financial or legal nature incurred by the other institution; and each institution assumes full responsibility for its own maintenance and operation.

TERMINATION OF AGREEMENT

This agreement may be terminated by either facility upon a ninety (90) day written notice. This agreement shall be automatically terminated should either facility fail to maintain its licensure of certification as a nursing facility or hospital under the laws of the State of Illinois.

ADVERTISING – PUBLICITY

Neither party shall use the name of the other party in any promotional or advertising material unless review and approval of the intended use shall first be obtained from the party whose name is to be used.

Anti-Kickback

The parties wish to be in compliance with the Federal Medicare Anti-Kickback statute, Section 1128B of the Social Security Act (42 U.S.C. §1320a-7b) and the Illinois Anti-Vendor Fraud and Kickback Statute 305ILCS 5/8A-3 (collectively the "Statutes") and wish to be under the protections of any "Safe Harbor" regulations promulgated there under. Notwithstanding anything contained in this Agreement to the contrary, in the event that any government agency of competent jurisdiction or a court or other tribunal finds that this Agreement, or any portion thereof, or that any other aspect of the relationship between the parties, violates the Statutes or do not fall within any "Safe Harbor" regulations promulgated there under, then this Agreement shall be deemed amended to the extent necessary to be in compliance with the Statutes, to the extent necessary to fall within any "Safe Harbor" regulations promulgated there under, and to the extent necessary to otherwise reflect the present manifest intentions of the parties to this Agreement.

Non-Exclusiveness of Agreement

This Agreement shall not affect the right of Provider to enter into similar agreements with other nursing facilities or similar types of entities, nor shall this Agreement affect the right of the Facility to enter into similar agreements with other providers or similar types of entities.

MODIFICATION OF AGREEMENT

This Agreement may be modified or amended from time to time by mutual agreement of the parties and any such modification or amendment shall be attached to and become part of this Agreement.

In Witness Whereof, the parties have executed the Agreement as to the day and year written below:

Crestwood Care Centre d/b/a Direct Dialysis

By: Judy Huffman

Executive Director

Title

11/15/2010

Date:

St. James Hospital and Health Centers

By:

SETH C. R. WARREN
PRESIDENT & CEO

Title

10/26/10

Date:

St. James Hospital and Health Centers
Patient Transfer Agreement

This agreement is made and effective as of October 15 2010 between St. James Hospital and Health Centers (Chicago Heights, IL) and Direct Dialysis d/b/a Crestwood Care Centre.

In the interests of good patient care and in securing the optimum use of the hospital and Direct Dialysis d/b/a Crestwood Care Centre, the parties agree as follows:

AUTONOMY

Each party shall have exclusive control of its management, assets and affairs. Neither party by virtue of this agreement assumes any liability for any debts or obligations of either a financial or legal nature incurred by the other party to this agreement.

TRANSFER OF RESIDENTS

When a patient's need for transfer from one of the above institutions to another has been determined by the patient's physician, the institution to which the transfer is to be made agrees to admit the patient as promptly as possible. Neither St. James Hospital and Health Centers, nor any employee will be responsible for the patient after the patient is released from the hospital.

PRIORITY OR METHOD OF SELECTION OF PATIENTS

All patients admitted to the hospital must be under the medical care of a member of the hospital's medical staff.

The hospital agrees to admit the patient from Crestwood Care Centre as promptly as possible, depending on urgency of need.

1. Patients declared as emergencies by their physicians will be admitted without delay unless physical facilities absolutely do not permit it.
2. Patients categorized as urgent will be admitted as soon as possible.
3. Elective cases will be booked and admitted according to the routine procedure of the hospital.

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Both parties agree to send with each patient, at the time of transfer, or in case of emergency, as promptly as possible thereafter, a summary of pertinent medical and other information utilizing the PATIENT TRANSFER FORM and/or other medical forms. Each party agrees to notify the other party as far in advance as possible, of an impending transfer.

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A patient's personal effects and valuables will ordinarily be transferred with the patient from one institution to the other, under the responsibility of the patient and/or family. Each institution assumes responsibility for items placed by patients into safekeeping and these items are released only to the patients or close relatives and only upon signing a receipt.

FINANCIAL RELATIONSHIPS

Neither party shall assume any responsibility for the collection of any accounts receivable, other than those incurred as a result of rendering services directly to the patient; and neither institution shall be

liable for any debts, obligations, or claims of a financial or legal nature incurred by the other institution; and each institution assumes full responsibility for its own maintenance and operation.

TERMINATION OF AGREEMENT

This agreement may be terminated by either facility upon a ninety (90) day written notice. This agreement shall be automatically terminated should either facility fail to maintain its licensure of certification as a nursing facility or hospital under the laws of the State of Illinois.

ADVERTISING – PUBLICITY

Neither party shall use the name of the other party in any promotional or advertising material unless review and approval of the intended use shall first be obtained from the party whose name is to be used.

Anti-Kickback

The parties wish to be in compliance with the Federal Medicare Anti-Kickback statute, Section 1128B of the Social Security Act (42 U.S.C. §1320a-7b) and the Illinois Anti-Vendor Fraud and Kickback Statute 305ILCS 5/3A-3 (collectively the "Statutes") and wish to be under the protections of any "Safe Harbor" regulations promulgated there under. Notwithstanding anything contained in this Agreement to the contrary, in the event that any government agency of competent jurisdiction or a court or other tribunal finds that this Agreement, or any portion thereof, or that any other aspect of the relationship between the parties, violates the Statutes or do not fall within any "Safe Harbor" regulations promulgated there under, then this Agreement shall be deemed amended to the extent necessary to be in compliance with the Statutes, to the extent necessary to fall within any "Safe Harbor" regulations promulgated there under, and to the extent necessary to otherwise reflect the present manifest intentions of the parties to this Agreement.

Non-Exclusiveness of Agreement

This Agreement shall not affect the right of Provider to enter into similar agreements with other nursing facilities or similar types of entities, nor shall this Agreement affect the right of the Facility to enter into similar agreements with other providers or similar types of entities.

MODIFICATION OF AGREEMENT

This Agreement may be modified or amended from time to time by mutual agreement of the parties and any such modification or amendment shall be attached to and become part of this Agreement.

In Witness Whereof, the parties have executed the Agreement as to the day and year written below:

Crestwood Care Centre d/b/a Direct Dialysis

By: Jay Hoffman

Executive Director

Title

11/15/2010

Date:

St. James Hospital and Health Centers

By: _____

SETH C. R. WARREN
PRESIDENT & CEO

Title

10/20/10

Date:

Ingalls. Ingalls Health System

One Ingalls Drive
Harvey, IL 60426
708.333.2333

January 20, 2011

Judy Hoffman
Executive Director
Crestwood Care Centre d/b/a Direct Dialysis
14255 South Cicero Avenue
Crestwood, IL 60445

Re: Patient Transfer Agreement

Dear Ms. Hoffman:

I am enclosing a fully executed copy of the above-referenced Agreement between Ingalls Memorial Hospital and Crestwood Care Centre d/b/a Direct Dialysis for your files. Also attached is a copy of Ingalls False Claims Act Policy that we provide to vendors to make them aware of the policy we have in place.

If you have any questions or concerns, please feel free to call me directly at (708) 915-4490.

Sincerely,

Diane Neal

Diane Neal
Executive Assistant

Enclosure

Ingalls Hospital
Patient Transfer Agreement

This agreement is made and effective as of July 1, 2010 between Ingalls Hospital and Direct Dialysis d/b/a Crestwood Care Centre.

In the interests of good patient care and in securing the optimum use of the hospital and Direct Dialysis d/b/a Crestwood Care Centre, the parties agree as follows:

AUTONOMY

Each party shall have exclusive control of its management, assets and affairs. Neither party by virtue of this agreement assumes any liability for any debts or obligations of either a financial or legal nature incurred by the other party to this agreement.

TRANSFER OF RESIDENTS

When a patient's need for transfer from one of the above institutions to another has been determined by the patient's physician, the institution to which the transfer is to be made agrees to admit the patient as promptly as possible. Neither Ingalls Hospital, nor any employee will be responsible for the patient after the patient is released from the hospital.

PRIORITY OR METHOD OF SELECTION OF PATIENTS

All patients admitted to the hospital must be under the medical care of a member of the hospital's medical staff.

The hospital agrees to admit the patient from Crestwood Care Centre as promptly as possible, depending on urgency of need.

1. Patients declared as emergencies by their physicians will be admitted without delay unless physical facilities absolutely do not permit it.
2. Patients categorized as urgent will be admitted as soon as possible.
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TRANSFER OF PERSONAL EFFECTS

A patient's personal effects and valuables will ordinarily be transferred with the patient from one institution to the other, under the responsibility of the patient and/or family. Each institution assumes responsibility for items placed by patients into safekeeping and these items are released only to the patients or close relatives and only upon signing a receipt.

FINANCIAL RELATIONSHIPS

Neither party shall assume any responsibility for the collection of any accounts receivable, other than those incurred as a result of rendering services directly to the patient; and neither institution shall be liable for any debts, obligations, or claims of a financial or legal nature incurred by the other institution; and each institution assumes full responsibility for its own maintenance and operation.

TERMINATION OF AGREEMENT

This agreement may be terminated by either facility upon a ninety (90) day written notice. This agreement shall be automatically terminated should either facility fail to maintain its licensure of certification as a nursing facility or hospital under the laws of the State of Illinois.

ADVERTISING – PUBLICITY

Neither party shall use the name of the other party in any promotional or advertising material unless review and approval of the intended use shall first be obtained from the party whose name is to be used.

Anti-Kickback

The parties wish to be in compliance with the Federal Medicare Anti-Kickback statute, Section 1128B of the Social Security Act (42 U.S.C. §1320a-7b) and the Illinois Anti-Vendor Fraud and Kickback Statute 305ILCS 5/8A-3 (collectively the "Statutes") and wish to be under the protections of any "Safe Harbor" regulations promulgated there under. Notwithstanding anything contained in this Agreement to the contrary, in the event that any government agency of competent jurisdiction or a court or other tribunal finds that this Agreement, or any portion thereof, or that any other aspect of the relationship between the parties, violates the Statutes or do not fall within any "Safe Harbor" regulations promulgated there under, then this Agreement shall be deemed amended to the extent necessary to be in compliance with the Statutes, to the extent necessary to fall within any "Safe Harbor" regulations promulgated there under, and to the extent necessary to otherwise reflect the present manifest intentions of the parties to this Agreement.

Non-Exclusiveness of Agreement

This Agreement shall not affect the right of Provider to enter into similar agreements with other nursing facilities or similar types of entities, nor shall this Agreement affect the right of the Facility to enter into similar agreements with other providers or similar types of entities.

MODIFICATION OF AGREEMENT

This Agreement may be modified or amended from time to time by mutual agreement of the parties and any such modification or amendment shall be attached to and become part of this Agreement.

In Witness Whereof, the parties have executed the Agreement as to the day and year written below:

Crestwood Care Centre d/b/a Direct Dialysis

By: Jerry Hoffman

Ingalls Hospital

By: [signature]

EXECUTIVE DIRECTOR

Title

7-15-10

Date:

President + CEO

Title

01/17/11

Date:

Ingalls Health System
False Claims Law Compliance Notice

Pursuant to the Deficit Reduction Act of 2005, Ingalls Health System and its affiliates, including but not limited to Ingalls Memorial Hospital, Ingalls Provider Group, Ingalls Home Care, MedCentrix, Inc., and Ingalls Same Day Surgery Center, Ltd. (the "System") are required to provide contractors and agents with information about fraud and abuse, false claims, and whistleblower protection laws and regulations.

The federal False Claims Act (31 USC § 3729-3733), the federal Program Fraud Civil Act (31 USC § 3801), the Illinois Whistleblower Act (740 ILCS 174/1, *et seq.*), the Illinois Whistleblower Reward and Protection Act (740 ILCS 175/1, *et seq.*), and the Illinois Public Assistance Fraud Act (305 ILCS 5/8A-1, *et seq.*) make it illegal for any person or organization to submit a false claim for payment or approval from the government. False claims can include overcharges, underpayments, or charging for one product or service, but providing another. False claims do not include innocent mistakes or negligence in billing.

A person who knows a false claim was filed for payment can file a lawsuit in court on behalf of the government. The false claims laws protect anyone who files a false claim lawsuit from being fired, demoted, threatened or harassed by their employer for filing the suit.

Penalties are severe for violating false claims laws.

It is the policy of the System to require its employees, and any persons or organization working on its behalf, to comply with all applicable federal, state, and local laws.

A copy of the System's False Claims Act Policy is attached hereto and incorporated herein for your review.

Ingalls Memorial Hospital			
Hospital Manual	Section		False Claims Act
Reviewed By	D. Jacoby, General Counsel, Corporate Affairs		12/2009
Revised By	D. Jacoby, General Counsel, Corporate Affairs		2/2007
Title	**False Claims Act Policy**	Pages	3

PURPOSE

Federal False Claims Act ("FCA") 31 USC § 3729-3733: This is the FCA policy of Ingalls Health System and its affiliates (the "System"). The FCA prohibits any person from submitting a false claim for payment or approval from the federal government. False claims can include overcharges, underpayments, or charging for one product or service, but providing another. False claims do not include innocent mistakes or negligence in billing.

POLICY

It is the policy of the System to require its employees, and any persons or organization working on its behalf, to comply with all applicable federal, state and local laws. The purpose of this FCA policy is to assist System employees to fulfill their duty to comply with laws, to provide mechanisms for the detection of violations of laws, and to provide standards to govern the System's response when violations are detected.

