

ORIGINAL

10-083

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

DEC 27 2010

This Section must be completed for all projects.

Facility/Project Identification

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Facility Name:	RAI-Lincoln Highway		
Street Address:	821 Lincoln Highway		
City and Zip Code:	Fairview Heights, IL 62208		
County:	Sangamon	Health Service Area	XI
Health Planning Area:	XI		

Applicant /Co-Applicant Identification

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

Exact Legal Name:	RAI Care Centers of Illinois, I LLC		
Address:	7650 SE 27 <sup>th</sup> Street Suite 200 Mercer Island, WA 98040		
Name of Registered Agent:			
Name of Chief Executive Officer:	Mark E. Caputo		
CEO Address:	7650 SE 27 <sup>th</sup> Street Suite 200 Mercer Island, WA 98040		
Telephone Number:	206/236-5001		

Type of Ownership of Applicant/Co-Applicant

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

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

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

Primary Contact

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

Name:	Michael P. Levinson, M.D., J.D.
Title:	
Company Name:	Hogan Lovells US LLP
Address:	1111 Brickell Avenue Suite 1900 Miami, FL 33131
Telephone Number:	305 459-6500
E-mail Address:	michael.levinson@hoganlovells.com
Fax Number:	305 459 6550

Additional Contact

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

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

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

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

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**Facility/Project Identification**

Facility Name:	RAI-Lincoln Highway		
Street Address:	821 Lincoln Highway		
City and Zip Code:	Fairview Heights, IL 62208		
County:	Sangamon	Health Service Area	XI
Health Planning Area:	XI		

**Applicant /Co-Applicant Identification**

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

Exact Legal Name:	Liberty Dialysis Holdings, Inc.		
Address:	7650 SE 27 <sup>th</sup> Street Suite 200 Mercer Island, WA 98040		
Name of Registered Agent:			
Name of Chief Executive Officer:	Mark E. Caputo		
CEO Address:	7650 SE 27 <sup>th</sup> Street Suite 200 Mercer Island, WA 98040		
Telephone Number:	206/236-5001		

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

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

o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.

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Title:	
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Address:	1111 Brickell Avenue Suite 1900 Miami, FL 33131
Telephone Number:	305 459-6500
E-mail Address:	michael.levinson@hoganlovells.com
Fax Number:	305 459 6550

**Additional Contact**

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

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
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Street Address:	821 Lincoln Highway		
City and Zip Code:	Fairview Heights, IL 62208		
County:	Sangamon	Health Service Area	XI Health Planning Area: XI

**Applicant /Co-Applicant Identification**

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

Exact Legal Name:	RA Acquisition Co., LLC		
Address:	7650 SE 27 <sup>th</sup> Street Suite 200 Mercer Island, WA 98040		
Name of Registered Agent:			
Name of Chief Executive Officer:	Mark E. Caputo		
CEO Address:	7650 SE 27 <sup>th</sup> Street Suite 200 Mercer Island, WA 98040		
Telephone Number:	206/236-5001		

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

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

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E-mail Address:	michael.levinson@hoganlovells.com
Fax Number:	305 459 6550

**Additional Contact**

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

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

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City and Zip Code:	Fairview Heights, IL 62208		
County:	Sangamon	Health Service Area	XI
Health Planning Area:	XI		

**Applicant /Co-Applicant Identification**

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

Exact Legal Name:	Renal Advantage Holdings, Inc.		
Address:	7650 SE 27 <sup>th</sup> Street Suite 200 Mercer Island, WA 98040		
Name of Registered Agent:			
Name of Chief Executive Officer:	Mark E. Caputo		
CEO Address:	7650 SE 27 <sup>th</sup> Street Suite 200 Mercer Island, WA 98040		
Telephone Number:	206/236-5001		

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

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

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Fax Number:	305 459 6550

**Additional Contact**

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

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
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City and Zip Code:	Fairview Heights, IL 62208		
County:	Sangamon	Health Service Area	XI Health Planning Area: XI

**Applicant /Co-Applicant Identification**

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

Exact Legal Name:	Welsh, Carson, Anderson & Stowe X, L.P.
Address:	320 Park Avenue Suite 2500 New York, NY 10022
Name of Registered Agent:	
Name of Chief Executive Officer:	Jonathan Rather, Managing Member
CEO Address:	320 Park Avenue Suite 2500 New York, NY 10022
Telephone Number:	212/893-9500

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

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

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E-mail Address:	michael.levinson@hoganlovells.com
Fax Number:	305 459 6550

**Additional Contact**

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

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

### 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:	Beverly Meyer
Title:	Center Director
Company Name:	RAI-Lincoln Highway
Address:	821 Lincoln Highway Fairview Heights, IL 62208
Telephone Number:	618/632-9550
E-mail Address:	
Fax Number:	618/632-8903

### Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Lincoln Land Trust
Address of Site Owner:	2015 Fairfield Place O'Fallon, IL 62269
Street Address or Legal Description of Site:	821 Lincoln Highway Fairview Heights, IL 62208
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:		
Address:		
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li><li>o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</li></ul>		
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.
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**UNIT PURCHASE AGREEMENT**

**among**

**RA ACQUISITION CO., LLC,**

**RA ILLINOIS HOLDINGS, LLC,**

**EACH OF THE MEMBERS  
SET FORTH ON THE SIGNATURE PAGES HERETO,**

**THE MEMBER REPRESENTATIVE**

**and, solely for purposes of Section 10.15,**

**LIBERTY DIALYSIS HOLDINGS, INC.**

**dated as of December [ ], 2010**

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**LIST OF EXHIBITS**

Exhibit 1.1(a)      Working Capital Guidelines

## UNIT PURCHASE AGREEMENT

This UNIT PURCHASE AGREEMENT (this "Agreement"), dated as of December [ ], 2010, is made and entered into by and among RA ACQUISITION CO., LLC, a Delaware limited liability company (the "Purchaser"), RA ILLINOIS HOLDINGS, LLC, a Delaware limited liability company (the "Company"), each of the members identified as such on the signature pages to this Agreement (the "Members"), Rain Stockholder Representative, LLC, the Member Representative (as defined herein) and only for the purposes of Section 10.15 of this Agreement, Liberty Dialysis Holdings, Inc., a Delaware corporation (the "Parent Guarantor"). The Purchaser, the Company, the Members and the Member Representative are sometimes individually referred to herein as a "Party" and collectively as the "Parties."

### WITNESSETH:

WHEREAS, the Members own, in the aggregate, all of the membership interests of the Company (collectively, the "Units"), and the Company, in turn, owns all of the membership interests of RAI Care Centers of Illinois I, LLC and RAI Care Centers of Illinois II, LLC (each, an "Illinois Subsidiary", and together, the "Illinois Subsidiaries");

WHEREAS, the Purchaser desires to acquire from each Member, and each Member desires to sell to the Purchaser, the Units owned by such Member, on the terms and subject to the conditions set forth in this Agreement, so that the Purchaser will become the owner, in the aggregate, of all of the Units as of the Closing Date (the "Acquisition"); and

WHEREAS, the Parties desire to make and agree to certain representations, warranties, covenants and agreements in connection with the Acquisition.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and intending to be legally bound hereby, the Parties hereby agree as follows:

### ARTICLE I CONSTRUCTION; DEFINITIONS

Section 1.1 Definitions. The following terms, as used herein, have the following meanings:

"Affiliate" means (a) in the case of an individual, such Person's Members of the Immediate Family and any trust, family limited partnership or family limited liability company formed and maintained primarily or solely for the benefit of such Person or such Person's Members of the Immediate Family, and (b) in the case of any other Person, a Person that directly, or indirectly, Controls or is Controlled by, or is under Common Control with, the person specified.

"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the city of Denver, Colorado.

"Claims Period" means the period, beginning on the Closing Date, during which a claim for indemnification may be asserted hereunder by any Indemnified Party.

"Closing" means the consummation of the transactions contemplated by Article II of this Agreement.

"Closing Cash" means the sum of (i) the cash of the Company and its Subsidiaries as of 11:59 p.m. Central Time (or such other time as the Parties may agree) on the day immediately preceding the Closing Date less (ii) the aggregate amount of outstanding checks or drafts of the Company and its Subsidiaries that have not posted as of 11:59 p.m. Central Time (or such other time as the Parties may agree) on the day immediately preceding the Closing Date plus (iii) checks received by the Company or any of its Subsidiaries that have not posted as of 11:59 p.m. Central Time (or such other time as the Parties may agree) on the day immediately preceding the Closing Date.

"Closing Date" means the date on which the Closing occurs.

"Closing Date Indebtedness" means the amount of any Indebtedness of the Company or any of its Subsidiaries as of the Closing Date other than intercompany Indebtedness among the Company and/or its Subsidiaries.

"Closing Date Working Capital" means the current assets of the Company and its Subsidiaries (including, without duplication, Closing Cash) less the current liabilities of the Company and its Subsidiaries as of 11:59 p.m. Central Time (or such other time as the Parties may agree) on the day immediately preceding the Closing Date, as calculated in accordance with the guidelines set forth on Exhibit 1.1(a).

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Commercial Payor Contract" means any Contract, as of the date hereof, with any non-Governmental Entity Payor, from whom the Company (on a consolidated basis) received more than \$175,000 for the rendering of dialysis services during the year ended December 31, 2010.

"Company Ancillary Documents" means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by the Company, its Subsidiaries or any Member in connection with the transactions contemplated hereby.

"Company Disclosure Schedule" means the disclosure schedule delivered by the Company and the Members to the Purchaser simultaneously with the execution of this Agreement.

"Company Material Adverse Effect" means any state of facts, change, event, effect, condition, circumstance or occurrence that has had or would reasonably be expected to have (a) a materially adverse effect on the business, financial condition, results of operations, properties, assets or Liabilities of the Company and its Subsidiaries, taken as a whole; or (b) a material adverse effect on the ability of the Company and/or the Members to consummate the Acquisition; provided, however, that in relation to any state of facts, change, event, effect, condition, circumstance or occurrence of the type described in clause (a) above, a Company Material

Adverse Effect shall not include and none of the following shall be considered in determining whether a Company Material Adverse Effect has occurred or is continuing: (i) facts, changes, events, effects or occurrences in the United States or world financial or lending markets or general economic conditions, (ii) effects arising from war, global hostilities or terrorism, (iii) events, changes, facts, conditions, circumstances or occurrences generally affecting the industries in which the Company and its Subsidiaries participate, (iv) changes or proposed changes in Laws (including changes in Healthcare Laws or Medicare reimbursement rates) or the interpretation thereof by any Governmental Entity, (v) changes or proposed changes in GAAP (or other accounting standards) or any change in the applicable, laws, rules and regulations or the interpretation thereof, (vi) events, changes, facts, conditions, circumstances or occurrences resulting from actions taken by the Company or any Subsidiary which the Purchaser has expressly requested in writing or to which the Purchaser has expressly consented in writing, or (vii) events, changes, facts, conditions, circumstances or occurrences resulting from the announcement or the existence of, or compliance with, this Agreement and the Acquisition, excluding in each of cases (i) through (v) above, any state of facts, change, event, effect, condition, circumstance or occurrence that disproportionately adversely affects the Company or any of its Subsidiaries as compared to other Persons in the United States of America in the industry in which the Company and its Subsidiaries conduct their business.

“Confidentiality Agreements” means that non-disclosure agreement between Liberty Dialysis, Inc. and the Company, dated May 4, 2010, that non-disclosure agreement between Ernst & Young LLP, Liberty Dialysis, Inc. and the Company, dated September 22, 2010 and that information sharing agreement between Ernst & Young LLP, Liberty Dialysis, Inc. and the Company, dated September 19, 2010.

“Contract” means any written or oral contract, note, bond, mortgage, lease or other agreement legally binding on a Party hereto.

“Control” (including the terms Controlling, Controlled by and under Common Control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

“Dialysis Center” means any dialysis center owned, operated or managed by the Company or any of its Subsidiaries.

“Employee Benefit Plan” means any employment, consulting, stock option or other equity based compensation, deferred compensation, incentive compensation, severance or other termination pay, change-in-control, health, disability, life, cafeteria, insurance, supplemental unemployment benefits, profit-sharing, pension or retirement plan, policy, program, agreement or arrangement, and each other material employee benefit plan, policy, program, agreement or arrangement whether written or oral, sponsored, maintained, participated in or contributed to or required to be contributed to by the Company and its Subsidiaries for the benefit of any current or former employee, officer, manager, director or consultant of the Company or its Subsidiaries, including each “employee welfare benefit plan” or “employee pension benefit plan” as such terms are defined in Sections 3(1) and 3(2) of ERISA.

"Escrow Agent" means Wells Fargo Bank, National Association.

"Escrow Agreement" means the Escrow Agreement in a form reasonably agreed to among the Parties, to be entered into in good faith and dated as of the Closing Date, by and among the Purchaser, the Member Representative and the Escrow Agent.

"Escrow Amount" equals Six Hundred Thousand Dollars (\$600,000).

"Escrow Release Date" means the earlier of (i) March 31, 2012 and (ii) the date on which the final auditor's report on the Company's financial statements for the fiscal year ending December 31, 2011 is delivered to the Purchaser.

"Estimated Working Capital Deficit" means the amount, if any, that the Estimated Working Capital is less than the Target Working Capital.

"Estimated Working Capital Surplus" means the amount, if any, that the Estimated Working Capital is greater than the Target Working Capital.

"Fraud Based Member Claims" means any claim by any Member Indemnified Party under Article IX hereof for Member Losses arising out of an intentional act of fraud or willful misrepresentation by the Purchaser to the Company or any Member.

"Fraud Based Purchaser Claims" means any claim by any Purchaser Indemnified Party under Article IX hereof for Purchaser Losses arising out of or relating directly to (i) any breach or inaccuracy of any representation or warranty of the Company or the Members contained in Section 4.7 related directly to (a), (b), (c), (d) or (e) if such breach or inaccuracy arises out of a violation by the Company or any of its Subsidiaries of any Healthcare Fraud Laws, or (ii) an act of intentional fraud or willful misrepresentation by the Company or any Member to the Purchaser.

"Fundamental Representations and Warranties" means the representations and warranties of the Company, the Members or the Purchaser, as applicable, contained in Section 4.1 (Organization), Section 4.2 (Authorization), Section 4.3 (Capitalization), Section 4.4 (Subsidiaries), Section 4.5 (Absence of Restrictions and Conflicts), Section 4.6 (Tax Returns; Taxes), Section 5.1 (Organization and Authorization), Section 5.2 (Absence of Restrictions and Conflicts), Section 5.3 (Ownership of Equity), Section 5.4 (Amounts Owed to Members), Section 6.1 (Organization), Section 6.2 (Authorization) and Section 6.3 (Absence of Restrictions and Conflicts).

"GAAP" means generally accepted accounting principles as applied in the United States of America.

"Governmental Entity" means any federal, state or local or foreign government, any political subdivision thereof or any court, administrative or regulatory agency, department, instrumentality, body or commission or other governmental authority or agency, domestic or foreign.

"Healthcare Fraud Laws" means (i) the provisions of the federal Anti-Kickback Statute (42 U.S.C. §1320a-7(b)), the civil False Claims Act (31 U.S.C. §3729 et seq.), Sections 1320a-7 and 1320a-7a of Title 42 of the United States Code, the regulations promulgated pursuant to such statutes and any similar state or local Laws, in each case, that involve fraudulent conduct or statements and/or conspiracies to commit fraudulent conduct with the requisite scienter as an element thereof or (ii) the Stark law (42 U.S.C. §1395nn), the regulations promulgated pursuant to such statute and any similar state or local Laws.

"Healthcare Law" means any (i) Healthcare Fraud Law, (ii) Law relating to the licensure, certification, qualification or authority to transact business relating to the provision of, or payment for, or both the provision of or payment for, health benefits, or health care or insurance coverage, excluding ERISA, but including Medicare, Medicaid, COBRA, SCHIP, and CHAMPUS/TRICARE; and (iii) Information Privacy and Security Law.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended, and its implementing regulations.

"Indebtedness" means, without duplication, the sum of (a) all obligations of the Company or its Subsidiaries for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money, (b) other indebtedness of the Company or its Subsidiaries evidenced by notes, bonds, debentures or other debt securities, (c) indebtedness of the types described in clauses (a) and (b) guaranteed, directly or indirectly, in any manner by the Company or its Subsidiaries through an agreement, contingent or otherwise, to supply funds to, or in any other manner, invest in, the debtor, or to purchase indebtedness, primarily for the purpose of enabling the debtor to make payment of the indebtedness or to insure the owners of indebtedness against loss, (d) indebtedness for the deferred purchase price of property or services with respect to which the Company or its Subsidiaries are liable, other than any Ordinary Course trade payables (excluding those obligations entered into after the date hereof in the Ordinary Course), (e) all obligations of the Company or its Subsidiaries as lessee or lessees under capital leases in accordance with GAAP (excluding those obligations entered into after the date hereof in the Ordinary Course), (f) all payment obligations under any interest rate swap agreements or interest rate hedge agreements to which the Company or its Subsidiaries is party, (g) all obligations for unfunded Liabilities relating to any Employee Benefit Plan, (h) any interest owed with respect to the indebtedness referred to above and prepayment premiums or fees related thereto and (i) any letters of credit, surety bonds, bids, performance bonds or similar obligations to the extent drawn upon by third parties.

"Information Privacy and Security Laws" means HIPAA and any other Laws concerning the privacy and/or security of Personal Information, including but not limited to the Gramm-Leach-Bliley Act, state data breach notification laws, state health information privacy laws and state consumer protection laws.

"IRS" means the United States Internal Revenue Service.

"Knowledge of the Company" or "the Company's Knowledge" means the actual knowledge of Michael Klein, John Crawford, Dean Weiland, Jon Sundock, Juha Kokko, Monte

Frankenfield or Sarah Johnson, in each case, following due inquiry of the applicable Company personnel who report directly to that listed individual.

“Laws” means all statutes, rules, codes, regulations, restrictions, ordinances or Orders issued by any Governmental Entity.

“Liability” or “Liabilities” means any direct or indirect liability of any kind or nature, whether accrued or fixed, absolute or contingent, determined or determinable, matured or unmatured, due or to become due, asserted or unasserted or known or unknown and regardless of whether it is accrued or required to be accrued or disclosed pursuant to GAAP.

“Licenses” means all notifications, licenses, permits, franchises, certificates, approvals, exemptions, classifications, registrations and other similar documents and authorizations issued by any Governmental Entity, and amendments and modifications of any of the foregoing.