FCA – WHISTLEBLOWER

Any person who becomes aware of an entity filing false claims with the government may bring an action in court under this law for up to six years after the false claim. That person becomes known as a *qui tam* relator or "whistleblower." The government may or may not become a part to the lawsuit depending upon their own investigation, and the government can receive up to three times the amount of damages, which it sustains as a result of the false claim, plus penalties. A *qui tam* relator can receive between 15 and 30 percent of any damages, depending on whether the government proceeds with the case.

RETALIATION IS PROHIBITED

Under the FCA, employers cannot retaliate or punish an employee who initiates a *qui tam* lawsuit. If an employee is discharged, demoted, suspended, threatened, harassed, or discriminated against because he or she brought a legal action under the FCA, the employee may bring a civil action against the employer. Damages can include back pay, interest, attorney's fees, and possible reinstatement to the same seniority status.

CIVIL REMEDIES

Program Fraud Civil Remedies Act ("PFCRA") 31 USC § 3801: In addition to the judicial remedy available under the FCA, the PFCRA also provides an administrative remedy for submitting improper claims or written statements to a federal agency. The PFCRA is designed to act in tandem with the FCA, but is limited to claims amounting to $150,000 or less. Each agency is required to promulgate regulations necessary to implement the PFCRA.

STATE LAWS

A. **Whistleblower Act, 740 ILCS 174/1, *et seq.*:** Under this law, an employer may not make or enforce any rule or policy preventing an employee from disclosing information to a government or law enforcement agency if the employee has reasonable cause to believe that the information discloses a violation of a state or federal law, rule or regulation. Retaliation for any disclosures made, even by contractual workers, is prohibited. Likewise, an employer may not retaliate against an employee for his or her refusal to participate in an activity that would result in a violation of a state or federal law, rule or regulation. Employees may bring a civil action against the employer "for all relief necessary to make the employee whole," including reinstatement, back pay with interest, and litigation costs.

B. **Whistleblower Reward and Protection Act ("WRPA") 740 ILCS 175/1, *et seq.*:**

1) In 1992, Illinois enacted the WRPA, which closely tracks the federal FCA. The WRPA imposes civil liability upon "any person" who "knowingly presents, or causes to be presented, to an officer or employee of the State...a false or fraudulent claim for payment or approval." A person who violates the WRPA is liable to the state for a civil penalty of not less than $5,000 and not more than $10,000, plus treble damages.

2) An employee "whistleblower" may receive a portion of that award plus attorney fees and expenses. There are some restrictions on the eligibility of whistleblowers. For example, information obtained from other publicly available sources cannot be the basis for the lawsuit. The whistleblower must be the original source of the information.

3) Like the federal FCA, employers cannot discharge, demote, suspend, threaten, harass, or in any other way, discriminate against the employee in the terms and conditions of employment. If terminated, for engaging in the activity protected by this law, an employee could be entitled to reinstatement with seniority status and double the amount of back pay with interest, and litigation costs.

C. **Public Assistance Fraud Act, 305 ILCS 5/8A-1 *et seq.*:** Actions under this law may be initiated by the Attorney General or by the State's Attorney when a unit of local government is involved. This law makes it a Class A misdemeanor to make false statements "relating to health care delivery." Obtaining any payment by means of a false statement or representation, or by concealment of any material fact, requires the repayment of any excess payments along with interest and other penalties. Violations may also result in a hospital being prohibited from future participation in any state health plans.

STANDARDS AND PROCEDURES

A. System employees are responsible to be aware of the federal, state and local laws that apply to the conduct of their duties and to comply with them.

B. Employees are responsible to immediately report to the System Compliance Officer any violation, or suspected violation of the law.

C. The System and its affiliates will have a system for identifying changes in applicable laws and promptly communicating them to all affected employees.

D. The System will provide training, at appropriate intervals, that will be designed to assure employees are aware of the laws that apply to their duties.

OVERSIGHT

A. The System Compliance Officer will be responsible for the overall implementation and oversight of the FCA policy.

B. All System Directors and Managers are responsible for the actions of the employees working under their supervision. They are responsible for assuring that employees working under their supervision are knowledgeable of the laws that apply to them. Directors and Managers will be alert to the possibilities of illegal activities by their employees. A system of internal control, review and oversight shall be instituted by Directors and Managers. Systems will be designed to encourage compliance with the law and to detect violations.

REPORTING SYSTEM

A. Any employee or agent of the System, who is aware of a violation of a federal, state, or local law or has a reasonable suspicion that a law is being violated, or that any Compliance Plan is being violated, is required to report the violation or suspected violations of laws or Compliance Plans directly to the Compliance Officer. They may report to their supervisors, managers or directors as they deem appropriate, but they must report violations of suspected violations of laws to the Compliance Officer as quickly as possible.

B. The System will have a means for its employees, agents, customers, vendors or others with whom it has contact to anonymously report violations to the Compliance Officer. The Corporate Compliance Hotline can be used at any time: 708-915-5678.

C. Employees can report in the manner they think is best, i.e., face-to-face, by telephone, e-mail, written correspondence, but they must report as quickly as possible.

ENFORCEMENT AND DISCIPLINE

A. The System takes seriously its responsibility to comply with applicable laws. System employees who are found to have violated any of the FCA policy, or any laws applicable to the System, or who have allowed employees under their supervision to commit such violations, will be subject to severe disciplinary action up to and including termination.

B. It is the intention of the System to be consistent and fair in the enforcement of the FCA Policy. Policy violators will all be subject to the same disciplinary actions, despite their position in the organization.

CRESTWOOD
Care Centre

July 24, 2010

Provena Saint Joseph Medical Center
333 North Madison Street
Joliet, IL 60435

Re: Hospital Transfer Agreement

To Whom It May Concern:

I have enclosed the signed agreement between Direct Dialysis, 306 North Larkin Ave., Joliet, IL and Provena Saint Joseph Medical Center.

Please feel free to call me if you have any questions.

Sincerely,

Elaine Walker

Elaine Walker
Administrative Assistant

Enclosure

14255 South Cicero Avenue • Crestwood, IL 60445 • (708) 371-0400 • FAX: (708) 371-5871 • www.crestwoodcare.com

HOSPITAL TRANSFER AGREEMENT

THIS HOSPITAL TRANSFER AGREEMENT ("**Agreement**") is made this 1st day of July, 2010 (the "**Effective Date**") by and between Direct Dialysis, a health care service provider, an Illinois not-for-profit corporation (the "**Transferring Facility**"), and **Provena Hospitals, d/b/a** Provena Saint Joseph Medical Center, an Illinois not-for-profit corporation ("**Receiving Hospital**"). (Transferring Facility and Receiving Hospital may each be referred to herein as a "**Party**" and collectively as the "**Parties**").

RECITALS

WHEREAS, Transferring Facility provides health care services to the community; and

WHEREAS, patients of Transferring Facility ("**Patients**") may require transfer to a Hospital for acute-inpatient or other emergency health care services: and

WHEREAS, Receiving Hospital owns and operates a licensed and Medicare certified acute care Hospital in reasonable proximity to Transferring Facility, which has a twenty-four (24) hour emergency room and provides emergency health care services; and

WHEREAS, the Parties desire to enter into this Agreement in order to specify the rights and duties of each of the Parties and to specify the procedure for ensuring the timely transfer of patients to Receiving Hospital.

NOW, THEREFORE, to facilitate the timely transfer of patients to Receiving Hospital, the Parties hereto agree as follows:

ARTICLE I
TRANSFER OF PATIENTS

In the event that any Patient needs acute inpatient or emergency care and has either requested to be taken to Receiving Hospital, or is unable to communicate a preference for Hospital services at a different Hospital, and a timely transfer to Receiving Hospital would best serve the immediate medical needs of Patient, a designated staff member of Transferring Facility shall contact the admitting office or emergency department of Receiving Hospital (the "**Emergency Department**") to facilitate admission. Receiving Hospital shall receive Patient in accordance with applicable federal and state laws and regulations, the standards of The Joint Commission ("**TJC**") and any other applicable accrediting bodies, and reasonable policies and procedures of Receiving Hospital's responsibility for patient care shall begin when Patient arrives upon Receiving Hospital's property.

ARTICLE II
RESPONSIBILITIES OF TRANSFERRING FACILITY

Transferring Facility shall be responsible for performing or ensuring the performance of the following:

(a) Arranging for ambulance service to Receiving Hospital;

(b) Designating a person who has authority to represent Transferring Facility and coordinate the transfer of Patient to Receiving Hospital;

(c) Notifying Receiving Hospital's designated representative prior to transfer to alert him or her of the impending arrival of Patient and provide information on Patient to the extent allowed pursuant to Article IV;

(d) Notifying Receiving Hospital of the estimated time of arrival of the Patient;

(e) Recognizing and complying with the requirements of any federal and state law and regulations or local ordinances that apply to the care and transfer of individuals to Receiving Hospitals for emergency care.

ARTICLE III
RESPONSIBILITIES OF RECEIVING HOSPITAL

Receiving Hospital shall be responsible for performing or ensuring performance of the following:

(a) Designating a person who has authority to represent and coordinate the transfer and receipt of Patients into the Emergency Department; and

(b) Timely admission of Patient to Receiving Hospital when transfer of Patient is medically appropriate as determined by Receiving Hospital attending physician subject to Hospital capacity and patient census issues; and

(c) Recognizing and complying with the requirements of any federal and state law and regulations or local ordinances that apply to Patients who present at Emergency Departments.

ARTICLE IV
PATIENT INFORMATION

In order to meet the needs of Patients with respect to timely access to emergency care, Transferring Facility shall provide information on Patients to Receiving Hospital, to the extent approved in advance or authorized by law and to the extent Transferring Facility has such information available. Such information may include: Patient Name, Social Security Number, Date of Birth, insurance coverage and/or Medicare beneficiary information (if applicable), known

allergies or medical conditions, treating physician, contact person in case of emergency and any other relevant information Patient has provided Transferring Facility in advance, to be given in connection with seeking emergency care. Transferring Facility shall maintain the confidentiality of medical/insurance information provided by Patient and received from Patient, in connection with Patient's provision of such information, Patient's authorization to disclose such information to Emergency Department personnel, all in accordance with applicable state and federal rules and regulations governing the confidentiality of patient information.

ARTICLE V
NON EXCLUSIVITY

This Agreement shall in no way give Receiving Hospital an exclusive right of transfer of Patients of Transferring Facility. Transferring Facility may enter into similar agreements with other Receiving Hospitals, and Patients will continue to have complete autonomy with respect to choice of Receiving Hospital service providers, as further described in Article VI.

ARTICLE VI
FREEDOM OF CHOICE

In entering into this Agreement, Transferring Facility in no way is acting to endorse or promote the services of Receiving Hospital. Rather, Transferring Facility intends to coordinate the timely transfer of Patients for emergency care. Patients are in no way restricted in their choice of emergency care providers.

ARTICLE VII
BILLING AND COLLECTIONS

Receiving Hospital shall be responsible for the billing and collection of all charges for professional services rendered at Receiving Hospital. Transferring Facility shall in no way share in the revenue generated by professional services delivered to Patients at Receiving Hospital.

ARTICLE VIII
INDEPENDENT RELATIONSHIP

Section 8.1 In performing services pursuant to this Agreement, Receiving Hospital and all employees, agents or representatives of Receiving Hospital are, at all times, acting and performing as independent contractors and nothing in this Agreement is intended and nothing shall be construed to create an employer/employee, principal/agent, partnership or joint venture relationship. Transferring Facility shall neither have nor exercise any direction or control over the methods, techniques or procedures by which Receiving Hospital or its employees, agents or representatives perform their professional responsibilities and functions. The sole interest of Transferring Facility is to coordinate the timely transfer of Patients to Receiving Hospital for emergency care.

Section 8.2 Receiving Hospital shall be solely responsible for the payment of compensation and benefits to its personnel and for compliance with any and all payments of all taxes, social security, unemployment compensation and worker's compensation.

Section 8.3 Notwithstanding the terms of this Agreement, in no event shall Receiving Hospital or any Receiving Hospital personnel be responsible for the acts or omissions of non-Receiving Hospital personnel.

ARTICLE IX
INSURANCE

Both Parties shall maintain, at no cost to the other Party Facility, professional liability insurance in an amount customary for its business practices. Receiving Hospital shall provide evidence of the coverage required herein to Transferring Facility on an annual basis.

ARTICLE X
INDEMNIFICATION

Each Party shall indemnify, defend and hold harmless the other Party from and against any and all liability, loss, claim, lawsuit, injury, cost, damage or expense whatsoever (including reasonable attorneys' fees and court costs), imposed by a third party and arising out of, incident to or in any manner occasioned by the performance or nonperformance of any duty or responsibility under this Agreement by such indemnifying Party, or any of its employees, agents, contractors or subcontractors.

ARTICLE XI
TERM AND TERMINATION

Section 11.1 **Term.** The term of this Agreement shall commence on the Effective Date and shall continue in effect for one (1) year (the "**Initial Term**") and SHALL RENEW ON AN ANNUAL BASIS ("**RENEWAL TERM**") ABSENT WRITTEN NOTICE BY EITHER PARTY OF NON-RENEWAL TO THE OTHER PARTY THIRTY (30) CALENDAR DAYS PRIOR TO THE EXPIRATION OF THE INITIAL TERM OR ANY SUBSEQUENT RENEWAL TERM OF THIS AGREEMENT.

Section 11.2 **Events of Termination.** Notwithstanding the foregoing, this Agreement may be terminated upon the occurrence of any one (1) of the following events:

(a) Either Party may terminate this Agreement at any time upon sixty (60) days' prior written notice to the other Party.

(b) If either Party shall apply for or consent to the appointment of a receiver, trustee or liquidator of itself or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or take advantage of any insolvency law, or if an order, judgment, or decree shall be entered by a court of competent jurisdiction or an application of a creditor, adjudicating such Party to be bankrupt or insolvent, or approving a petition seeking reorganization of such Party or appointing a receiver, trustee or liquidator of such Party or of all or a substantial part of its assets, and such order, judgment, or decree shall continue in effect and unstayed for a period of thirty

(30) consecutive calendar days, then the other Party may terminate this Agreement upon ten (10) business days' prior written notice to such Party.

Section 11.3 **Immediate Termination.** Notwithstanding anything to the contrary herein, this Agreement will be terminated immediately upon the following events: (a) the suspension or revocation of the license, certificate or other legal credential authorizing Receiving Hospital to provide emergency care services; (b) termination of Receiving Hospital's participation in or exclusion from any federal or state health care program for any reason; (c) the cancellation or termination of Receiving Hospital's professional liability insurance required under this Agreement without replacement coverage having been obtained.

ARTICLE XII
MISCELLANEOUS PROVISIONS

Section 12.1 **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof. This Agreement supersedes any and all other prior agreements either written or oral, between the Parties with respect to the subject matter hereof.

Section 12.2 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.

Section 12.3 **Waiver.** Any waiver of any terms and conditions hereof must be in writing, and signed by the Parties. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other terms and conditions hereof.

Section 12.4 **Severability.** The provisions of this Agreement shall be deemed severable, and, if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the Parties.

Section 12.5 **Headings.** All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

Section 12.6 **Assignment.** This Agreement, being intended to secure the services of Receiving Hospital, shall not be assigned, delegated or subcontracted by Receiving Hospital without prior written consent of Transferring Facility.

Section 12.7 **Governing Law.** This Agreement shall be construed under the laws of the state of Illinois, without giving affect to choice of law provisions.

Section 12.8 **Notices.** Any notice herein required or permitted to be given shall be in writing and shall be deemed to be duly given on the date of service if served personally on the other Party, or on the fourth (4th) day after mailing, if mailed to the other Party by certified mail, return receipt requested, postage pre-paid, and addressed to the Parties as follows:

To Transferring Facility	To Receiving Hospital
Direct Dialysis	Provena Saint Joseph Medical Center
306 North Larkin Ave	333 North Madison Street
Joliet, IL 60445	Joliet, IL 60435

Copy to:
General Counsel
Provena Health
19065 Hickory Creek Drive, Suite 115
Mokena, IL 60448

or such other place or places as either Party may designate by written notice to the other.

Section 12.9 **Amendment.** This Agreement may be amended upon mutual, written agreement of the Parties.

Section 12.10 **Regulatory Compliance.** The Parties agree that nothing contained in this Agreement shall require Transferring Facility to refer patients to Receiving Hospital for emergency care services or to purchase goods and services. Notwithstanding any unanticipated effect of any provision of this Agreement, neither Party will knowingly and intentionally conduct its behavior in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs.

Section 12.11 **Access to Books and Records.** If applicable, upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States, or any of their duly authorized representatives, Receiving Hospital shall make available to the Secretary or to the Comptroller General those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing its services under this Agreement. Such inspection shall be available for up to four (4) years after the rendering of such service. This Section is included pursuant to and is governed by the requirements of Public Law 96-499 and Regulations promulgated thereunder. The Parties agree that any attorney-client, accountant-client or other legal privileges shall not be deemed waived by virtue of this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers hereto setting their hands as of the date first written above.

TRANSFERRING FACILITY	RECEIVING HOSPITAL
Direct Dialysis,	Provena Saint Joseph Medical Center, an Illinois not-for-profit corporation
By: Jay Hoffman	By:
Its: Operations Director	Its: EVP/COO

TRANSFER AGREEMENT
BETWEEN
ADVOCATE HEALTH AND HOSPITALS CORPORATION d/b/a
ADVOCATE CHRIST MEDICAL CENTER AND HOPE CHILDREN'S HOSPITAL
AND
DIRECT DIALYSIS CENTER

This Agreement is made and effective as of the **2nd day of November, 2010**, between **Advocate Health and Hospitals Corporation d/b/a Advocate Christ Medical Center and Hope Children's Hospital**, an Illinois not-for-profit corporation ("MEDICAL CENTER"), and **Direct Dialysis Center**, an Illinois for-profit corporation ("FACILITY").

WHEREAS, both parties to this agreement desire to assure continuity of care and treatment appropriate to the needs of each patient in the MEDICAL CENTER and the FACILITY, and to use the skills, resources and physical plant of both patient care at both the acute and post-acute stages of illness.

NOW, THEREFORE, IN CONSIDERATION of the mutual advantage occurring to the parties hereto, the MEDICAL CENTER and FACILITY hereby covenant and agree with each other as follows:

1. Autonomy. The Board of Directors of the MEDICAL CENTER and the Board of Trustees of the FACILITY shall continue to have exclusive control of the management, assets and affairs of their institutions, and neither party by virtue of this Agreement shall assume any liability for any debts or obligations which have been or which may be incurred by the other party to this Agreement.

2. Transfer of Patients. Whenever the attending physician of any patient confined in the MEDICAL CENTER or in the FACILITY shall determine that a transfer of such patient from one of these institutions to the other is medically appropriate, the parties shall take whatever steps may be necessary to effect such a transfer in their admissions policies to patients requiring such transfer, subject to availability of bed space, and provided that all the usual conditions for admission are met. Each party shall give notice to the other party, as far in advance as possible, of responsibility of the institution and attending physician initiating transfer to arrange for appropriate and safe transportation. Further, it shall be their responsibility for arranging for the care of the patient during transfer. These responsibilities will cease when the patient has been physically admitted at the destination designated.

3. Medical Center Admissions Priority. In establishing its preference in admission policies for patients subject to transfer from the FACILITY in accordance with Article II, the MEDICAL CENTER shall be guided by its usual admission requirements.

in accordance with criteria for admission:

A. Patients declared as emergencies by their attending physicians shall be admitted to the MEDICAL CENTER without delay.

B. Patients not strictly emergent, but requiring early admission to the MEDICAL CENTER, shall be placed on the MEDICAL CENTER's urgent list.

C. Elective cases shall be booked for future admission to the MEDICAL CENTER according to the established routine of the MEDICAL CENTER.

4. Facility Admissions Priority. In establishing its preference in admission policies for patients subject to transfer from the MEDICAL CENTER in accordance with Article II, the FACILITY shall be guided by the following plan:

A. To admit the patient from the MEDICAL CENTER as promptly as possible, provided general admission requirements established by the institution are met.

B. To give priority to re-admission of patients transferred from the FACILITY to the MEDICAL CENTER.

5. Interchange of Information. The parties shall interchange all pertinent medical records and other information which may be necessary or useful in the care and treatment of patients transferred between he parties or which may be revenant to determining whether such parties can be adequately cared for otherwise than in either the MEDICAL CENTER or FACILITY. All such information shall be provided by the transferring institution in advance, where possible, and in any event at the time of the transfer, and shall be recorded on a referral form which shall be mutually agreed upon by the parties. This information shall include but not be limited to current medical findings, diagnosis, rehabilitation potential, and a brief summary of the course of treatment followed in the MEDICAL CENTER or the care of the patient, ambulation status and pertinent administrative and social information.

6. Transfer of Personal Effects. Procedures for affecting the transfer of patients and their personnel effects and valuables shall be developed and adhered to by both parties. These procedures will include, but are not limited to, the provision of information concerning such valuables, money, and personal effects transferred with the patient so that a receipt may be given and received for same.

7. Final Financial Arrangements. Charges for services performed by either party for patients transferred from the other party pursuant to this Agreement shall be collected by the party rendering such services directly from the patient, third party payors or from other sources normally billed. Neither party shall have any liability to the other for such charges, except to the extent that such liability would exist separate and apart from the Agreement. Nor shall either

party receiving a transferred patient be responsible for collecting any previously outstanding account receivable due the other party from such patient.

8. Insurance. Each party shall maintain professional and public liability insurance coverage in the amount of One Million Dollars ($1,000,000.000) per occurrence or claim made with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

9. Independent Contractor. Nothing contained in this Agreement shall constitute or be construed to create a partnership, joint venture, employment, or agency relationship between the parties and/or their respective successors and assigns, it being mutually understood and agreed that the parties shall provide the services and fulfill the obligations hereunder as independent contractors. Further, it is mutually understood and agreed that nothing in this Agreement shall in any way affect the independent operation of either MEDICAL CENTER or FACILITY. The governing body of MEDICAL CENTER and FACILITY shall have exclusive control of the management, assets, and affairs at their respective institutions. No party by virtue of this Agreement shall assume any liability for any debts or obligations of a financial or legal nature incurred by the other, and neither institution shall look to the other to pay for service rendered to a patient transferred by virtue of this Agreement.

10. Nondiscrimination. The parties agree to comply with applicable provisions of Title VI of the Civil Rights Act of 1964, all applicable requirements imposed by regulations issued pursuant to that title, section 504 of the Rehabilitation Act of 1973, and all applicable related regulations, to insure that neither party shall discriminate against any recipient of services hereunder on the basis of race, color, sex, creed, national origin, age or handicap, under any program or activity receiving Federal financial assistance.

11. Term and Termination. This Agreement shall commence on **November 2, 2010**, and shall automatically be renewed annually for one year periods unless terminated according to this Section 10. This Agreement may be terminated by either party at any time upon the giving of at least sixty (60) day's prior written notice. Notwithstanding any notice which may have been given, however, this Agreement shall be automatically terminated whenever either party shall have its license to operate revoked, suspended or non-renewed.

12. Notices. All notices required to be served under this Agreement may be served on any of the parties hereto personally or may be served by sending a letter duly addressed by registered or certified mail . Notices to be served on MEDICAL CENTER shall be served at or mailed to: **Advocate Christ Medical Center and Hope Children's Hospital**, attention President, with a copy to Chief Legal Officer, Advocate Health and Hospitals Corporation 2025 Windsor Drive, Oak Brook, Illinois 60521. Notices to be served on FACILITY shall be served at or mailed to: **Direct Dialysis Center**, attention Executive Director, 14255 South Cicero Avenue, Crestwood, IL 60445, unless otherwise instructed.

13. Advertising and Publicity. Neither party shall use the name of the other party in any promotional or advertising material unless review and approval of those intended use shall be first be obtained from the party whose name is to be used.

14. Nonexclusive Clause. Nothing in this Agreement shall be construed as limiting the right of either party to affiliate or contract with any other MEDICAL CENTER or FACILITY, or either a limited or general basis, while this Agreement is in effect.

15. Amendment. This Agreement may be amended, modified, or supplemented by agreement of both parties, but no such modification, amendment, or supplement shall be binding on either party unless and until the same is attached hereto in writing and signed by authorized officials of both parties.

16. Governing Law. All questions concerning the validity or construction of this Agreement shall be determined in accordance with the laws of Illinois.

IN WITNESS WHEREOF, this Agreement has been executed by MEDICAL CENTER and FACILITY on the date first written above.

ADVOCATE HEALTH AND HOSPITALS CORPORATION d/b/a
ADVOCATE CHRIST MEDICAL CENTER AND HOPE CHILDREN'S HOSPITAL

By: _____
President

DIRECT DIALYSIS CENTER

By: _____
Executive Director

28943

Contractual Agreement: Direct Dialysis and Crestwood Care Centre

This coordination of care agreement is between Direct Dialysis and Crestwood Care Centre for the provision of Home Hemodialysis services for the residents of Crestwood Care Centre. According to CMS regulations regarding provision of dialysis treatments in LTC facilities the following services will be agreed upon and executed.

Direct Dialysis will provide:

1. Hemodialysis treatments for qualified nursing home residents on site
2. Training for the care provider
3. Monitoring of the home-hemodialysis resident clinical outcomes
4. Erythropoietin
5. Safe and effective use of dialysis related medications such as those used for anemia management, the management of bone disease and anticoagulation.
6. Nutritional consultations for the home-hemodialysis resident
7. Social Work consultations for the home-hemodialysis resident
8. Assurance of continuity of care for the resident through participation in monthly patient care conferences by a multidisciplinary team
9. Installation and maintenance of home-hemodialysis equipment, testing of water, and ordering of supplies
10. A licensed nurse experienced in hemodialysis to be present during dialysis treatments
11. Renal support classes for LTC staff to demonstrate competency in:
    - Clinical monitoring of residents who receive EPO
    - Clinical monitoring and care of resident's vascular access and post dialysis complications
    - Clinical monitoring and reporting of medication side effects and adverse drug reactions
    - Identification, monitoring and reporting of nutritional and hydration complications
12. Laboratory services provided by a lab certified in dialysis specialty

Crestwood Care Centre will provide:

1. A functional, sanitary, and comfortable environment with adequate lighting and space for the purpose of dialysis treatments that include:
   - Daily cleaning services
   - Trendelenberg recliners appropriate for treatment
   - TV and or diversional entertainment
   - Space for storage of hemodialysis machines and supplies
   - Space for water equipment
   - Space with a functioning call system for emergency help
   - Space will afford privacy curtains to be used when needed
   - Plumbing suitable for water distribution to dialysis machines
2. Routine and emergency drugs for its residents
3. Crestwood Care Center must maintain a list of home-hemodialysis patients and their treatment schedules.
4. The administrator will maintain a copy of the written contract/agreement.

CARE IN AN EMERGENCY

1. **In the event of a non-medical emergency while the resident is undergoing hemodialysis**

Direct Dialysis Staff will:

- Discontinue the hemodialysis treatment and perform the emergency take-off procedure.
- Remove the resident from any immediate danger.
- One staff member will report to the designated area for directions from the Director of Nursing or Supervisor.
- Follow the Emergency Preparedness and Response Plan for Crestwood Care Centre.

Crestwood Care Centre Staff will:

- Assist with transporting or evacuation of residents as needed.