“Liens” means any security interest, pledge, license, bailment (in the nature of a pledge or for purposes of security), mortgage, deed of trust, option, right of first refusal, the grant of a power to confess judgment, conditional sales and title retention agreement (including any lease in the nature thereof), charge, third-party claim, security title, lien, encumbrance or other similar arrangement or interest in real or personal property.

“Litigation” means any litigation, legal action, arbitration, proceeding or mediation, pending, or to the Knowledge of the Company, threatened in writing against or brought by the Company, any of its Subsidiaries or, to the Knowledge of the Company, any of the Company’s or its Subsidiaries’ present officers, directors, employees and managers in any jurisdiction, foreign or domestic (and in the case of present officers, directors, employees or managers, related solely to their services on behalf of the Company or its Subsidiaries).

“Member Representative Reserve” means Two Hundred Thirty Thousand Dollars (\$230,000).

“Members of the Immediate Family” means, with respect to any natural Person, (a) each spouse or natural or adopted child of such Person; (b) each natural or adopted child of any Person described in clause (a) above; (c) each custodian or guardian of any property of one or more of the Persons described in clauses (a) and (b) above in his or her capacity as such custodian or guardian; or (d) each general or limited partnership or limited liability company, all of the partners or members of which are such Person and/or one or more of such Persons described in clauses (a) and (b) above.

“Order” means any order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, award (solely by an arbitrator), judgment, injunction, or other similar determination by any Governmental Entity or arbitrator.

“Ordinary Course” means the ordinary course of business consistent with past practice of the Company and its Subsidiaries.

“Payor Contract” means any current Contract, between the Company and/or any of its Subsidiaries, on the one part, and any Payor or Payors, on the other.



"Payor Programs" means all third party payor programs in which the Company or one or more of its Subsidiaries participates (including, without limitation, Medicare, Medicaid, CHAMPUS/TRICARE, or any other federal or state health care programs, as well as Blue Cross and/or Blue Shield, managed care plans, or any other private insurance programs).

"Payors" means any third party payors who finance or reimburse the cost of health services provided by the Company and its Subsidiaries, such as Medicare, Medicaid, CHAMPUS/TRICARE, Blue Cross and/or Blue Shield, State government insurers, private insurers and any other person or any entities which maintains Payor Programs.

"Permitted Liens" means (a) Liens for Taxes not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP, (b) statutory or contractual Liens of landlords with respect to the Leased Real Property, (c) Liens of carriers, warehousemen, mechanics, materialmen and repairmen incurred in the Ordinary Course and not yet delinquent, (d) in the case of the leased real property, in addition to items (a) and (b), zoning, building, or other restrictions, variances, covenants, rights of way, encumbrances, easements and other minor irregularities in title, none of which, individually or in the aggregate, interfere in any material respect with the present use of or occupancy of the affected parcel by the Company and its Subsidiaries, and (e) liens arising under leases or conditional sale agreements for equipment used in the operation of the business.

"Person" means, any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organization, other entity or Governmental Entity.

"Personal Information" means the information pertaining to an individual that is regulated or protected by one or more of the Information Privacy and Security Laws.

"Pro Rata Percentage" means, for each Member, the percentage obtained by dividing (i) the Consideration Paid at Closing to such Member by (ii) the Consideration Paid at Closing.

"Purchaser Ancillary Documents" means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by the Purchaser in connection with the transactions contemplated hereby.

"Purchaser Indemnified Parties" means the Purchaser and its Affiliates (which following the Closing, shall include the Company and its Affiliates) and each of the successors of any of the foregoing.

"Purchaser Material Adverse Effect" means any state of facts, change, event, effect, condition, circumstance or occurrence that has had or would reasonably be expected to have (A) a materially adverse effect on the business, financial condition, results of operations, properties, assets or Liabilities of the Purchaser and its Subsidiaries, taken as a whole, or (B) a material adverse effect on the ability of the Purchaser to consummate the Acquisition; provided, however, that in relation to any state of facts, change, event, effect, condition, circumstance or occurrence of the type described in clause (A) above, a Purchaser Material Adverse Effect shall not include and none of the following shall be considered in determining whether a Purchaser Material Adverse Effect has occurred or is continuing: (i) facts, changes, events, effects or occurrences in

the United States or world financial markets or general economic conditions, (ii) effects arising from war, global hostilities or terrorism, (iii) events, changes, facts, conditions, circumstances or occurrences generally affecting the industries in which the Purchaser participates, (iv) changes or proposed changes in Laws (including changes in Healthcare Laws or Medicare reimbursement rates) or the interpretation thereof by any Governmental Entity, (v) changes or proposed changes in GAAP (or other accounting standards), or any change in the applicable rules and regulations or the interpretation thereof, (vi) events, changes, facts, conditions, circumstances or occurrences resulting from actions taken by the Purchaser or any Subsidiary which the Company or the Members have expressly requested in writing or to which the Company or the Members have expressly consented in writing; or (vii) events, changes, facts, conditions, circumstances or occurrences resulting from the announcement or the existence of, or compliance with, this Agreement and the Acquisition, excluding in each of cases (i) through (v) above, any state of facts, change, event, effect, condition, circumstance or occurrence that disproportionately adversely affects the Purchaser or any of its Subsidiaries as compared to other Persons in the United States of America in the industry in which the Purchaser and its Subsidiaries conduct their business.

"Special Affiliate" means (other than the Company or any of its Subsidiaries) (i) any physician who, or entity which, directly owns any capital stock or other equity interests (including membership or partnership interests) in any Subsidiary of the Company, or (ii) each medical director of each Dialysis Center.

"Subsidiary" means any Person of which the Company (or other specified Person) shall own directly or indirectly through a Subsidiary at least a majority of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally or otherwise have the power to elect a majority of the board of directors or similar governing body or the legal power to direct the business or policies of such Person.

"Target Working Capital" means Two Million Dollars (\$2,000,000).

"Tax" means (a) any and all taxes, levies, duties, tariffs, imposts and similar charges of any kind, imposed by any Governmental Entity, including taxes or other charges on, measured by, or with respect to income, franchise, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation or net worth; taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value-added or gains taxes; and custom's duties, tariffs and similar charges; (b) any Liability for the payment of amounts of the type described in (a) as a result of being a transferee of, or a successor in interest to, any Person or as a result of any obligation to indemnify any Person; and (c) any and all interest, penalties, additions to tax and additional amounts imposed in connection with or with respect to any of the foregoing amounts.

"Tax Return" means any return, statement, declaration, form, report, claim for refund or credit, or information return or other documentation (including any additional or supporting material and any amendments or supplements) filed or maintained, or required to be filed or maintained, by the Company or its Subsidiaries with respect to or in connection with the calculation, determination, assessment or collection of any Taxes.

"Transaction Expenses" means any legal, accounting, financial advisory and other third party advisory or consulting fees and other expenses incurred by the Company and its Subsidiaries from the date hereof through the Closing Date, solely in connection with the transactions contemplated by this Agreement, including any transaction fees payable to any Member or its Affiliates.

"Treasury Regulations" means the Income Tax Regulations promulgated under the Code.

"Vendor" means all vendors and subcontractors of the Company and its Subsidiaries from whom, in terms of amounts paid to such Vendors, during the year ended December 31, 2009, the Company (on a consolidated basis) has purchased more than \$350,000 in goods and/or services.

"Working Capital Deficit" means the amount, if any, by which the Closing Date Working Capital is less than the Estimated Working Capital, as reflected on the Final Closing Statement.

"Working Capital Surplus" means the amount, if any, by which the Closing Date Working Capital is greater than the Estimated Working Capital, as reflected on the Final Closing Statement.

Section 1.2 Construction. Unless the context of this Agreement otherwise clearly requires, (a) references to the plural include the singular, and references to the singular include the plural, (b) references to one gender include the other gender, (c) the words "include," "includes" and "including" do not limit the preceding terms or words and shall be deemed to be followed by the words "without limitation," (d) the terms "hereof," "herein," "hereunder," "hereto" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, (e) the terms "day" and "days" mean and refer to calendar day(s), (f) the terms "year" and "years" mean and refer to calendar year(s) and (g) the terms "made available" and "provided to" when used in reference to one Person having made or making items or information available to, or to having provided information to, another, shall mean that such items or information were made available by the Company, the Members and their respective Agents or Affiliates to the Purchaser, its Agents or its Affiliates via (i) the posting of such items or information, on or prior to the date hereof, to the electronic data site maintained by Intralinks under the data room entitled "Project Rain," including the secured folder located therein, (ii) the provision of access to hard copies of such items or information, including at the offices of the Company, its Agents or its Affiliates, or (iii) the provision of such items or information in electronic format (including by fax, e-mail or by other electronic means), provided that, with respect to subparts (i) and (ii) of this Section 1.2(g), electronic copies of such items or information shall be provided to Purchaser on compact disc or DVD prior to Closing.. Unless otherwise set forth herein, references in this Agreement to (i) any document, instrument or agreement (including this Agreement) (A) includes and incorporates all exhibits, schedules and other attachments thereto, (B) includes all documents, instruments or agreements issued or executed in replacement thereof and (C) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified or supplemented from time to time in accordance with its terms and in effect at any given time, and (ii) a particular Law means such Law as amended, modified, supplemented or succeeded, from time to time and in effect at any given time. All Article, Section, Exhibit and Schedule references herein are to Articles, Sections,

Exhibits and Schedules of this Agreement, unless otherwise specified. This Agreement shall not be construed as if prepared by one of the Parties, but rather as if drafted jointly by the parties. No Party is relying upon any representation, warranty, covenant, agreement or understanding of any kind except as expressly set forth herein.

Section 1.3 Other Definitions. Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u> .....	<u>Section</u>
Acquisition.....	Recitals
Agents .....	7.2
Aggregate Closing Consideration .....	3.2
Agreement.....	Preamble
Allocation.....	7.7(i)
Arbitrator.....	3.7(d)
Baseline Cash Amount.....	3.1
Cap .....	9.5(a)
Claim Notice .....	9.3(a)
Closing Statement .....	3.4
Company .....	Preamble
CON .....	7.9
Consideration Paid at Closing.....	3.2
Covenant Deductible.....	9.5(a)
Direct Claim.....	9.3(a)
Dispute Period.....	9.3(b)
Escrow Fund .....	3.3
Estimated Closing Cash .....	3.4(a)
Estimated Working Capital.....	3.4(a)
Final Closing Statement.....	3.7(c)
Illinois Subsidiary(ies).....	Recitals
Indemnification Claims.....	9.3(a)
Indemnified Party.....	9.3
Indemnifying Party .....	9.3
Member Income Allocation .....	7.7(a)
Member Losses .....	9.2
Member Representative .....	10.14
Members .....	Preamble
Parent Guarantor .....	Preamble
Party(ies).....	Preamble
Pre-Closing Periods .....	7.7(a)
Post-Closing Period Tax Returns.....	7.7(a)
Pre-Closing Period Tax Returns .....	7.7(a)
Pre-Closing Taxes .....	7.7(a)
Proceeding.....	9.3(a)
Purchase Price.....	3.1
Purchaser.....	Preamble
Purchaser Losses.....	9.1

<u>Term</u> .....	<u>Section</u>
Representation and Warranty Deductible .....	9.5(a)
Revised Closing Statement .....	3.7(a)
Settlement .....	9.3(b)
Straddle Periods .....	7.7(a)
Straddle Period Tax Returns .....	7.7(a)
Tax Amendment.....	7.7(c)
Tax Proceeding .....	7.7(e)
Tax Refunds .....	7.7(c)
Tax Statement .....	7.7(a)
Third Party Claim .....	9.3(a)
Transfer Taxes .....	7.7(f)
Units.....	Recitals

**ARTICLE II  
PURCHASE AND SALE**

Section 2.1 Agreement to Purchase and Sell. Subject to the terms and conditions of this Agreement, at the Closing, each Member shall, in exchange for the consideration provided for in this Agreement, sell, convey, transfer, assign and deliver to the Purchaser and the Purchaser shall purchase and acquire from each Member, free and clear of all Liens, all right, title and interest (record or beneficial) to the Units owned by such Member.

**ARTICLE III  
CONSIDERATION PAID AT CLOSING**

Section 3.1 Purchase Price. The aggregate consideration (such amount, the "Purchase Price") payable for the Units shall be an amount equal to Twenty Million Five Hundred Thousand Dollars (\$20,500,000) (the "Baseline Cash Amount"), plus or minus, as the case may be, the amount by which the Closing Date Working Capital, as reflected on the Final Closing Statement, is greater than or less than, as the case may be, the Target Working Capital.

Section 3.2 Consideration Paid at Closing. The aggregate closing consideration (the "Aggregate Closing Consideration") shall be (a) the Baseline Cash Amount, (b) plus or minus, as the case may be, the amount of any Estimated Working Capital Surplus or Estimated Working Capital Deficit, as determined based on the Estimated Working Capital set forth in the Closing Statement described in Section 3.4, (c) minus the amount of any Closing Date Indebtedness, and (d) minus the aggregate amount of all Transaction Expenses to the extent not paid prior to the Closing Date. The aggregate cash amount to be paid to the Members at Closing (the "Consideration Paid at Closing") shall be an amount equal to (i) the Aggregate Closing Consideration, (ii) minus the Escrow Amount, and (iii) minus the Member Representative Reserve.

Section 3.3 Escrow. On the Closing Date, the Purchaser shall deposit with the Escrow Agent in accordance with Section 3.5(b), the Escrow Amount, which, as adjusted from time to time, together with any interest earned thereon (less any distributions or disbursements of such

interest pursuant to the terms of the Escrow Agreement), shall be referred to as the "Escrow Fund."

Section 3.4 Closing Statement. Not less than three (3) Business Days prior to the Closing Date, the Company shall deliver to the Purchaser a statement (the "Closing Statement"), signed by the Chief Executive Officer and the Chief Financial Officer, which sets forth in reasonable detail the following (in each case, immediately prior to the Closing) and which shall incorporate all appropriate revisions as are mutually agreed upon by the Purchaser and the Member Representative:

(a) a statement, prepared in accordance with GAAP and in a manner consistent with the guidelines set forth on Exhibit 1.1(a) hereto, setting forth in reasonable detail a calculation of estimated Closing Date Working Capital (the "Estimated Working Capital") and including therein a separate calculation of estimated Closing Cash (the "Estimated Closing Cash");

(b) a statement of the aggregate amount of the Closing Date Indebtedness;

(c) by payee, the aggregate amount of the Transaction Expenses to the extent not paid prior to the Closing Date, and the account or accounts information necessary for the payment thereof;

(d) the Aggregate Closing Consideration and the Consideration Paid at Closing;

(e) the name of each Member, each Member's Pro Rata Percentage and the Consideration Paid at Closing to each Member; and

(f) the unaudited consolidated balance sheet of the Company as of the Closing Date.

Section 3.5 Purchaser Closing Payments. On the Closing Date, the Purchaser shall pay, discharge, deliver or cause to be delivered, as appropriate, at Closing:

(a) to the account or accounts specified by the Company in the Closing Statement, the aggregate amount of (i) the Closing Date Indebtedness, and (ii) the Transaction Expenses;

(b) to the Escrow Agent, the Escrow Amount, which shall be disbursed in accordance with the terms of this Agreement and the Escrow Agreement;

(c) to the Member Representative, the Member Representative Reserve, which shall be held in full by the Member Representative on behalf of the Members, and to the extent such reserve contains a positive balance, it shall not be released to the Members until the final determination and payment of the Working Capital Surplus or Working Capital Deficit, as applicable, pursuant to Section 3.7 hereof;

(d) to the Members, the Consideration Paid at Closing, which shall be distributed to the Members in accordance with the Closing Statement.

Section 3.6 Withholdings. The Purchaser and the Company (as appropriate) shall be entitled to deduct and withhold from consideration otherwise payable pursuant to this Agreement to any Member such amounts as are required to be deducted and withheld with respect to the making of such payment under the Code, or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld, (A) such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Member in respect of which such deduction and withholding was made, and (B) the Purchaser shall, or cause the Company to, provide to such Member written notice of the amounts so deducted or withheld.

Section 3.7 Working Capital Adjustment.

(a) No later than sixty (60) days following the Closing Date, the Purchaser shall prepare and deliver to the Member Representative the draft closing statement of the Company as of the Closing Date (the "Revised Closing Statement"), which shall include a calculation of each of the Closing Date Working Capital, the Working Capital Surplus, if any, and the Working Capital Deficit, if any.

(b) The Member Representative shall have sixty (60) days following receipt of the Revised Closing Statement during which to notify the Purchaser of any dispute of any item contained in the Revised Closing Statement, which notice shall set forth in reasonable detail the basis for such dispute. At any time within such sixty (60) day period, the Member Representative shall be entitled to agree with any or all of the items set forth in the Revised Closing Statement. During such sixty (60) day period, the Purchaser and the Company shall provide the Member Representative with reasonable access during normal business hours to Company employees and advisors and such books and records of the Company as may be reasonably requested by them to verify the information contained in the Revised Closing Statement and the calculations therein.

(c) If the Member Representative does not notify the Purchaser of any such dispute within such sixty (60) day period, or notifies the Purchaser of its agreement with the adjustments in the Revised Closing Statement prior to the expiration of the sixty (60) day period, the Revised Closing Statement prepared by the Purchaser shall be deemed to be the "Final Closing Statement."

(d) If the Member Representative notifies the Purchaser of any such dispute within such sixty (60) day period, the Final Closing Statement shall be resolved as follows:

(i) The Purchaser and the Member Representative shall cooperate in good faith to resolve any such dispute as promptly as possible.

(ii) In the event the Purchaser and the Member Representative are unable to resolve any such dispute within thirty (30) days (or such longer period as the Purchaser and the Member Representative shall mutually agree in writing) of notice of such dispute, such dispute and each Party's work papers related

thereto shall be submitted to, and all issues having a bearing on such dispute shall be resolved by (x) an independent national accounting firm that is mutually agreed upon by the Purchaser and the Member Representative or (y) if the Parties cannot agree on such an independent national accounting firm, then such other independent national accounting firm that is selected by the American Arbitration Association at the request of the first of the Parties to move (such independent accounting firm, as selected pursuant to (x) or (y), the "Arbitrator"). The Arbitrator's resolution shall be final and binding on the Parties, based solely on presentations of the Purchaser and the Member Representative (and not on the Arbitrator's independent review) and limited to only those matters in dispute. In resolving any disputed item, the Arbitrator may not assign a value to any item greater than the greatest value for such items claimed by either the Purchaser or the Member Representative or less than the smallest value for such items claimed by either the Purchaser or the Member Representative (in either case, as may have been modified pursuant to Section 3.7(d)(i)). The Purchaser and the Member Representative shall use commercially reasonable efforts to cooperate with the Arbitrator and to cause the Arbitrator to complete its work within thirty (30) days following its engagement. The fees, costs and expenses of the Arbitrator shall be apportioned by the Arbitrator among the Purchaser and the Member Representative based upon the relevant extent to which the positions of the Purchaser and the Member Representative are upheld by the Arbitrator.