2. **In the event of a medical emergency while the resident in undergoing hemodialysis**

Direct Dialysis staff will:

- Dial 333 for Code Blue to the Dialysis Room 3rd Floor
- Discontinue the hemodialysis treatment and perform the emergency take-off procedure.

Crestwood Care Centre staff will:

- Call 911 to activate the emergency response system.
- Bring emergency medical equipment to the 3rd Floor Dialysis Room.
- Assist with resident emergency until paramedics arrive.

QUALITY

There will be collaboration between Direct Dialysis and Crestwood Care Centre to investigate, control and prevent infections. Crestwood Care Center's and Direct Dialysis infection control policies and will be reviewed by the Physician Director of Direct Dialysis.

Direct Dialysis will monitor:

- Patient Outcomes
- Identify problems and develop corrective action plans
- Direct Dialysis staff reports and reviews incidents and accidents regarding hemodialysis care in the Crestwood Care Centre and the Direct Dialysis support facility.

The Governing Body of Direct Dialysis reviews reports of incidents and accidents to patients and personnel to identify health and safety hazards.

Monthly case conferences will assure:

- Crestwood Care Centre and Direct Dialysis interdisciplinary teams must assess resident's suitability for home-hemodialysis and meet to develop and revise plan of care.

Contractual Agreement: Direct Dialysis and Crestwood Care Centre

- Care plan implementation by professional staff and services implemented meet professional standards of quality
- Care plan is reviewed and revised based on residents response to home hemodialysis treatments.

Crestwood Care Centre communicates concerns with residents' nutritional status and psychosocial needs to Direct Dialysis social worker and or dietitian.

This agreement shall be effective this 5th day of September, 2006.

Linda Bradley
Director of Dialysis Services, Direct Dialysis

Judy Dumont
Administrator, Crestwood Care Centre

Linda Bradley
Signature

Judy Dumont
Administrator Signature

CONTRACTURAL AGREEMENT: DIRECT DIALYSIS AND DEERBROOK CARE CENTRE

This coordination of care agreement is between Direct Dialysis and Deerbrook Care Centre for the provision of Home Hemodialysis services for the residents of Deerbrook Care Centre. According to CMS regulations regarding provision of dialysis treatments in Long Term Care facilities the following services will be agreed upon and executed:

Direct Dialysis will provide:

1. Hemodialysis treatments for qualified nursing home residents on site.
2. Training for the care provider,
3. Monitoring of the home-hemodialyis resident clinical outcomes
4. Erythropoietin
5. Safe and effective use of dialysis related medications such as those used for anemia management, the management of bone disease and anticoagulation.
6. Nutritional consultations for the home-hemodialyis resident
7. Social Work consultations for the home-hemodialysis resident,
8. Assurance of continuity of care for the resident through participation in monthly patient care conferences by a multidisciplinary team,
9. Installation and maintenance of home-hemodialysis equipment, testing of water, and ordering of supplies,
10. A licensed nurse experienced in hemodialysis to be present during dialysis treatments,
11. Renal support classes for long term care staff to demonstrate competency in:
    a. Clinical monitoring of residents who receive EPO
    b. Clinical monitoring and care of resident's vascular access and post dialysis complications,
    c. Clinical monitoring and reporting of medication side effects and adverse drug reactions
    d. Identification, monitoring and reporting of nutritional and hydration complications.
12. Laboratory services provided by a lab certified in dialysis specialty.

Deerbrook Care Centre will provide:

1. A functional, sanitary, and comfortable environment with adequate lighting and space for the purpose of dialysis treatments that include:
    a. Daily cleaning services
    b. Trendelenberg recliners appropriate for treatment
    c. TV and or diversional entertainment
    d. Space for storage of hemodialysis machines and supplies
    e. Space for water equipment

f. Space with a functioning call system for emergency help.
g. Space will afford privacy curtains to be used when needed.
h. Plumbing suitable for water distribution to dialysis machines.

2. Routine and emergency drugs for its residents.
3. Deerbrook Care Centre must maintain a list of home-hemodialysis patients and their treatment schedules.
4. The administrator will maintain a copy of the written contract/agreement.

CARE IN AN EMERGENCY

1. In the event of a non-medical emergency while the resident is undergoing hemodialysis Direct Dialysis staff will:
   - Discontinue the hemodialysis treatment and perform the emergency take-off procedure.
   - Remove the resident from any immediate danger.
   - One staff member will report to the designated area for directions from the Director of Nursing or supervisor.
   - Follow the Emergency Preparedness and Response Plan for Deerbrook Care Centre.

   Deerbrook Care Centre staff will:
   - Assist with transporting or evacuation of residents as needed.
2. In the even t of a medical emergency while the resident is undergoing hemodialysis Direct Dialysis Staff will:
   - Call a Code Blue to the Dialysis Room
   - Discontinue the hemodialysis treatment and perform the emergency take-off procedure.

   Deerbrook Care Centre staff will:
   - Call 911 to activate the emergency response system.
   - Bring emergency medical equipment to the Dialysis Room.
   - Assist with resident emergency until paramedics arrive.

QUALITY

There will be collaboration between Direct Dialysis and Deerbrook Care Centre to investigate, control and prevent infections. Deerbrook Care Centre and Direct Dialysis infection control policies will be reviewed by the Nephrology Site Director of Direct Dialysis.

Direct Dialysis will monitor:
- Patient outcomes
- Identify problems and develop corrective action plans

CONTRACTURAL AGREEMENT: DIRECT DIALYSIS AND DEERBROOK CARE CENTRE

- Direct Dialysis staff reports and reviews incidents and accidents regarding hemodialysis care in the Deerbook Care Centre and the Direct Dialysis support facility.

The Governing Body of Direct Dialysis reviews reports of incidents and accidents to patients and personnel to identify health and safety hazards.

Monthly case conferences will assure:

- Deerbrook Care Centre and Direct Dialysis interdisciplinary teams must assess resident's suitability for home-hemodialysis and meet to develop and revise plan of care.
- Care Plan implementation by professional staff and services implemented meet professional standards of quality.
- Care plan is reviewed and revised based on resident's response to home hemodialysis treatments.

Deerbrook Care Centre communicates concerns with residents' nutritional status and psychosocial needs to Direct Dialysis social worker and/or dietician.

This agreement shall be effective this _____ day of _____, 2010.

Judy Hoffman, Direct Dialysis

Administrator, Deerbrook Care Centre

Northwestern Memorial® Hospital

April 5, 2011

Kovler Organ Transplantation Center

James Rydel, MD
Direct Dialysis-Crestwood Care Center
14255 S. Cicero Ave.
Crestwood, IL 60445

RE: Letter of Agreement for Transplantation Services

Dear Dr. Rydel,

It is a pleasure to provide you with the following information about the scope of services provided by the Kovler Organ Transplantation Center at Northwestern Memorial Hospital (the Center) and how the Center works with dialysis centers to enhance communication and coordination of care.

The Center provides all necessary transplant-related services including evaluation of potential kidney and kidney/pancreas recipients, living donors and the on going assessment of the candidacy of patients on the deceased donor waiting list. The Center is also fully qualified to perform kidney, kidney/pancreas transplantation and living donor procedures. The Center will also provide post-operative follow-up and immunosuppression management, until the recipient is stable and referred back to their referring physician.

Basic tissue typing and routine HLA antibody levels for all transplant candidates are performed at the Northwestern University Immunology lab. Cross matching for live donor transplants are also done at the Northwestern University lab. The Center has a contractual relationship with the Gift of Hope Organ and Tissue Donor Bank for deceased donor immunology services.

The Center will notify your facility by letter whenever a patient referred from your facility is listed/delisted for transplant or fails to complete the initial/interval evaluation. Yearly, we will update your facility with the status of your patients on the waiting list including their panel reactive antibody level (PRA). Notification of a patient being transplanted will be made on the day of transplantation or the next business day.

Your facility should notify the Center of any "change in status," as that term is defined in the Centers for Medicare and Medicaid Services (CMS) Interpretive Guidance for the 2008 Conditions of Participation for dialysis units, of any patient from your facility who is listed with the Center by the next business day.

We have designated our transplant nurses Denae DeCrescenzo, Nicole Beauvais, Doug Penrod, Judith Stein, Keith Wszolek, Emily Warren and social worker, Martha Escamilla-Arias, as the primary contacts at the Center to work with your facility's designated dialysis unit transplant coordinator.

Thank you for asking us to participate in the care and evaluation of your patients.

Sincerely,

Douglas R. Penrod, RN
Transplant Nurse Coordinator – Outreach Liaison

Northwestern Memorial® Hospital

Kovler Organ Transplantation Center

April 5, 2011

RE: Letters of Agreement to Provide Transplant Services

To Whom It May Concern:

Acting as Medical Director of Kidney Transplantation for Northwestern Memorial Hospital, I authorize Douglas Penrod, RN, to sign letters of agreement with dialysis centers to provide transplant services to their patients. Letters of agreement signed by Mr. Penrod under this authorization will remain in effect for their normal period, not to exceed one year, unless revoked in writing by Mr. Penrod or me (or my successor as medical director).

Sincerely,

Michael Abecassis, MD, MBA
Chief, Division of Organ Transplantation
Kovler Organ Transplantation Center
Northwestern Memorial Hospital

676 North St. Clair Street, Suite 1900, Chicago, Illinois 60611-2986 312.695.8900 www.transplant.nmh.org www.nmh.org

Attachment 36

Availability of Funds

The following documents are attached immediately following this page:

1. As documentation for showing the availability of Cash & Securities for the project, a copy of a Board Resolution adopted by Concerto Dialysis, LLC as to the amount of cash available for the project and interest to be earned on assets.

2. As documentation for showing debt, specifically for leases, a statement showing the estimated terms and conditions for any interim financing, a copy of the sublease that will be executed on the closing of the transactions contemplated by this proposed change of ownership.

WRITTEN CONSENT OF THE MEMBERS
OF
CONCERTO DIALYSIS, LLC

This Written Consent ("Consent") of the members (individually, a "Member" and collectively, the "Members") of Concerto Dialysis, LLC (the "Company"), is made and entered into effective as of the 15th day of October, 2013 (the "Effective Date") by and among its Members. Pursuant to the provisions of the Company's Operating Agreement and the Illinois Limited Liability Company Act, 805 ILCS 180/1-1 et seq., the Members do hereby: (i) consent to taking action on the following resolutions through this written consent, (ii) indicate the unanimous consent of the undersigned in favor of such resolutions, and (iii) direct that this consent be filed with the Company as minutes of the proceedings in lieu of a meeting of the Members of the Company.

RECITALS

WHEREAS, Diana Cicero Avenue, LLC ("DCA") entered into an Asset Purchase Agreement, effective December 7, 2011 (the "DCA APA"), a copy of which is attached hereto as Exhibit A, in which DCA purchased certain assets related to eight skilled nursing facilities, one assisted living facility, thirty-eight residential apartments, and a Medicare-certified end stage renal disease facility (the "ESRD Facility") from several sellers, including Crestwood Heights Nursing Centre, an Illinois limited partnership ("Crestwood");

WHEREAS, DCA, through the DCA APA, acquired certain real property and all appurtenances thereto, including but not limited to, real property and certain personal property including furniture, fixtures and equipment owned by Crestwood, which was related to the ESRD Facility;

WHEREAS, the DCA APA further contemplated that the ESRD Facility's operations would be retained by Crestwood until such time as the Company became the new operator of the ESRD Facility by obtaining all necessary government approvals to transfer all licenses, permits, approvals and certificates of need from Crestwood to the Company as the new operator, all being subject to the terms set forth in an agreement addressing the transfer of the ESRD Facility's operations to the Company (the "Operations Transfer Agreement"), a copy of which is attached hereto as Exhibit B;

WHEREAS, the a newly negotiated asset purchase agreement between DCA and the Company (the "New APA"), the Company shall acquire all personal property, including but not limited to fixtures, furniture and equipment of the ESRD Facility, as part of its efforts to obtain full control over the ESRD Facility's operations;

WHEREAS, DCA wishes to sell to Company, and Company wishes to purchase from DCA, the rights of DCA to certain of the ESRD Facility's Purchased Assets (as defined in the New APA), subject to the terms and conditions set forth in the New APA, a copy of which is attached hereto as Exhibit C;

WHEREAS, the Company must obtain approval from the Illinois Health Facilities and Services Review Board (the "State Board") of the change of ownership of the Purchased Assets and the transfer of control to the Company prior to the consummation of such transactions;

WHEREAS, the Company shall acquire the Purchased Assets for $15,719.00 using cash on hand, which shall also cover legal costs of $20,000.00 that are directly related to the capital expenditure being made to acquire the Purchased Assets; therefore, making the total amount that must be for a total of $35,719.00 that must be funded using cash on hand;

WHEREAS, the Company must further certify, pursuant to 77 Ill. Adm. Code § 1120.120, regarding availability of funds for this transaction, that: (1) the amount of cash on hand that is available for the project (i.e., the acquisition of the Purchased Assets); and (2) interest to be earned on depreciation account funds or to be earned on any asset from the date of the Company's submission of its CON permit application to the State Board through project completion; and

WHEREAS, the Company's stated project completion date in its CON permit application is January 31, 2014; however, the parties to the New APA intend to close the transactions contemplated therein on or about December 31, 2013.

NOW, THEREFORE, BE IT RESOLVED, that the following resolutions be approved by the Members of the Company;

FURTHER RESOLVED, that in order to fund the acquisition of the Purchased Assets, the Company shall secure up to $35,719.00 in cash on hand to be used solely for the acquisition of said assets, which shall come from bank accounts held by the Company or its affiliate Symphony Healthcare, LLC;

FURTHER RESOLVED, that the Company shall not earn interest related to depreciation account funds or to be earned on any asset from the date of the Company's submission of its CON permit application to the State Board through its official project completion date;

FURTHER RESOLVED, that the members of the Company are, or any of them acting alone is, hereby authorized and empowered to make, execute and deliver to DCA and the State Board, in the name of and on behalf of the Company, any and all documents, instruments, agreements, affidavits or certificates of any kind or nature whatsoever and to take from time to time any actions that such member or in their discretion determine to be appropriate to effect the execution of the New APA, the CON permit application, and any other documents necessary to complete the resolutions approved herein, and the execution and delivery of such documents, instruments, agreements, affidavits or certificates by any Member or Members of the Company shall constitute conclusive evidence that the terms and conditions contained therein have been determined to be appropriate by the Company;

FURTHER RESOLVED, any and all actions heretofore taken by any Member or Members or agent of the Company to effect the actions authorized by the foregoing resolutions or otherwise in furtherance of the actions authorized by the foregoing resolutions are hereby approved, ratified and confirmed in all respects; and

FURTHER RESOLVED, that the Company is hereby authorized and empowered to perform all terms, covenants and conditions contained in the documents, instruments, agreements, affidavits or certificates executed and delivered by any member or members of the Company to effect the Loan.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned Members of the Company have executed this Written Consent, which shall be effective as of the day first written above.

MEMBERS:

SAREX, LLC

By: _____
Its: _____

IBEX MANAGEMENT SERVICES, LLC

By: _____
Its: _____

DRAKE LOUIS ENTERPRISES, LLC

By: _____
Its: _____

FAIRHOME TRUST

By: _____
Its: _____

EXHIBIT A

DCA APA

(see attached)

EXHIBIT B

Operations Transfer Agreement

(see attached)

EXHIBIT C

New APA

(see attached)

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (hereinafter referred to as the "Lease"), is made and entered into by and between **DIANA MASTER LANDLORD, LLC**, a Delaware limited liability company (hereinafter referred to as "**Landlord**") and **CONCERTO DIALYSIS, LLC**, an Illinois limited liability company (hereinafter referred to as "**Tenant**").

WITNESSETH:

WHEREAS, Landlord is the lessee of that certain skilled nursing home facility known as the Crestwood Care Centre (hereinafter referred to as the "**Facility**"), located at 14255 South Cicero Avenue, Crestwood, Illinois; and

WHEREAS, Landlord leases the Facility from Diana Cicero Avenue, LLC, a Delaware limited liability company ("**Prime Lessor**") pursuant to that certain Master Lease and Security Agreement dated December 31, 2011 (the "**Master Lease**"); and

WHEREAS, Tenant desires to enter into a sublease for certain space in the Facility.

NOW, THEREFORE, Landlord hereby subleases to Tenant, and Tenant hereby subleases from Landlord, a portion of the Facility upon the following terms and conditions:

1. **CAPITALIZED TERMS**. Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Master Lease.

2. **TERMS SUBJECT TO MASTER LEASE**. This Lease and Tenant's rights pursuant to this Lease are subject and subordinate at all times to the Master Lease and to all of the covenants and agreements of the Master Lease, except such terms of the Master Lease which are specifically excluded herein by reference below. This Lease is intended to be a space lease only, and is not subject to the Master Sublease and Security Agreement dated December 31, 2011 by and between Landlord and Symphony M.L. LLC, an Illinois limited liability company, which is the master tenant and sublessor of eight (8) skilled nursing facilities and one (1) assisted living facility (the "**Master Sublease**"). Tenant hereby expressly agrees during the Term to be subject to, to be bound by and to observe, and the Lease shall be deemed to contain, all of the covenants, stipulations, restrictions, agreements and other provisions contained in the Master Lease to the extent the same are applicable to the Premises except as expressly modified, excluded or otherwise addressed in this Lease. Tenant further agrees not to do, permit or tolerate anything to be done in the Premises or in connection with Tenant's use or occupancy of the Premises which would violate any covenant or agreement set forth in the Master Lease or would cause Landlord to be in default under the Master Lease. The following terms and provisions included in the Master Lease shall not apply to Tenant or to this Lease: Section 1 (Definitions), only to the extent such Definitions are not applicable due to other excluded Sections; Section 2.2 (Maple Crest); Section 2.3 (Crestwood); Section 2.4 (Term); Section 3.1(Initial Term Minimum Rent); Section 3.2 (Percentage Rent); Section 3.7 (Additional Minimum Rent Payment); Section

4.6 (Impound); Section 5.6 (Boiler Insurance); Section 5.8 (Flood Insurance); Section 6.1.3 (Capital Expenditure Amounts); Section 6.3 (Continuous Operation; Permitted Use); Section 6.5 (Alterations by Tenant); Section 6.6 (Initial Capital Improvement Investment); Section 8.4 (Accounts Receivable); Section 8.5 (Cash Management); Section 10.1 (Monthly Property Reports); Section 10.2 (Quarterly Financial Statements); Section 10.3 (Annual Financial Statements); Section 10.6 (Annual Operating Budget); Section 10.12 (Financial Covenants); Section 11.1.1 (Security Deposit); Section 11.1.7 (Subtenant Default); Section 11.1.14 (Financial Covenant Default); Section 13 (Damage by Fire or Other Casualty); Section 14 (Condemnation); Section 16 (Notices and Demands); Section 21 (Preservation of Values); Section 23 (Assignment and Subletting); Section 33 (Memorandum of Lease); Section 40 (Management Fees); and Section 44 (Termination of Lease).

3. LEASED PREMISES. The portion of the Facility leased to Tenant by Landlord shall consist of approximately 1,279 square feet of patient care and therapy space of the Facility, as outlined for descriptive purposes only on Exhibit A hereto (hereinafter referred to as the "**Premises**").

4. PARKING AND COMMON AREAS. In addition to the Premises hereinabove described, Tenant shall have the nonexclusive use of the parking area(s) appurtenant to the Building and common areas, including corridors, lobbies, elevators, and rest rooms, for Tenant and Tenant's employees, clients and patrons, subject to such reasonable rules and regulations which may from time to time be adopted by the Landlord or an authorized authority.

5. TERM. The term of this Lease shall be eight (8) years, commencing upon delivery of the Premises to the Tenant, estimated to occur on or before January 1, 2014 ("**Commencement Date**"), except as otherwise provided herein below, and expiring on December 31, 2021, unless sooner terminated as provided herein (the "**Initial Term**"). Landlord and Tenant hereby agree that the Initial Term of this Lease shall be coterminous with the Master Lease. Notwithstanding said Commencement Date, if for any reason Landlord cannot deliver possession of the Premises to Tenant on said date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder, or extend the term hereof.

6. RENT. Tenant shall pay to Landlord as base rent, without notice or demand and without abatement, deduction or offset, except as elsewhere provided herein, the annual amount of Ninety Thousand and 00/100 Dollars ($90,000.00) ("**Annual Base Rent**"). Annual Base Rent shall be paid in advance in equal monthly installments of Seven Thousand Five Hundred and 00/100 Dollars ($7,500.00) ("**Monthly Base Rent**"), by wire or ACH transfer only, on the first day of each and every calendar month during the term of this Lease; provided, however, that in the event the Initial Term commences on a day other than the first day of a calendar month, then upon the Commencement Date hereof Tenant shall pay to the Landlord a pro-rata portion of Monthly Base Rent to that portion of the calendar month remaining from the Commencement Date to the first day of the next following calendar month. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly payment in this Lease shall be considered anything other than a payment on account of the earliest rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent

be deemed an accord and satisfaction. Landlord may accept such payment without prejudice to its right to recover the balance of the rent and to pursue any other remedy provided for in this Lease, or otherwise available at law or in equity. Commencing on the first anniversary of the Commencement Date, and continuing on each anniversary of the Commencement Date thereafter during the Initial Term (and during any applicable Renewal Term), Annual Base Rent shall increase by an amount equal to two percent (2%) of the prior lease year's Annual Base Rent, compounded annually.

7. **ADDITIONAL RENT.** All charges, costs, and expenses that Tenant assumes or agrees to pay hereunder, including Tenant's pro-rata share of taxes and utilities due pursuant to the Master Lease, together with all interest and penalties that may accrue thereon in the event of failure of Tenant to pay those items and all other damages, costs, expenses, and sums that Landlord may suffer or incur, or that may become due, by reason of any default of Tenant or failure by Tenant to comply with the terms and conditions of this Lease, shall be deemed collectively, "**Additional Rent**"; and, in the event of nonpayment, Landlord shall have all rights and remedies as herein provided for failure to pay Annual Base Rent.

8. **DELIVERY OF PREMISES.** Tenant acknowledges and agrees that its Affiliate, Symphony Dialysis LLC (the "**Operator**"), has been in possession of the Premises and operating the dialysis center located therein since December 31, 2011. Landlord shall deliver the Premises to Tenant "as is, where is and with all faults" and makes no representation or warranty as to the condition of the Premises or as to the ability of Tenant to operate the dialysis center located therein.

9. **USE OF PREMISES.** Tenant shall use and occupy the Premises continuously throughout the Term of the Lease solely for the purpose of operating and maintaining an outpatient renal dialysis clinic for the residents of the Facility, and for no other purpose whatsoever (the "**Healthcare Use**"). Tenant agrees not to engage in the referral practice of radiology, imagery and/or clinical laboratory on said Premises without Landlord's prior consent, except, however, that Tenant may maintain on said Premises a private x-ray and/or clinical laboratory strictly and solely for the use by the Tenant and Tenant's own patients. Tenant agrees not to dispense any drugs for remuneration, but this shall not be deemed to prevent Tenant's licensed providers from lawfully administering drugs and medicine to Tenant's own private patients, nor from giving samples of drugs and medicines to patients. Tenant recognizes that these restrictions on the use of the Premises are a material consideration for Landlord to enter into this Lease. Tenant shall comply with all laws, ordinances, rules, regulations and codes of all municipal, county, state and federal authorities pertaining to the use and occupation of the Premises. No use shall be made or permitted to be made of the Premises, nor acts done, which will increase the existing rate of insurance upon the Facility in which said Premises may be located, or cause a cancellation of any insurance policy covering said Facility, or any part thereof, nor shall Tenant sell, or permit to be kept, used, or sold, in or about said Premises, any article which may be prohibited by the standard form of fire insurance policies. Tenant shall not commit, or suffer to be committed, any waste upon said Premises or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant or resident in the Facility in which the Premises may be located, nor shall Tenant use any apparatus, machinery or devices in or about the Premises which shall make any noise or set up any vibration or which shall in any way increase

the amount of electricity, water or compressed air agreed to be furnished or supplied under this Lease (if any), and Tenant further agrees not to connect with electric wires, water or air pipes any apparatus, machinery or device without the consent of Landlord, which consent shall not unreasonably withheld, conditioned or delayed. Tenant shall be responsible for obtaining a Certificate of Need permit from the Illinois Health Facilities and Services Review Board and any additional health care licenses, registration, certifications or permits required by the State of Illinois from the Operator, on or before the Commencement Date.

10. MAINTENANCE OF THE PREMISES. Tenant shall be solely responsible for keeping and maintaining the Premises in good appearance, repair and condition and maintaining proper housekeeping. Tenant shall promptly make or cause to be made all repairs, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary to keep the Premises in working condition, properly repaired, replaced and maintained in the ordinary course of business.

As part of Tenant's obligations under this Section 10, Tenant shall be solely responsible for maintaining all of its personal property and equipment in working order sufficient for normal operation of its business, properly maintained by Tenant in the ordinary course of business. Subject to the foregoing, Tenant shall repair and replace such property consistent with prudent industry practice for the applicable Healthcare Use. Specifically, Tenant shall purchase replacement dialysis equipment within _____ (___) months after the Commencement Date, to replace such equipment purchased from the Prime Lessor on or before the Commencement Date pursuant to that certain Asset Purchase Agreement dated _____, 2013 by and between Prime Lessor and Tenant.

11. ALTERATIONS BY TENANT. Tenant shall have the right to alter, improve, replace, modify or expand the Premises, equipment or appliances in the Premises from time to time as it may determine is desirable for the continuing and proper use and maintenance of the Premises under this Lease; provided, however, that any alterations, improvements, replacements, expansions or modifications in excess of _____ Dollars ($_____) in any rolling twelve (12) month period shall require the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. It shall be reasonable for Landlord to require appropriate insurance, security for payment of the costs incurred for the project, prior approval of the plans for the project and Senior Lender's written approval for any such project. The cost of all such alterations, improvements, replacements, modifications, expansions or other purchases, whether undertaken as an on-going licensing, Medicare or Medicaid (or any successor program) or other regulatory requirement or otherwise shall be borne solely and exclusively by Tenant and shall immediately become a part of the Premises and the property of the Landlord subject to the terms and conditions of this Lease. All work done in connection therewith shall be done in a good and workmanlike manner and in compliance with all existing codes and regulations pertaining to the Premises and shall comply with the requirements of insurance policies required under this Lease. In the event any items of the Premises have become inadequate, obsolete or worn out or require replacement (by direction of any regulatory body or otherwise), Tenant shall remove such items and exchange or replace the same at Tenant's sole cost and the same shall become part of the Premises and property of the

Landlord.

12. **RIGHT OF ENTRY.** Landlord shall have the right at any time, without effecting an actual or constructive eviction and without incurring any liability to the Tenant therefor, to change the arrangement or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets or other public parts of the Facility and to change the name, number or designation by which the Facility is commonly known; provided, however, that no such change shall interfere with Tenant's access to or beneficial use and enjoyment of the Premises.