(e) The Purchaser and the Member Representative jointly shall modify the Revised Closing Statement and the calculation of Closing Date Working Capital, the Working Capital Surplus, if any, and the Working Capital Deficit, if any, as appropriate to reflect the resolution of the Member Representative's objections (as agreed upon by the Purchaser and the Member Representative or as determined by the Arbitrator) and deliver it to the Member Representative within ten (10) days after the resolution of such objections. Such revised balance sheet shall be the "Final Closing Statement."

(f) To the extent there is a Working Capital Deficit on the Final Closing Statement, and the amount of such Working Capital Deficit is equal to or less than the Member Representative Reserve, the Member Representative shall pay to the Purchaser, from the Member Representative Reserve, the amount of such Working Capital Deficit within five (5) Business Days after the Purchaser's delivery of the Final Closing Statement to the Member Representative to an account or accounts designated by the Purchaser. To the extent the Working Capital Deficit exceeds the Member Representative Reserve, the Purchaser may, at its sole election (and without duplication), either recover such excess amount from (i) the Escrow Fund up to the Escrow Amount or (ii) directly from each Member, each of whom shall be liable, severally and not jointly, to the Purchaser up to such Member's respective Pro Rata Percentage of such excess amount. Any amounts distributed to the Purchaser from the Escrow Fund for satisfaction of the Working Capital Deficit shall decrease the Escrow Fund.

(g) To the extent there is a Working Capital Surplus on the Final Closing Statement, the Purchaser shall pay the Member Representative the amount of the Working Capital Surplus (and the Member Representative shall distribute the Working



Capital Surplus to the Members in accordance with such Members' Pro Rata Percentages) by wire transfer of immediately available funds within five (5) Business Days after the Purchaser's delivery of the Final Closing Statement to the Member Representative to an account or accounts designated by the Member Representative.

Section 3.8 Repayment of Amounts Owed by Members at Closing. Prior to the Closing, each Member shall repay and discharge any loans owed by such Member or such Member's Affiliates to the Company or any of its Subsidiaries; provided that, the obligations of each Member shall be several, not joint, and no Member shall be liable for the obligations of any other Member or such other Member's Affiliates.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES RELATING TO THE COMPANY**

The Company makes the representations and warranties contained in this Article IV to the Purchaser, as supplemented and qualified by the Company Disclosure Schedule. The specific disclosures set forth in the Company Disclosure Schedule have been organized to correspond to section references in this Agreement to which the disclosure relates. Information disclosed in any section of the Company Disclosure Schedule is deemed to be disclosed for all applicable provisions of this Agreement that are qualified by reference to any section of the Company Disclosure Schedule to the extent the relevance of the disclosure to such other provisions is reasonably apparent.

##### Section 4.1 Organization.

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite limited liability company power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Company is duly qualified to transact business as a foreign entity and is in good standing in each other jurisdiction in which the ownership or leasing of its properties or assets or the conduct of its business requires such qualification, except where the failure to so qualify or to be in good standing would not result in, or reasonably be expected to result in, a Company Material Adverse Effect. A list of the jurisdictions in which the Company is qualified to conduct business as a foreign entity is set forth in Section 4.1(a)(i) of the Company Disclosure Schedule. The Company has previously made available to the Purchaser complete copies of the organizational documents of the Company and all similar organizational documents of the Company's Subsidiaries. Section 4.1(a)(ii) of the Company Disclosure Schedule lists all of the current directors and officers of the Company.

(b) Each of the Company's Subsidiaries is a limited liability company duly organized, validly existing and in good standing (or equivalent status) under the Laws of the State of Delaware. Each of the Company's Subsidiaries has all requisite entity power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Each of the Company's Subsidiaries is duly qualified to transact business as a foreign corporation or other entity, and is in good standing (or equivalent

status) in each other jurisdiction in which the ownership or leasing of its properties or assets or the conduct of its business requires such qualification, in all such cases, except where the failure to so qualify or to be in good standing (or equivalent status) would not result in, or reasonably be expected to result in a Company Material Adverse Effect. Each of the Company's Subsidiaries is qualified to conduct business as a foreign entity in Illinois. Section 4.1(b) of the Company Disclosure Schedule sets forth a list of each Subsidiary and the officers and directors of such Subsidiary.

Section 4.2 Authorization. The Company has all necessary limited liability company power and authority to execute and deliver this Agreement and the Company Ancillary Documents to which it is a party and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and the Company Ancillary Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action on the part of the Company. This Agreement has been, and the Company Ancillary Documents to which the Company is a party have been or will be, upon their execution and delivery, duly executed and delivered by the Company and assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute, or once executed and delivered will constitute, the valid and binding agreement of the Company, enforceable against the Company in accordance with their terms, except as such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar Laws affecting or relating to enforcement of creditors' rights generally, and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

Section 4.3 Capitalization. Section 4.3(a) of the Company Disclosure Schedule sets forth for the Company and each of its Subsidiaries (i) the equity interests of the Company and each of its Subsidiaries and (ii) all rights to purchase equity interests of the Company and each of its Subsidiaries (or other securities which are convertible into any such equity interests). All of the equity interests of the Company and each of its Subsidiaries are duly authorized, validly issued, fully paid and nonassessable, are held of record, by the Persons and in the proportions set forth on Section 4.3(b) of the Company Disclosure Schedule and were not issued or acquired in violation of the preemptive rights of any Person. Except as disclosed on Section 4.3(c) of the Company Disclosure Schedule: (a) no equity interests of the Company or any of its Subsidiaries are reserved for issuance or are held in treasury; (b) there are no outstanding options, warrants, purchase rights, calls, conversion rights, rights of exchange, rights of redemption, subscriptions, agreements, obligations, convertible or exchangeable securities or other commitments, contingent or otherwise, which, in each case, would entitle any Person to acquire any equity interests of the Company or any of its Subsidiaries; (c) there are no dividends or similar distributions which have accrued or been declared but are unpaid on the equity interests of the Company or any of its Subsidiaries and the Company and its Subsidiaries are not subject to any obligation (contingent or otherwise) to pay any dividend or otherwise to make any distribution or payment (whether related to Taxes or otherwise) to any current or former holder of the Company's or its Subsidiaries' equity interests; and (d) there are no outstanding or authorized stock appreciation, phantom stock or stock plans with respect to the Company or any of its Subsidiaries and (e) there are no agreements among the Members, or between any Member and any other Person, with respect to the Company or any of its Subsidiaries related to the election of

directors, the management of the Company or any of its Subsidiaries or any equity interest of the Company or any of its Subsidiaries. To the Knowledge of the Company, the Company and its Subsidiaries have not violated any applicable federal or state securities Laws in connection with the offer, sale or issuance of any of their equity interests.

Section 4.4 Subsidiaries. The Company owns, directly or indirectly, all of the equity interests of each of the Subsidiaries, free and clear of all Liens other than Liens related to the Closing Date Indebtedness. Except as set forth in the preceding sentence, neither the Company nor any of its Subsidiaries owns, directly or indirectly, any capital stock or other equities, securities or interests in any other corporation, limited liability company, partnership, joint venture or other entity. Neither the Company nor any of its Subsidiaries has any obligation to make any additional investments or capital contributions in any Person.

Section 4.5 Absence of Restrictions and Conflicts.

(a) Except as set forth in Section 4.5(a) of the Company Disclosure Schedule, the execution and delivery by the Company of this Agreement and the Company Ancillary Documents does not or will not, and the performance of its obligations hereunder and thereunder will not, (i) conflict with or violate (A) the Company's organizational documents or (B) the organizational documents of any Subsidiary, (ii) assuming that all consents, approvals, authorizations and other actions described in Section 4.5(b) of the Company Disclosure Schedule, if any, have been obtained and all filings and obligations described in Section 4.5(b) of the Company Disclosure Schedule, if any, have been made, conflict with or violate, in any material respect, any Law applicable to the Company or any of its Subsidiaries, or by which any property or asset of the Company or any of its Subsidiaries, is bound, or (iii) require any consent or result in any violation or breach of or constitute (with or without notice or lapse of time or both) a default (or give to others any right of termination, amendment, acceleration or cancellation) under, or result in the triggering of any payments or result in the creation of a Lien or other encumbrance on any property or asset of the Company or any of its Subsidiaries, in all cases, pursuant to, any of the terms, conditions or provisions of any Contract to which the Company is a party or otherwise legally bound as of the date hereof, except where such conflict, violation, breach, default, payment, Lien, encumbrance, acceleration or other event would not, in each case, directly result, or reasonably be expected to directly result, in an actual monetary loss exceeding \$150,000.

(b) Except as set forth in Section 4.5(b) of the Company Disclosure Schedule, the execution and delivery by the Company of this Agreement and the Company Ancillary Documents to which it is a party does not, and the performance of its obligations hereunder and thereunder will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity.