13. **DESTRUCTION OF PREMISES.** In the event of the damage or destruction of any portion of the Premises, Tenant shall immediately notify Landlord (but in no event later than twenty-four hours after such damage or destruction) and, provided that Senior Lender consents to use of the proceeds to repair, diligently repair or reconstruct the same to a like or better condition than existed prior to such damage or destruction. Any insurance proceeds payable with respect to the casualty shall be held and used in the manner determined by Senior Lender and Landlord. In the event the net insurance proceeds are used for the repair or reconstruction of the applicable portion of the Premises, the proceeds shall be subject to reasonable disbursement controls in favor of Landlord or its Senior Lender. If such proceeds are insufficient for the repairs or reconstruction of the damaged portion of the Premises, Tenant shall provide the required additional funds. If Senior Lender prohibits the use of the funds for repairs or reconstruction, the insurance proceeds shall be utilized by Senior Lender to pay down debt owed to it. Notwithstanding anything to the contrary herein, and provided that (i) Tenant has paid to Landlord all amounts due under the Lease through the date of such damage or destruction, (ii) more than fifty percent (50%) of the Premises is damaged, (iii) Senior Lender prohibits the use of the insurance proceeds for repairs or reconstruction, and (iv) Landlord fails to repair or reconstruct the Premises to substantially the same condition as existed prior to such damage or destruction within twelve (12) months after the date of such damage or destruction, then Tenant may, at Tenant's election, made within thirty (30) days after Landlord provides written notice to Tenant that the Premises will not be repaired to substantially the same condition as existed prior to such damage or destruction within the time period set forth in (iv) above, terminate this Lease. In the event that the damage or destruction affects 50% or less of the Premises, and Senior Lender prohibits the use of the insurance proceeds for repairs or reconstruction, then, provided that Tenant shall continue the operation of the Premises for the Healthcare Use, the Annual Base Rent shall be adjusted as mutually agreed by Landlord and Tenant and approved by Senior Lender. Other than as provided in this Section 13, the rent payable under this Lease shall not abate by reason of any damage or destruction of any portion of the Premises by reason of an insured or uninsured casualty; provided, however, that Tenant shall receive a credit against the rent and other sums due hereunder in an amount equal to the proceeds of any rental value and/or business interruption insurance carried by Tenant, which are paid to Landlord. Tenant hereby waives all rights under applicable law to abate, reduce or offset rent by reason of such damage or destruction.

14. **FULL MARKET VALUE OF RENT.** Rent paid by Tenant to Landlord under this Lease has been independently determined to be consistent with fair market value in an arms-length transaction based on consultation with each party's respective advisors and knowledge of

market conditions. For the purposes of this Lease, the "fair market value" ("**FMV**") of the Rent shall mean the dollar amount that the Premises would rent for on the open market, between a willing lessor and a willing lessee, both having reasonable knowledge of the relevant facts. The FMV of the Rent only considered the value of the rental property for general commercial purposes, and was not adjusted to reflect any additional value that one party (either the prospective lessee or lessor) would attribute to the property as a result of its proximity or convenience to sources of referrals or business otherwise generated for which payment may be made in whole or in part under Medicare, Medicaid, and all other federal health care programs.

15. ELIMINATION OF THIRD PARTY RIGHTS. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the parties to this Lease, and their respective permitted successors and assigns, any rights or remedies under or by reason of this Lease, except for the Prime Lessor and the Senior Lender, as applicable under the Master Lease.

16. NOTICES. All notices and demands, certificates, requests, consents, approvals, and other similar instruments under this Lease shall be in writing and shall be sent by personal delivery or by either (a) United States certified or registered mail, return receipt requested, postage prepaid, or (b) Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows:

If to Tenant: Concerto Dialysis, LLC
7257 North Lincoln Avenue
Lincolnwood, Illinois 60712
Attn: Michael Munter
Phone: (847) 767-5200

with a simultaneous copy to:

Holland & Knight LLP
131 South Dearborn Street, 30th Floor
Chicago, Illinois 60603
Attn: Joseph Hylak-Reinholtz, Esq.
Fax: (312) 578-6666
Phone: (312) 715-5885

If to Landlord: Diana Master Landlord, LLC
1035 Powers Place
Alpharetta, Georgia 30004
Attn: Christina K. Firth
Fax: (770) 754-3085
Phone: (800) 845-1695

with a simultaneous copy to:

Williams Mullen
222 Central Park Avenue, Suite 1700
Virginia Beach, Virginia 23462
Attn: Lawrence R. Siegel
Fax No: (757) 473-0395
Phone: (757) 473-5321

Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice so given by mail shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be, whether accepted or refused. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given. If Tenant fails at any time to provide to Landlord a current address for notice purposes, notice may be made to any officer, general partner or principal of Tenant.

17. ASSIGNMENT AND SUBLETTING. Tenant shall not assign or sublease all or any part of the Premises under this Lease, except with the prior written consent of the Landlord, which consent shall be within the sole discretion of the Landlord.

18. BROKERS. Tenant and Landlord each warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or might be entitled to a commission in connection with this Lease.

19. SUBORDINATION OF LEASE. This Lease is subject and subordinate to the existing lien of Senior Lender and any mortgages which may hereafter be placed upon or affect the property or the Facility of which the Premises are a part, and to all renewals, modifications, consolidations, replacements, and extensions hereof.

20. CORPORATE AUTHORITY. If Tenant executes this Lease as a corporation or limited liability company, each of the persons executing this Lease on behalf of Tenant does hereby personally covenant and warrant that Tenant is a duly authorized and existing corporation or limited liability company, that Tenant was and is qualified to do business in the state in which the Premises are located, that the corporation or limited liability company has full right and authority to enter into this Lease, and that each person signing on behalf of the corporation or limited liability company was authorized to do so.

21. CHANGES IN LAW. Notwithstanding any other provision of this Lease, if the governmental agencies that administer the Medicare, Medicaid, or other federal programs (or their representatives or agents), or any other federal, state or local governmental or nongovernmental agency, or any court or administrative tribunal passes, issues or promulgates any law, rule, regulation, standard, interpretation, order, decision or judgment,

including but not limited to those relating to any regulations pursuant to state or federal anti-kickback or self-referral statutes (collectively or individually, "**Legal Event**"), which, in the good faith judgment of one party (the "**Noticing Party**"), materially and adversely affects either party's licensure, accreditation, certification, or ability to refer, to accept any referral, to bill, to claim, to present a bill or claim, or to receive payment or reimbursement from any federal, state or local governmental or non-governmental payor, or which subjects the Noticing Party to a risk of prosecution or civil monetary penalty, or which, in the good faith judgment of the Noticing Party, indicates a rule or regulation with which the Noticing Party desires further compliance, then the Noticing Party may give the other party notice of intent to amend or terminate this Lease in accordance with the next Subparagraph. The Noticing Party shall give notice to the other party together with an opinion of counsel setting forth the following information:

(a.) The Legal Event(s) giving rise to the notice;

(b.) The consequences of the Legal Event(s) as to the Noticing Party;

(c.) The Noticing Party's intention to either:

(1) Terminate this Agreement due to unacceptable risk of prosecution or civil monetary penalty; or

(2) Amend this Agreement, together with a statement that the purpose thereof is one or more of the following:

(d.) to further comply with any anti-kickback or Stark II statutory provisions or rules or regulations created or affected by the Legal Event(s); and/or

(e.) to satisfy any licensure, accreditation or certification requirements created or affected by the Legal Event(s); and/or

(f.) to eliminate or minimize the risk of prosecution or civil monetary penalty;

(g.) The Noticing Party's proposed amendment(s); and

(h.) The Noticing Party's request for commencement of the Renegotiation Period (as defined below).

In the event of notice under either Subparagraph (3)(a) or (3)(b) above, the parties shall have thirty (30) days from the giving of such notice ("**Renegotiation Period**") within which to attempt to amend this Agreement in accordance with the Noticing Party's proposal (if any) or otherwise as the parties may agree. If this Agreement is not so amended within the Renegotiation

Period, this Agreement shall terminate as of midnight on the 30th day after said notice was given. Except as otherwise required by applicable law, any amounts owing to either party hereunder shall be paid, on a pro rata basis, up to the date of such termination, and any obligation hereunder that is to continue beyond expiration or termination shall so continue pursuant to its terms. All opinions of counsel presented by the Noticing Party hereunder, and any corresponding opinions given by the other party in response, shall be deemed confidential and given solely for purposes of renegotiation and settlement of a potential dispute, and shall not be deemed disclosed so as to waive any privileges otherwise applicable to said opinions.

22. **EXECUTION OF LEASE.** This Lease shall not become effective or in force until all of the required signatories below have executed this Lease.

[SIGNATURE PAGES ATTACHED]

THE PARTIES HERETO have executed this Lease in duplicate on October ___, 2013.

LANDLORD:

DIANA MASTER LANDLORD, LLC,
a Delaware limited liability company

By: _____
Christina K. Firth
President

TENANT:

CONCERTO DIALYSIS, LLC,
an Illinois limited liability company

By: _____
Michael Munter
Chief Operating Officer

EXHIBIT A

SKETCH OF PREMISES

Attachment 37

Criterion 1120.130 - Financial Viability Waiver

The Applicant is not required to submit financial viability ratios because the project's capital expenditures are funded entirely through internal resources.

Attachment 38

Criterion 1120.130 - Viability Ratios

The co-applicant, Symphony Healthcare, LLC, meets the financial viability waiver criteria because all of the project's capital expenditures are entirely funded using internal resources; therefore, no ratios are provided.

Please find attached immediately following this page the most recent financial statements of Symphony Healthcare, LLC, which shows that an adequate amount of cash on hand is available to fund the capital components.

SYMPHONY DIALYSIS LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2012

SYMPHONY DIALYSIS LLC

CONTENTS

EXHIBIT A	- Statement of Assets, Liabilities, and Equity December 31, 2012
EXHIBIT B	- Statement of Revenues & Expenses for the Twelve Months Ended December 31, 2012
EXHIBIT C	- Statement of Cash Flows for the One Month Ended December 31, 2012

SYMPHONY DIALYSIS LLC
STATEMENT OF ASSETS, LIABILITIES, AND EQUITY - INCOME TAX BASIS
DECEMBER 31, 2012

ASSETS

CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	$ 45,452	
ACCOUNTS RECEIVABLE	799,291	
BAD DEBIT ALLOWANCE	(80,614)	
PREPAID INSURANCE	16,738	
INSURANCE - WORKERS COMP	2,667	
PREPAID EXPENSES	2,502	
TOTAL CURRENT ASSETS		$ 786,036
TOTAL ASSETS		$ 786,036

SYMPHONY DIALYSIS LLC
STATEMENT OF ASSETS, LIABILITIES, AND EQUITY - INCOME TAX BASIS
DECEMBER 31, 2012

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	258,996	
PAYROLL	42,041	
ACCOUNTS PAYABLE - INSURANCE	35,458	
ACCRUED EMPLOYEE BENEFITS	55,010	
ACCRUED EXPENSES	20,035	
MANAGEMENT FEES - SYMPHONY	18,290	
STATE UNEMPLOYMENT TAX	4,142	
FEDERAL UNEMPLOYMENT TAX	111	
DUE TO CRESTWOOD CARE	112,200	
N/P - SYMPHONY HEATHCARE	320,000	
FEDERAL & FICA WITHHELD	4	
ACCRUED PAYROLL TAXES	6,764	
TOTAL CURRENT LIABLITIES		$ 873,051
STOCKHOLDERS' EQUITY		
NET LOSS FOR THE PERIOD	(87,015)	
TOTAL STOCKHOLDERS' EQUITY		(87,015)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 786,036

SYMPHONY DIALYSIS LLC
STATEMENT OF REVENUES & EXPENSES - INCOME TAX BASIS

	YEAR ENDED DECEMBER 31, 2012 AMOUNT	PCT
REVENUES		
REVENUE - CRESTWOOD OUTPATIENT	$ 2,724,921	-
TOTAL REVENUES	2,724,921	-
OPERATING EXPENSES:		
SALARIES & WAGES	1,031,447	-
LABORATORY	55,492	-
MEDICAL & NURSING SUPPLIES	429,360	-
MEDICAL DIRECTOR	30,000	-
EPOGEN	351,867	-
ACTIVASE	18,857	-
MEDICAL SUPPLIES-DB	33,720	-
DIETITIAN CONSULTANT	11,280	-
ACCOUNTING FEES	12,000	-
MEDICAL DIRECTOR-DB	29,951	-
~~LABORATORY - DB~~	~~17,495~~	-
DIETITIAN CONSULTANT-DB	3,384	-
DATA PROCESSING	27,045	-
DATA PROCESSING-DB	3,139	-
DUES & SUBSCRIPTIONS	325	-
GENERAL INSURANCE	54,060	-
INSURANCE - WORKERS COMP	23,017	-
INTEREST - SYMPHONY	11,174	-
LEGAL FEES	2,809	-
LICENSES & PERMITS	5,401	-
OFFICE EXPENSES	1,718	-
MESSENGER & DELIVERIES	131	-
PENALTIES	45	-
POLITICAL CONTRIBUTION	200	-
OTHER PROFESSIONAL FEES	95,818	-
RENT	60,000	-
MANAGEMENT FEES - SYMPHONY	122,378	-
SALES TAX	7,014	-
BUILDING MAINTENANCE & REPAIR	24,982	-
EQUIPMENT MAINTENANCE & REPAIR	25,494	-
EQUIPMENT MAINTENANCE & REPAIR-DB	1,701	-
TRAVEL & ENTERTAINMENT	3,363	-
GARBAGE	12,063	-
BUILDING MAINTENANCE & SUPPLIES-DB	1,092	-
FICA	72,030	-