Section 4.6 Tax Returns; Taxes. Except as set forth on Section 4.6 of the Company Disclosure Schedule:

(a) The Company and its Subsidiaries have timely (taking into account extensions of time to file) filed all federal and state income Tax Returns and all other Tax

Returns required to be filed, and all such Tax Returns were true, correct, and complete in all material respects. The Company and its Subsidiaries have paid all Taxes shown thereon or otherwise due.

(b) No request for information related to Tax matters has been received in writing, or, to the Company's Knowledge, otherwise, with respect to material Tax matters from any Governmental Entity since December 31, 2010, no audit or other administrative proceeding is pending, being conducted, or, to the Knowledge of Company, threatened in writing by any Governmental Entity, and no judicial proceeding is pending or being conducted that involves any Tax paid or Tax Return filed by or on behalf of the Company or its Subsidiaries.

(c) Since December 31, 2010, no claim or deficiency against the Company or its Subsidiaries for the assessment or collection of any Taxes has been asserted in writing or, to the Company's Knowledge, proposed which claim or deficiency has not been settled with all amounts determined to have been due and payable having been timely paid.

(d) Since December 31, 2010, no claim has been made in writing, or to the Knowledge of the Company, threatened in writing by a Tax authority in a jurisdiction where the Company or its Subsidiaries has never filed Tax Returns asserting that the Company or its Subsidiaries are or may be subject to Taxes imposed by that jurisdiction.

(e) The Company and its Subsidiaries have deducted, withheld and timely paid to the appropriate Governmental Entity all Taxes required to be deducted, withheld or paid in connection with income allocated to or amounts owing to any employee (as determined in accordance with applicable Laws), independent contractor, creditor, stockholder or interest holder and have complied in all material respects with all applicable Tax Laws relating to the payment, withholding, reporting and recordkeeping requirements relating to any Taxes required to be collected or withheld.

(f) There are no Liens, other than Permitted Liens, for Taxes upon the properties or assets of the Company or its Subsidiaries.

(g) The Company and its Subsidiaries are not a party to any Tax sharing, Tax indemnity, Tax allocation or similar agreement with respect to Taxes, and do not have any Liability or potential Liability to another party under any such agreement.

(h) The Company and its Subsidiaries have not executed or entered into with any Governmental Entity (i) any agreement, waiver or other document which are still in force extending or having the effect of extending or waiving the period for assessment or collection of any Taxes for which the Company or its Subsidiaries would or could be liable (other than pursuant to extensions of time to file Tax Returns obtained in the Ordinary Course); (ii) any closing agreement pursuant to Section 7121 of the Code, or any predecessor provision thereof or any similar provision of state, local or foreign Tax Law; (iii) any private letter ruling request or private letter ruling, or (iv) any power of attorney with respect to any Tax matter which is currently in force.

(i) Since December 31, 2010, the Company and its Subsidiaries (i) have not been a member of an affiliated group filing a consolidated federal income Tax Return; and (ii) have not had any Liability for the Taxes of any Person (other than the Company and its Subsidiaries) as a transferee or successor, by contract or otherwise.

(j) The Company and its Subsidiaries have not taken any position in any Tax Return that could give rise to a substantial understatement of Tax within the meaning of Section 6662 of the Code.

(k) The Company and its Subsidiaries have not participated in any "reportable transaction" or any "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4.

(l) The Company and its Subsidiaries will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period ending after the Closing Date as a result of any (i) change in accounting method for any Pre-Closing Period under Section 481 of the Code (or any similar provision of U.S. state, local or foreign Tax Law), (ii) written agreement with a Tax authority with regard to its Tax Liability for any Pre-Closing Period, (iii) installment sale or open transaction disposition made prior to the Closing Date or prior to the Closing on the Closing Date, or (iv) prepaid amount received on or prior to the Closing Date.

(m) The Company has been treated for federal and state income tax purposes as a partnership since December 31, 2010. Each of the Subsidiaries has been treated as disregarded from its owner.

#### Section 4.7 Healthcare Compliance.

(a) All activities of Company, its Subsidiaries and their respective employees, officers, directors, and managers (in the scope of their work for Company or its Subsidiaries) and all activities of the Dialysis Centers have been and are currently being, conducted in material compliance with all Healthcare Laws and in material compliance with Licenses issued under or required by any Healthcare Laws, and all corrective action plans required by Governmental Entities.

(b) There is no Litigation, audit or recoupment by or before any Governmental Entity alleging a violation of Healthcare Laws by the Company, its Subsidiaries, or any of their respective employees, officers, directors, or managers (as relates solely to their work for the Company or its Subsidiaries) and, to Company's Knowledge and solely as it relates to services provided, or referrals made, to the Company, its Subsidiaries or any of the Dialysis Centers, by Special Affiliates. To the Company's Knowledge, there are no outstanding investigative inquiries by Governmental Entities made under any Healthcare Law to which the Company, its Subsidiaries, and, solely as such inquiries relate to services provided to the Company, its Subsidiaries or any of the Dialysis Centers, the Special Affiliates, as applicable, have not responded in the Ordinary Course.

(c) Neither the Company, any of its Subsidiaries, nor any of their respective employees, officers, directors, or managers, in each case, as it relates solely to their work for the Company or its Subsidiaries, and, to Company's Knowledge and solely as it relates to services provided, or referrals made, to the Company, its Subsidiaries or any of the Dialysis Centers, neither the Special Affiliates nor any of their employees, officers, directors and managers has received any written notice alleging a material violation of any Healthcare Law in the conduct of its/his/her business or indicating that its/his/her qualification as a participating provider in any government program in which any of the Dialysis Centers participate may be terminated or withdrawn, and, to Company's Knowledge, no facts or circumstances exist that would give rise to the termination or withdrawal of any such qualification.

(d) None of the Company, its Subsidiaries or any of their respective employees, officers, directors, or managers and, to the Company's Knowledge, none of its Special Affiliates (as relates, in the case of the Special Affiliates to services provided or referrals of patients made to the Company, any of its Subsidiaries or any Dialysis Centers) is excluded, suspended or debarred from participation or is otherwise ineligible to participate in any federal or individual state health care program, including, but not limited to the federal health care programs defined in 42 U.S.C. § 1320a-7b(f). Within the thirty (30) day period preceding the date hereof, and again within the thirty (30) day period preceding the Closing Date, the Company and each of its Subsidiaries has, or shall have, performed exclusion checks (e.g., search of the OIG's List of Excluded Individuals/Entities) on each of its employees and each of its Special Affiliates, and to the extent that any such Person was or shall have been identified as a result of that search as having been excluded, suspended or debarred from participation or otherwise deemed ineligible to participate in any federal or individual state health care program, including, but not limited to the federal health care programs defined in 42 U.S.C. § 1320a-7b(f), the Company and Subsidiaries have taken remedial action in compliance with applicable Law.

(e) Neither the Company, any of its Subsidiaries, nor any of their respective employees, officers, directors or managers, in each case, as it relates solely to their work for the Company and its Subsidiaries, and, to Company's Knowledge and solely as it relates to services provided to the Company, its Subsidiaries or any of the Dialysis Centers, neither the Special Affiliates nor any of their respective employees, officers, directors or managers has engaged in any activities in material violation of any Information Privacy and Security Law, and there is no Litigation and, to Company's Knowledge, there are no facts or circumstances that would reasonably be expected to give rise to any material Liability under any Information Privacy and Security Laws; and, to Company's Knowledge, neither the Company, any of its Subsidiaries, any of their respective employees, officers, directors, managers, in each case, as it relates solely to their work for the Company or its Subsidiaries, or any of the Special Affiliates (in the scope of their work for Company, its Subsidiaries or any of the Dialysis Centers) has used or disclosed Personal Information so as to trigger a notification or reporting requirement.

**ARTICLE V**  
**REPRESENTATIONS AND WARRANTIES RELATING TO THE MEMBERS**

Each Member severally, and not jointly, hereby makes the representations and warranties contained in this Article V to the Purchaser, as supplemented and qualified by the Company Disclosure Schedule, solely as such representations and warranties relate to such Member and not with respect to any other Member.

Section 5.1 Organization and Authorization. Such Member (if not a natural person) is duly organized, validly existing and in good standing (or equivalent status) under the laws of its jurisdiction of organization. Such Member has the right, power, authority and capacity, as applicable, to execute and deliver this Agreement and the Company Ancillary Documents to which it is a party and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement and the Company Ancillary Documents to which such Member is party have been duly executed and delivered by such Member and assuming due authorization, execution and delivery hereof and thereof by the other Parties hereto and thereto, constitute the valid and binding agreements of such Member, enforceable against such Member in accordance with their terms, except as such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar Laws affecting or relating to enforcement of creditors' rights generally, and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

Section 5.2 Absence of Restrictions and Conflicts.

(a) The execution and delivery by such Member of this Agreement and the Company Ancillary Documents to which it is a party does not, and the performance of its obligations hereunder and thereunder will not, (a) conflict with or violate any Law applicable to such Member, or by which any property or asset of such Member, is bound, or (b) violate or conflict with, constitute a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any party the right to terminate, modify or cancel, (i) any material Contract, will, permit, franchise, license or other instrument that such Member is a party to or a beneficiary of, (ii) any Order of any Governmental Entity to which such Member is a party or by which any of its assets or properties are bound or (c) any arbitration award to which such Member is or could be entitled.

(b) Except as set forth in Section 4.5(b) of the Company Disclosure Schedule, the execution and delivery by such Member of this Agreement and the Company Ancillary Documents to which it is a party does not, and the performance of its obligations hereunder and thereunder will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity.

Section 5.3 Ownership of Equity.

(a) Such Member has good and valid title to and beneficial ownership of the Units set forth next to such Member's name on Section 4.3(b) of the Company Disclosure Schedule, free and clear of all Liens.

(b) Other than the Units set forth next to such Member's name on Section 4.3(b) of the Company Disclosure Schedule, such Member owns no equity security of the Company or any of its Subsidiaries, or any warrant, purchase right, subscription right, conversion right, exchange right or other right to compel any such equity security to be issued.

Section 5.4 Amounts Owed to Members. Except for amounts owed in connection with the Acquisition, specifically contemplated by this Agreement or owed in the Ordinary Course, the Company and its Subsidiaries do not owe and are not obligated to pay such Member any amount, and such Member has no claim of any kind against the Company or any of its Subsidiaries or any representative thereof.

## **ARTICLE VI REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser hereby makes the representations and warranties contained in this Article VI to the Company and the Members.

Section 6.1 Organization. The Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite limited liability company power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Purchaser is duly qualified to transact business as a foreign entity and is in good standing in each other jurisdiction in which the ownership or leasing of its properties or assets or the conduct of its business requires such qualification, except where the failure to so qualify or to be in good standing would not result in, or reasonably be expected to result in, a Purchaser Material Adverse Effect.

Section 6.2 Authorization. The Purchaser has all necessary limited liability company power and authority to execute and deliver this Agreement and each Purchaser Ancillary Document, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Purchaser Ancillary Document by the Purchaser, the performance by it of its obligations hereunder and thereunder, and the consummation of the transactions provided for herein and therein have been duly and validly authorized by all necessary limited liability company action on the part of the Purchaser. This Agreement has been, and each Purchaser Ancillary Document has been or will be, duly executed and delivered by the Purchaser and constitutes, or will upon execution and delivery constitute, the valid and binding agreement of the Purchaser enforceable against it in accordance with its terms, except as such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar Laws affecting or relating to enforcement of creditors' rights generally, and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

### Section 6.3 Absence of Restrictions and Conflicts.

(a) The execution and delivery of this Agreement and the Purchaser Ancillary Documents does not or will not, and the performance of its obligations hereunder and



thereunder will not, (i) conflict with or violate the certificate of formation or operating agreement of the Purchaser, (ii) assuming that all consents, approvals, authorizations and other actions described in Section 6.3(b), if any, have been obtained and all filings and obligations described in Section 6.3(b), if any, have been made, conflict with or violate any Law applicable to the Purchaser (with or without notice or lapse of time or both), or by which any of its properties or assets is bound, or (iii) require any consent or result in any violation or breach of, or constitute a default or give to others any rights of termination, amendment, acceleration or cancellation, under, or result in the triggering of any payments or result in the creation of a Lien or other encumbrance on any of its properties or assets pursuant to, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, Contract, lease, License, permit, franchise or other instrument or obligation to which the Purchaser is a party or by which it or any of its properties or assets is bound.

(b) The execution and delivery by the Purchaser of this Agreement and the Purchaser Ancillary Documents does not, and the performance of its obligations hereunder and thereunder will not, require any consent, approval, authorization or permit of, or filing with, or notification to, any Governmental Entity.

Section 6.4 Financing. The Purchaser has, as of the date hereof, sufficient funds or financing commitments to make the payments required by it under Article III, to pay all fees and expenses to be paid by the Purchaser in connection with the transactions contemplated by this Agreement and to satisfy all other payment obligations of the Purchaser that may arise in connection with, or may be required in order to consummate, the transactions contemplated by this Agreement.

## ARTICLE VII CERTAIN COVENANTS AND AGREEMENTS

Section 7.1 Conduct of Business. Except (1) as contemplated by this Agreement or the transactions contemplated hereby, (2) as set forth on Section 7.1 of the Company Disclosure Schedule, (3) as consented to in writing by the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed) and/or (4) pursuant to, and in accordance with, the Services Agreement of even date herewith between the Company and Renal Advantage Inc., during the period from the date hereof until the Closing, the Company shall, the Members shall cause the Company, and the Company shall cause each of its Subsidiaries, to:

(a) use commercially reasonable efforts to (i) carry on its business in the Ordinary Course and maintain and preserve intact its present business organization and (ii) conduct its operations in compliance with applicable Laws;

(b) not amend the organizational documents or agreements of the Company or any of its Subsidiaries;

- (c) not merge or consolidate with, or agree to merge or consolidate with, or purchase substantially all of the assets of, or otherwise acquire any business or any corporation, partnership, association or other business organization or division thereof;
- (d) not repurchase, redeem or otherwise acquire any of the Units, membership interests, limited liability company interests or other equity interests or equity securities of the Company or any of its Subsidiaries;
- (e) not issue, sell, pledge, dispose of any of its equity or other securities (including any of the Units), warrants or other similar rights, agreements or commitments of any kind to purchase any such securities convertible into or exchangeable for any such equity or other securities;
- (f) not split, combine or reclassify any of the Company's equity or other securities (including any of the Units) or set aside or pay any dividend or other distribution payable in stock, property or otherwise with respect to its equity or other securities (including any of the Units) except for distributions made by Subsidiaries of the Company to such Subsidiaries' members or equity owners in the Ordinary Course and in accordance with the terms of such Subsidiaries' organizational documents or other similar written agreements among the equity owners or members of such Subsidiaries provided to or made available to the Purchaser prior to the date hereof;
- (g) not issue or sell any debt securities or incur any Indebtedness other than intercompany Indebtedness in the Ordinary Course and up to \$500,000 of Indebtedness pursuant to the credit facility or other arrangement entered into between the Company and Renal Advantage Inc. as in effect on the date hereof;
- (h) not sell, transfer, assign, license, convey, mortgage, pledge or otherwise subject to any Lien on any of its properties or assets, tangible or intangible, except for Permitted Liens or Liens incurred in the Ordinary Course;
- (i) not enter into any transaction with any Affiliate of the Company or its Subsidiaries other than on an arms' length basis and as otherwise contemplated by this Agreement;
- (j) not waive any rights of material value or take any actions with respect to collection practices that would result in any material losses or material adverse changes in collection loss experience;
- (k) not make charitable contributions or pledges;
- (l) not make, accelerate or defer any capital expenditures, other than in the Ordinary Course (which includes capital expenditures in accordance with the Company's capital expenditure budget), and any such other expenditures as are necessary to prevent any destruction, removal, wasting, deterioration or impairment of its assets;
- (m) not conclude or agree to any corrective action plans with any Governmental Entity except those which (a) occur in the Ordinary Course (it being

understood by the Parties that the Company and its Subsidiaries and the Dialysis Centers do so conclude or agree to such corrective action plans from time to time in the Ordinary Course), (b) the Purchaser is notified of in advance; and (c) do not involve one or more condition-level deficiencies which, individually or in the aggregate, would have a Company Material Adverse Effect;

(n) not change its financial accounting methods, practices, policies or principles or elections, other than any such changes as may be required under GAAP, other generally accepted accounting principles of the applicable jurisdiction or other applicable Law;

(o) not cancel or terminate any insurance policies or cause any of the coverage thereby to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies providing, to the extent reasonably available, coverage equivalent to the coverage under the canceled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(p) other than in the Ordinary Course, not terminate, cancel, enter into, or modify, any material Contract or License;

(q) not terminate, cancel, enter into, or modify (i) any Contract with any vendor or supplier to the Company or any of its Subsidiaries from whom the Company and/or its Subsidiaries (on a consolidated basis) are, or would be, required to purchase on an annual basis at least \$5,000 of goods or services if any such Contract cannot be terminated by the Company or any Subsidiary upon thirty (30) days or less notice at any time without penalty, refund or payment of consideration, or (ii) any Commercial Payor Contract from which the Company and/or its Subsidiaries (on a consolidated basis) receive or would reasonably be expected to receive annual revenues in excess of \$5,000;

(r) not pay (or commit to pay) any bonus or other incentive compensation, nor grant (or commit to grant) any other increase in compensation, base salary or wage increases, severance or termination pay, or material increase in benefits to any officer, director, employee or independent contractor (including any medical director) of the Company or any of its Subsidiaries;

(s) not enter into, adopt or amend (other than any amendment necessary to comply with any applicable Law (including, without limitation, any applicable Tax Law)) any employment, retention, change in control, collective bargaining, deferred compensation, retirement, bonus, profit-sharing, stock option or other equity, or material bonus or welfare plan, contract or other arrangement with an independent contractor or agreement maintained for the benefit of any director, partner, officer, or other employee, or take any action to accelerate the vesting or payment, or fund or in any other way secure the payment, of compensation or benefits under any employee benefit plan or other arrangement, to the extent not already provided in any such plan or arrangement, or change any actuarial or other assumptions used to calculate funding obligations with respect to any Employee Benefit Plan or other arrangement or to change the manner in which contributions to such plans are made or the basis on which such contributions are

determined, except as may be required by GAAP, or forgive any loans to directors, officers or any employee or independent contractor;

(t) other than in the Ordinary Course, enter into any Contract granting any Person (other than the Company or any of its Subsidiaries) the right to determine the type of supplies or equipment used at a Dialysis Center, including, but not limited to dialysis machines or dialyzer types; and

(u) not agree or commit to do any of the foregoing referred to in clauses (a) – (t).