SYMPHONY DIALYSIS LLC
STATEMENT OF REVENUES & EXPENSES - INCOME TAX BASIS

	YEAR ENDED DECEMBER 31, 2012 AMOUNT	PCT
STATE UNEMPLOYMENT TAX	44,178	-
FEDERAL UNEMPLOYMENT TAX	1,734	-
401K-MATCHING	7,399	-
R/E TAXES	16,200	-
EMP BENEFITS - DB	40	-
TELEPHONE	3,530	-
TELEPHONE-DB	1,989	-
HEALTH INSURANCE	62,662	-
EMPLOYEE BENEFITS	1,738	-
UTILITIES	12,000	-
BAD DEBT EXPENSE	80,614	-
TOTAL EXPENSES	2,811,936	-
NET INCOME (LOSS)	$ (87,015)	-

SYMPHONY DIALYSIS LLC
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME OR (LOSS)		$ (87,015)
NONCASH ITEMS INCLUDED IN NET INCOME:		
CHANGES IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	(799,291)	
BAD DEBIT ALLOWANCE	80,614	
PREPAID INSURANCE	(16,738)	
INSURANCE - WORKERS COMP	(2,667)	
PREPAID EXPENSES	(2,502)	
ACCOUNTS PAYABLE	258,996	
ACCOUNTS PAYABLE - INSURANCE	35,458	
PAYROLL	42,041	
ACCRUED EMPLOYEE BENEFITS	55,010	
ACCRUED EXPENSES	20,035	
MANAGEMENT FEES - SYMPHONY	18,290	
DUE TO CRESTWOOD CARE	112,200	
STATE UNEMPLOYMENT TAX	4,142	
FEDERAL UNEMPLOYMENT TAX	111	
FEDERAL & FICA WITHHELD	4	
ACCRUED PAYROLL TAXES	6,764	
TOTAL ADJUSTMENTS		(187,533)
NET CASH PROVIDED BY OPERATING ACTIVITIES		(274,548)
CASH FLOWS FROM INVESTING ACTIVITIES		
NET CASH FROM INVESTING ACTIVITIES		-
CASH FLOWS FROM FINANCING ACTIVITIES		
SHORT TERM NOTES AND LOANS	320,000	
NET CASH FROM FINANCING ACTIVITIES		320,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		45,452
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		-
CASH AND CASH EQUIVALENTS AT END OF PERIOD		$ 45,452

ATTACHMENT 39

Criterion 1120.140
Economic Feasibility

A. Reasonableness of Financing Arrangements

A signed and notarized statement from the Applicant is attached immediately following this attachment. The statement attests that the project is being funded entirely by available cash and that no financing will be secured to pay for the acquisition of the ESRD facility other than debt that will be incurred as rent under a sublease agreement that will be executed between the site owner and the Applicant.

B. Conditions of Debt Financing

The only debt in this project will result from a sublease that will be entered into between the site owner and the Applicant. The following documents are attached immediately following this attachment:

1. A copy of the Sublease that will be executed on the Closing Date of the proposed transaction; and

2. A signed and notarized statement from the Applicant, which certifies that the project involves the leasing of a health care facility, and that expenses related to said sublease is less costly than constructing a new facility.

C. Reasonableness of Project and Related Costs

This review criterion is not applicable to projects that only involve a change of ownership of a health care facility.

D. Projected Operating Costs

This review criterion is not applicable to projects that only involve a change of ownership of a health care facility.

E. Total Effect of the Project on Capital Costs

This review criterion is not applicable to projects that only involve a change of ownership of a health care facility.

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (hereinafter referred to as the "Lease"), is made and entered into by and between **DIANA MASTER LANDLORD, LLC**, a Delaware limited liability company (hereinafter referred to as "**Landlord**") and **CONCERTO DIALYSIS, LLC**, an Illinois limited liability company (hereinafter referred to as "**Tenant**").

WITNESSETH:

WHEREAS, Landlord is the lessee of that certain skilled nursing home facility known as the Crestwood Care Centre (hereinafter referred to as the "**Facility**"), located at 14255 South Cicero Avenue, Crestwood, Illinois; and

WHEREAS, Landlord leases the Facility from Diana Cicero Avenue, LLC, a Delaware limited liability company ("**Prime Lessor**") pursuant to that certain Master Lease and Security Agreement dated December 31, 2011 (the "**Master Lease**"); and

WHEREAS, Tenant desires to enter into a sublease for certain space in the Facility.

NOW, THEREFORE, Landlord hereby subleases to Tenant, and Tenant hereby subleases from Landlord, a portion of the Facility upon the following terms and conditions:

1. **CAPITALIZED TERMS**. Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Master Lease.

2. **TERMS SUBJECT TO MASTER LEASE**. This Lease and Tenant's rights pursuant to this Lease are subject and subordinate at all times to the Master Lease and to all of the covenants and agreements of the Master Lease, except such terms of the Master Lease which are specifically excluded herein by reference below. This Lease is intended to be a space lease only, and is not subject to the Master Sublease and Security Agreement dated December 31, 2011 by and between Landlord and Symphony M.L. LLC, an Illinois limited liability company, which is the master tenant and sublessor of eight (8) skilled nursing facilities and one (1) assisted living facility (the "**Master Sublease**"). Tenant hereby expressly agrees during the Term to be subject to, to be bound by and to observe, and the Lease shall be deemed to contain, all of the covenants, stipulations, restrictions, agreements and other provisions contained in the Master Lease to the extent the same are applicable to the Premises except as expressly modified, excluded or otherwise addressed in this Lease. Tenant further agrees not to do, permit or tolerate anything to be done in the Premises or in connection with Tenant's use or occupancy of the Premises which would violate any covenant or agreement set forth in the Master Lease or would cause Landlord to be in default under the Master Lease. The following terms and provisions included in the Master Lease shall not apply to Tenant or to this Lease: Section 1 (Definitions), only to the extent such Definitions are not applicable due to other excluded Sections; Section 2.2 (Maple Crest); Section 2.3 (Crestwood); Section 2.4 (Term); Section 3.1(Initial Term Minimum Rent); Section 3.2 (Percentage Rent); Section 3.7 (Additional Minimum Rent Payment); Section

4.6 (Impound); Section 5.6 (Boiler Insurance); Section 5.8 (Flood Insurance); Section 6.1.3 (Capital Expenditure Amounts); Section 6.3 (Continuous Operation; Permitted Use); Section 6.5 (Alterations by Tenant); Section 6.6 (Initial Capital Improvement Investment); Section 8.4 (Accounts Receivable); Section 8.5 (Cash Management); Section 10.1 (Monthly Property Reports); Section 10.2 (Quarterly Financial Statements); Section 10.3 (Annual Financial Statements); Section 10.6 (Annual Operating Budget); Section 10.12 (Financial Covenants); Section 11.1.1 (Security Deposit); Section 11.1.7 (Subtenant Default); Section 11.1.14 (Financial Covenant Default); Section 13 (Damage by Fire or Other Casualty); Section 14 (Condemnation); Section 16 (Notices and Demands); Section 21 (Preservation of Values); Section 23 (Assignment and Subletting); Section 33 (Memorandum of Lease); Section 40 (Management Fees); and Section 44 (Termination of Lease).

3. LEASED PREMISES. The portion of the Facility leased to Tenant by Landlord shall consist of approximately 1,279 square feet of patient care and therapy space of the Facility, as outlined for descriptive purposes only on Exhibit A hereto (hereinafter referred to as the "**Premises**").

4. PARKING AND COMMON AREAS. In addition to the Premises hereinabove described, Tenant shall have the nonexclusive use of the parking area(s) appurtenant to the Building and common areas, including corridors, lobbies, elevators, and rest rooms, for Tenant and Tenant's employees, clients and patrons, subject to such reasonable rules and regulations which may from time to time be adopted by the Landlord or an authorized authority.

5. TERM. The term of this Lease shall be eight (8) years, commencing upon delivery of the Premises to the Tenant, estimated to occur on or before January 1, 2014 ("**Commencement Date**"), except as otherwise provided herein below, and expiring on December 31, 2021, unless sooner terminated as provided herein (the "**Initial Term**"). Landlord and Tenant hereby agree that the Initial Term of this Lease shall be coterminous with the Master Lease. Notwithstanding said Commencement Date, if for any reason Landlord cannot deliver possession of the Premises to Tenant on said date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder, or extend the term hereof.

6. RENT. Tenant shall pay to Landlord as .base rent, without notice or demand and without abatement, deduction or offset, except as elsewhere provided herein, the annual amount of Ninety Thousand and 00/100 Dollars ($90,000.00) ("**Annual Base Rent**"). Annual Base Rent shall be paid in advance in equal monthly installments of Seven Thousand Five Hundred and 00/100 Dollars ($7,500.00) ("**Monthly Base Rent**"), by wire or ACH transfer only, on the first day of each and every calendar month during the term of this Lease; provided, however, that in the event the Initial Term commences on a day other than the first day of a calendar month, then upon the Commencement Date hereof Tenant shall pay to the Landlord a pro-rata portion of Monthly Base Rent to that portion of the calendar month remaining from the Commencement Date to the first day of the next following calendar month. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly payment in this Lease shall be considered anything other than a payment on account of the earliest rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent

be deemed an accord and satisfaction. Landlord may accept such payment without prejudice to its right to recover the balance of the rent and to pursue any other remedy provided for in this Lease, or otherwise available at law or in equity. Commencing on the first anniversary of the Commencement Date, and continuing on each anniversary of the Commencement Date thereafter during the Initial Term (and during any applicable Renewal Term), Annual Base Rent shall increase by an amount equal to two percent (2%) of the prior lease year's Annual Base Rent, compounded annually.

7. **ADDITIONAL RENT.** All charges, costs, and expenses that Tenant assumes or agrees to pay hereunder, including Tenant's pro-rata share of taxes and utilities due pursuant to the Master Lease, together with all interest and penalties that may accrue thereon in the event of failure of Tenant to pay those items and all other damages, costs, expenses, and sums that Landlord may suffer or incur, or that may become due, by reason of any default of Tenant or failure by Tenant to comply with the terms and conditions of this Lease, shall be deemed collectively, "**Additional Rent**"; and, in the event of nonpayment, Landlord shall have all rights and remedies as herein provided for failure to pay Annual Base Rent.

8. **DELIVERY OF PREMISES.** Tenant acknowledges and agrees that its Affiliate, Symphony Dialysis LLC (the "**Operator**"), has been in possession of the Premises and operating the dialysis center located therein since December 31, 2011. Landlord shall deliver the Premises to Tenant "as is, where is and with all faults" and makes no representation or warranty as to the condition of the Premises or as to the ability of Tenant to operate the dialysis center located therein.

9. **USE OF PREMISES.** Tenant shall use and occupy the Premises continuously throughout the Term of the Lease solely for the purpose of operating and maintaining an outpatient renal dialysis clinic for the residents of the Facility, and for no other purpose whatsoever (the "**Healthcare Use**"). Tenant agrees not to engage in the referral practice of radiology, imagery and/or clinical laboratory on said Premises without Landlord's prior consent, except, however, that Tenant may maintain on said Premises a private x-ray and/or clinical laboratory strictly and solely for the use by the Tenant and Tenant's own patients. Tenant agrees not to dispense any drugs for remuneration, but this shall not be deemed to prevent Tenant's licensed providers from lawfully administering drugs and medicine to Tenant's own private patients, nor from giving samples of drugs and medicines to patients. Tenant recognizes that these restrictions on the use of the Premises are a material consideration for Landlord to enter into this Lease. Tenant shall comply with all laws, ordinances, rules, regulations and codes of all municipal, county, state and federal authorities pertaining to the use and occupation of the Premises. No use shall be made or permitted to be made of the Premises, nor acts done, which will increase the existing rate of insurance upon the Facility in which said Premises may be located, or cause a cancellation of any insurance policy covering said Facility, or any part thereof, nor shall Tenant sell, or permit to be kept, used, or sold, in or about said Premises, any article which may be prohibited by the standard form of fire insurance policies. Tenant shall not commit, or suffer to be committed, any waste upon said Premises or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant or resident in the Facility in which the Premises may be located, nor shall Tenant use any apparatus, machinery or devices in or about the Premises which shall make any noise or set up any vibration or which shall in any way increase

the amount of electricity, water or compressed air agreed to be furnished or supplied under this Lease (if any), and Tenant further agrees not to connect with electric wires, water or air pipes any apparatus, machinery or device without the consent of Landlord, which consent shall not unreasonably withheld, conditioned or delayed. Tenant shall be responsible for obtaining a Certificate of Need permit from the Illinois Health Facilities and Services Review Board and any additional health care licenses, registration, certifications or permits required by the State of Illinois from the Operator, on or before the Commencement Date.

10. MAINTENANCE OF THE PREMISES. Tenant shall be solely responsible for keeping and maintaining the Premises in good appearance, repair and condition and maintaining proper housekeeping. Tenant shall promptly make or cause to be made all repairs, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary to keep the Premises in working condition, properly repaired, replaced and maintained in the ordinary course of business.

As part of Tenant's obligations under this Section 10, Tenant shall be solely responsible for maintaining all of its personal property and equipment in working order sufficient for normal operation of its business, properly maintained by Tenant in the ordinary course of business. Subject to the foregoing, Tenant shall repair and replace such property consistent with prudent industry practice for the applicable Healthcare Use. Specifically, Tenant shall purchase replacement dialysis equipment within _____ (___) months after the Commencement Date, to replace such equipment purchased from the Prime Lessor on or before the Commencement Date pursuant to that certain Asset Purchase Agreement dated _____, 2013 by and between Prime Lessor and Tenant.

11. ALTERATIONS BY TENANT. Tenant shall have the right to alter, improve, replace, modify or expand the Premises, equipment or appliances in the Premises from time to time as it may determine is desirable for the continuing and proper use and maintenance of the Premises under this Lease; provided, however, that any alterations, improvements, replacements, expansions or modifications in excess of _____ Dollars ($_____) in any rolling twelve (12) month period shall require the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. It shall be reasonable for Landlord to require appropriate insurance, security for payment of the costs incurred for the project, prior approval of the plans for the project and Senior Lender's written approval for any such project. The cost of all such alterations, improvements, replacements, modifications, expansions or other purchases, whether undertaken as an on-going licensing, Medicare or Medicaid (or any successor program) or other regulatory requirement or otherwise shall be borne solely and exclusively by Tenant and shall immediately become a part of the Premises and the property of the Landlord subject to the terms and conditions of this Lease. All work done in connection therewith shall be done in a good and workmanlike manner and in compliance with all existing codes and regulations pertaining to the Premises and shall comply with the requirements of insurance policies required under this Lease. In the event any items of the Premises have become inadequate, obsolete or worn out or require replacement (by direction of any regulatory body or otherwise), Tenant shall remove such items and exchange or replace the same at Tenant's sole cost and the same shall become part of the Premises and property of the

Landlord.

12. RIGHT OF ENTRY. Landlord shall have the right at any time, without effecting an actual or constructive eviction and without incurring any liability to the Tenant therefor, to change the arrangement or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets or other public parts of the Facility and to change the name, number or designation by which the Facility is commonly known; provided, however, that no such change shall interfere with Tenant's access to or beneficial use and enjoyment of the Premises.

13. DESTRUCTION OF PREMISES. In the event of the damage or destruction of any portion of the Premises, Tenant shall immediately notify Landlord (but in no event later than twenty-four hours after such damage or destruction) and, provided that Senior Lender consents to use of the proceeds to repair, diligently repair or reconstruct the same to a like or better condition than existed prior to such damage or destruction. Any insurance proceeds payable with respect to the casualty shall be held and used in the manner determined by Senior Lender and Landlord. In the event the net insurance proceeds are used for the repair or reconstruction of the applicable portion of the Premises, the proceeds shall be subject to reasonable disbursement controls in favor of Landlord or its Senior Lender. If such proceeds are insufficient for the repairs or reconstruction of the damaged portion of the Premises, Tenant shall provide the required additional funds. If Senior Lender prohibits the use of the funds for repairs or reconstruction, the insurance proceeds shall be utilized by Senior Lender to pay down debt owed to it. Notwithstanding anything to the contrary herein, and provided that (i) Tenant has paid to Landlord all amounts due under the Lease through the date of such damage or destruction, (ii) more than fifty percent (50%) of the Premises is damaged, (iii) Senior Lender prohibits the use of the insurance proceeds for repairs or reconstruction, and (iv) Landlord fails to repair or reconstruct the Premises to substantially the same condition as existed prior to such damage or destruction within twelve (12) months after the date of such damage or destruction, then Tenant may, at Tenant's election, made within thirty (30) days after Landlord provides written notice to Tenant that the Premises will not be repaired to substantially the same condition as existed prior to such damage or destruction within the time period set forth in (iv) above, terminate this Lease. In the event that the damage or destruction affects 50% or less of the Premises, and Senior Lender prohibits the use of the insurance proceeds for repairs or reconstruction, then, provided that Tenant shall continue the operation of the Premises for the Healthcare Use, the Annual Base Rent shall be adjusted as mutually agreed by Landlord and Tenant and approved by Senior Lender. Other than as provided in this Section 13, the rent payable under this Lease shall not abate by reason of any damage or destruction of any portion of the Premises by reason of an insured or uninsured casualty; provided, however, that Tenant shall receive a credit against the rent and other sums due hereunder in an amount equal to the proceeds of any rental value and/or business interruption insurance carried by Tenant, which are paid to Landlord. Tenant hereby waives all rights under applicable law to abate, reduce or offset rent by reason of such damage or destruction.

14. FULL MARKET VALUE OF RENT. Rent paid by Tenant to Landlord under this Lease has been independently determined to be consistent with fair market value in an arms-length transaction based on consultation with each party's respective advisors and knowledge of

market conditions. For the purposes of this Lease, the "fair market value" ("**FMV**") of the Rent shall mean the dollar amount that the Premises would rent for on the open market, between a willing lessor and a willing lessee, both having reasonable knowledge of the relevant facts. The FMV of the Rent only considered the value of the rental property for general commercial purposes, and was not adjusted to reflect any additional value that one party (either the prospective lessee or lessor) would attribute to the property as a result of its proximity or convenience to sources of referrals or business otherwise generated for which payment may be made in whole or in part under Medicare, Medicaid, and all other federal health care programs.

15. ELIMINATION OF THIRD PARTY RIGHTS. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the parties to this Lease, and their respective permitted successors and assigns, any rights or remedies under or by reason of this Lease, except for the Prime Lessor and the Senior Lender, as applicable under the Master Lease.

16. NOTICES. All notices and demands, certificates, requests, consents, approvals, and other similar instruments under this Lease shall be in writing and shall be sent by personal delivery or by either (a) United States certified or registered mail, return receipt requested, postage prepaid, or (b) Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows:

If to Tenant:
Concerto Dialysis, LLC
7257 North Lincoln Avenue
Lincolnwood, Illinois 60712
Attn: Michael Munter
Phone: (847) 767-5200

with a simultaneous copy to:

Holland & Knight LLP
131 South Dearborn Street, 30th Floor
Chicago, Illinois 60603
Attn: Joseph Hylak-Reinholtz, Esq.
Fax: (312) 578-6666
Phone: (312) 715-5885

If to Landlord:
Diana Master Landlord, LLC
1035 Powers Place
Alpharetta, Georgia 30004
Attn: Christina K. Firth
Fax: (770) 754-3085
Phone: (800) 845-1695

with a simultaneous copy to:

Williams Mullen
222 Central Park Avenue, Suite 1700
Virginia Beach, Virginia 23462
Attn: Lawrence R. Siegel
Fax No: (757) 473-0395
Phone: (757) 473-5321

Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice so given by mail shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be, whether accepted or refused. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given. If Tenant fails at any time to provide to Landlord a current address for notice purposes, notice may be made to any officer, general partner or principal of Tenant.

17. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign or sublease all or any part of the Premises under this Lease, except with the prior written consent of the Landlord, which consent shall be within the sole discretion of the Landlord.

18. **BROKERS.** Tenant and Landlord each warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or might be entitled to a commission in connection with this Lease.

19. **SUBORDINATION OF LEASE.** This Lease is subject and subordinate to the existing lien of Senior Lender and any mortgages which may hereafter be placed upon or affect the property or the Facility of which the Premises are a part, and to all renewals, modifications, consolidations, replacements, and extensions hereof.

20. **CORPORATE AUTHORITY.** If Tenant executes this Lease as a corporation or limited liability company, each of the persons executing this Lease on behalf of Tenant does hereby personally covenant and warrant that Tenant is a duly authorized and existing corporation or limited liability company, that Tenant was and is qualified to do business in the state in which the Premises are located, that the corporation or limited liability company has full right and authority to enter into this Lease, and that each person signing on behalf of the corporation or limited liability company was authorized to do so.

21. **CHANGES IN LAW**. Notwithstanding any other provision of this Lease, if the governmental agencies that administer the Medicare, Medicaid, or other federal programs (or their representatives or agents), or any other federal, state or local governmental or nongovernmental agency, or any court or administrative tribunal passes, issues or promulgates any law, rule, regulation, standard, interpretation, order, decision or judgment,

including but not limited to those relating to any regulations pursuant to state or federal anti-kickback or self-referral statutes (collectively or individually, "**Legal Event**"), which, in the good faith judgment of one party (the "**Noticing Party**"), materially and adversely affects either party's licensure, accreditation, certification, or ability to refer, to accept any referral, to bill, to claim, to present a bill or claim, or to receive payment or reimbursement from any federal, state or local governmental or non-governmental payor, or which subjects the Noticing Party to a risk of prosecution or civil monetary penalty, or which, in the good faith judgment of the Noticing Party, indicates a rule or regulation with which the Noticing Party desires further compliance, then the Noticing Party may give the other party notice of intent to amend or terminate this Lease in accordance with the next Subparagraph. The Noticing Party shall give notice to the other party together with an opinion of counsel setting forth the following information:

(a.) The Legal Event(s) giving rise to the notice;

(b.) The consequences of the Legal Event(s) as to the Noticing Party;

(c.) The Noticing Party's intention to either:

(1) Terminate this Agreement due to unacceptable risk of prosecution or civil monetary penalty; or

(2) Amend this Agreement, together with a statement that the purpose thereof is one or more of the following:

(d.) to further comply with any anti-kickback or Stark II statutory provisions or rules or regulations created or affected by the Legal Event(s); and/or

(e.) to satisfy any licensure, accreditation or certification requirements created or affected by the Legal Event(s); and/or

(f.) to eliminate or minimize the risk of prosecution or civil monetary penalty;

(g.) The Noticing Party's proposed amendment(s); and

(h.) The Noticing Party's request for commencement of the Renegotiation Period (as defined below).

In the event of notice under either Subparagraph (3)(a) or (3)(b) above, the parties shall have thirty (30) days from the giving of such notice ("**Renegotiation Period**") within which to attempt to amend this Agreement in accordance with the Noticing Party's proposal (if any) or otherwise as the parties may agree. If this Agreement is not so amended within the Renegotiation

Period, this Agreement shall terminate as of midnight on the 30th day after said notice was given. Except as otherwise required by applicable law, any amounts owing to either party hereunder shall be paid, on a pro rata basis, up to the date of such termination, and any obligation hereunder that is to continue beyond expiration or termination shall so continue pursuant to its terms. All opinions of counsel presented by the Noticing Party hereunder, and any corresponding opinions given by the other party in response, shall be deemed confidential and given solely for purposes of renegotiation and settlement of a potential dispute, and shall not be deemed disclosed so as to waive any privileges otherwise applicable to said opinions.

22. EXECUTION OF LEASE. This Lease shall not become effective or in force until all of the required signatories below have executed this Lease.

[SIGNATURE PAGES ATTACHED]

THE PARTIES HERETO have executed this Lease in duplicate on October ___, 2013.

LANDLORD:

DIANA MASTER LANDLORD, LLC,
a Delaware limited liability company

By: _____
Christina K. Firth
President

TENANT:

CONCERTO DIALYSIS, LLC,
an Illinois limited liability company

By: _____
Michael Munter
Chief Operating Officer

EXHIBIT A

SKETCH OF PREMISES

Concerto Dialysis, LLC
7257 North Lincoln Avenue
Lincolnwood, Illinois 60712
(847) 767-5200

October 10, 2013

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson St., 2nd Floor
Springfield IL 62761
Attention: Kathryn J. Olson, Board Chairperson

Re: Criterion 1120.140 - Economic Feasibility

Dear Chairperson Olson:

Pursuant to 77 Ill. Adm. Code § 1120.140, pertaining to the Reasonableness of Financing Arrangements, on behalf of Concerto Dialysis, LLC (the "Applicant"), the undersigned representative of the Applicant hereby certifies to the following:

(a) that the project's capital costs will be funded in total with cash on hand and that the Applicant will not be borrowing any funds from a financial institution or other similar lender to pay for the proposed change of ownership transaction. However, per the policy of the Illinois Health Facilities and Services Review Board, entering a lease agreement is viewed as borrowing. As such, on behalf of the Applicant, I hereby attest that the entering of a lease (e.g., borrowing) is less costly that the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day perior; and

(b) that the conditions of debt financing (i.e., the terms of a sublease agreement between the Applicant and the ESRD facility's landlord) are reasonable and that the project involves the leasing of an ESRD facility, and the expenses incurred with leasing the ESRD facility, are less costly than constructing a new ESRD facility.

Respectfully Submitted,

David Hartman
Chief Executive Officer
Concerto Dialysis, LLC

NOTARY:

Subscribed and sworn to me this 15th day of October, 2013

Notary Public

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OFFICIAL SEAL
LAURA STARR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/23/17

ATTACHMENT 40

Safety Net Impact Statement

The project is non-substantive because a change of ownership of a health care facility is not a "substantive" project based upon Sections 12(8)(a) through 12(8)(c) of the Act. As a result, this requirement does not apply to the present permit application.

ATTACHMENT 41

Charity Care Information

Pursuant to the Illinois Health Facilities Planning Act, "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. All applicants and co-applicants are required to indicate the amount of charity care provided for the latest three audited fiscal years, the cost of such charity care and the ratio of that charity care cost to net patient revenue. *If an applicant is not an existing facility, the applicant is required to 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.*

Based on the foregoing requirements as applied to a newly-formed entity, please note the following:

Concerto Dialysis, LLC (the "Applicant") is a new business entity formed to operate the existing ESRD facility. Consequently, the Applicant cannot provide historical data as it pertains to charity care. Nevertheless, the Applicant is planning to establish a charity care program once the transfer of ownership is completed.

The following chart shows the amount of charity care provided at the existing ESRD facility during the past three years:

CHARITY CARE			
	Year 2010	**Year 2011**	**Year 2012**
Net Patient Revenue	$0	$0	$0
Amount of Charity Care	$0	$0	$0
Cost of Charity Care	$0	$0	$0

However, the chart does not reflect that charity care is difficult to provide in a dialysis facility because of the robust coverage for these services by Medicare, Medicaid and private insurance programs.

SYMPHONY/DIRECT PAYER MIX FOR 2011,2012 & 2013

INSURANCE	2011 %	2012	2013
MEDICARE	67.84	74.03	68.20
BCBS	22.66	16.02	15.14
HUMANA	3.97	1.15	5.83
MEDICAID	5.28	2.85	5.23
OTHER COMMERCIAL	0.25	5.95	5.60
TOTAL %	**100.00**	**100.00**	**100.00**