Section 7.2 Access and Information. Between the date hereof and the Closing, subject to compliance with applicable Law (including compliance with restrictions under the Confidentiality Agreements and any other binding non-disclosure or confidentiality agreement) and except as could reasonably be expected to result in disclosure of information or materials protected by attorney client, attorney work product or other legally recognized privileges or immunity from disclosure (provided, however, that the Company shall use its commercially reasonable efforts to allow for access or disclosure in a manner that does not result in a breach of any such agreement or a loss of attorney-client privilege or other immunity from disclosure, including by the provision of appropriate substitute disclosure arrangements), the Company shall, and shall cause its officers, directors, employees, counsel, accountants, representatives and other agents (collectively, "Agents") to, upon reasonable advance notice from the Purchaser and subject to reasonable coordination between Purchaser and the Company as to the timing and nature of such access, provide the Purchaser and its Agents reasonable access, during normal business hours, without interfering with the operation of the business of the Company or its Subsidiaries, to its premises, employees (including executive officers), properties (including, for the purposes of conducting environmental assessments), contracts, books, records and other information (including Tax Returns filed, if any, and those in preparation) of the Company and its Subsidiaries and shall cause the Company's and its Subsidiaries' officers to furnish to the Purchaser and its Agents, such financial, business, technical and operating data and other information pertaining to the Company and its Subsidiaries as Purchaser may reasonably request, subject to compliance with applicable Law.

Section 7.3 Notices of Certain Events. From the date hereof to the Closing Date, (i) the Members shall, and shall cause the Company to, promptly notify the Purchaser of and (ii) the Purchaser shall promptly notify the Member Representative of:

(a) any failure to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it hereunder;

(b) any written notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated hereby and which is material to the transactions contemplated hereby;

(c) any written notice or other communication from any Governmental Entity that is material and in connection with the transactions contemplated hereby;

(d) the entry into or modification of any Commercial Payor Contract or any Contract with any Vendor; and

(e) the formation of any Subsidiary or joint venture relationship not in existence on the date hereof and the entry into or modification of any Contract with any minority owners of any new or existing Subsidiary or joint venture.

Section 7.4 Exclusivity. Immediately after the execution of this Agreement by the parties, the Company, its Subsidiaries and each of the Members shall, and shall cause their respective Affiliates and their and their respective Affiliates' Agents to cease and terminate any existing activities, discussions or negotiations with any parties conducted heretofore with respect to, and not to initiate, solicit or encourage (including by way of furnishing non-public information or assistance), or enter into negotiations or discussions of any type, directly or indirectly, or enter into a confidentiality agreement, letter of intent or purchase agreement, merger agreement or other similar agreement with any Person other than the Purchaser with respect to a sale of all or any material portion of the assets of the Company or any of its Subsidiaries, or a merger, consolidation, business combination, sale of all or any portion of the capital stock of the Company or any of its Subsidiaries, or the liquidation or similar extraordinary transaction with respect to the Company or any of its Subsidiaries. The Company shall notify the Purchaser orally (within forty-eight (48) hours) and in writing (as promptly as practicable) of all relevant terms of any written proposal by a third party to do any of the foregoing that the Company, its Subsidiaries, the Members or to the Knowledge of the Company, any of their respective Affiliates or Agents receive relating to any of such matters.

Section 7.5 Further Assurances; Cooperation. Subject to the other provisions hereof, each Party agrees to take, or cause to be taken, all actions, and to do, or cause to be done as promptly as practicable, all things reasonably necessary or reasonably requested to consummate and make effective the transactions contemplated by this Agreement. Without limiting the foregoing, the Parties shall, at any time after the Closing, execute, acknowledge and deliver any further deeds, assignments, conveyances, and other assurances, documents and instruments of transfer, as reasonably requested by the other Party or Parties hereto, and will take, or cause to be taken, any other action consistent with the terms of this Agreement that may reasonably be requested by the other Parties, for the purpose of assigning, transferring, granting, conveying, and confirming to the Purchaser, or reducing to possession, any or all interests to be conveyed and transferred by this Agreement. In furtherance of the foregoing, the Purchaser and the Member Representative shall reasonably agree upon the Escrow Agreement, and shall cause the Escrow Agent to reasonably agree to the Escrow Agreement, as promptly as practicable after the date hereof.

Section 7.6 Public Announcements. Subject to their respective legal obligations, prior to the Closing, the Company and the Purchaser shall consult with each other with respect to the timing and content of any announcement or other comment or disclosure regarding this Agreement or the transactions contemplated hereby to its respective employees, suppliers, customers or competitors, or to the financial community or the general public; provided, however, that this Section 7.6 shall not restrict or limit any disclosure by (i) the Purchaser, the Company or the Members to (x) their respective limited partners, affiliated investment funds, the investors in such investment funds, or their Affiliates or (y) Governmental Entities in connection

with obtaining any consent, approval, authorization or permit as described in Section 4.5(b), (ii) the Purchaser, to the Purchaser's senior management, (iii) the Company, to the Company's senior management, lenders or Special Affiliates, regarding this Agreement and the transactions contemplated hereby to the extent the Purchaser, the Company or the Member Representative, as applicable, reasonably determines in good faith that such announcement or disclosure is necessary or advisable.

#### Section 7.7 Tax Matters.

(a) Pre-Closing Tax Returns; Straddle Period Tax Returns. The Purchaser shall, at the Purchaser's expense, prepare and file, or cause to be prepared and filed, any Tax Returns required to be filed by the Company or its Subsidiaries for any taxable periods (x) which end on or before the Closing Date (such taxable periods, "Pre-Closing Periods" and such Tax Returns, "Pre-Closing Period Tax Returns"), and (y) which include (but do not end on) the Closing Date (such taxable periods, "Straddle Periods" and such Tax Returns, "Straddle Period Tax Returns"). The Purchaser shall pay, or cause to be paid, all Taxes with respect to any Pre-Closing Tax Returns and any Straddle Period Tax Returns to the extent that the Company or any Subsidiary is itself liable for such Taxes, subject to the Members' obligation to reimburse the Purchaser for any such Taxes with respect to any Pre-Closing Period or the portion of any Straddle Period ending on the Closing Date, as determined in accordance with Section 7.7(b), net of any Tax liabilities that are accrued for as a reduction to Closing Date Working Capital. To the extent required under applicable Tax law, items of income or loss with respect to any Pre-Closing Periods or any portion of any Straddle Period ending on the Closing Date shall be allocated to the Members in accordance with their membership interests in the Company (with respect to each Member, the "Member Income Allocation"). Such Pre-Closing Period Tax Returns and Straddle Period Tax Returns shall be prepared on a basis consistent with the Tax Returns previously filed by the Company and its Subsidiaries, unless otherwise provided by applicable Tax Law. The Purchaser shall provide a copy of each Pre-Closing Period Tax Return and Straddle Period Tax Return together with copies of any relevant supporting schedules, work papers and other documentation that are reasonably requested by the Member Representative, and a sufficiently detailed statement certifying the amount of any Taxes of a Pre-Closing Period or of a Straddle Period attributable to the portion of the Straddle Period ending on the Closing Date (in each such case, the "Pre-Closing Taxes") shown on such Pre-Closing Period Tax Returns or Straddle Period Tax Returns, if any, that may be chargeable to the Members (the "Tax Statement") to the Member Representative for review and comment at least fifteen (15) days before such Pre-Closing Period Tax Return or Straddle Period Tax Return is filed (taking into account any valid extensions) and shall consider in good faith any comments provided by the Member Representative. The Purchaser and the Member Representative agree to consult and resolve in good faith any objections from the Member Representative with respect to the Pre-Closing Period Tax Returns, Straddle Period Tax Returns or Pre-Closing Taxes. However, if the Purchaser and the Member Representative cannot resolve any such objections, the matter shall be referred to the Arbitrator for prompt resolution. The Purchaser shall, at the Purchaser's expense, prepare and file all Tax Returns required to be filed by the Company or its Subsidiaries for all taxable periods beginning on or after the Closing

Date ("Post-Closing Period Tax Returns"). The Purchaser shall pay, or cause to be paid, all Taxes with respect to Post-Closing Period Tax Returns.

(b) Calculation of Taxes for Straddle Period Tax Returns. Pre-Closing Taxes for Straddle Period Tax Returns shall be calculated as though the taxable period of the Company and its Subsidiaries terminated as of the Closing Date; provided, however, that in the case of a Tax not based on income, receipts, proceeds, profits or similar items, Pre-Closing Taxes shall be equal to the amount of Tax for the entire Straddle Period, multiplied by a fraction the numerator of which is the total number of days from the beginning of the Straddle Period through the Closing Date and the denominator of which is the total number of days in the Straddle Period. All Straddle Period Tax Returns shall be prepared, and all determinations necessary to give effect to the foregoing allocations shall be made, in a manner consistent with prior practice of the Company and its Subsidiaries.

(c) Amendments, Modifications, Refunds, etc.

(i) After the Closing Date, the Purchaser or any Affiliate shall not amend, modify or otherwise change (a "Tax Amendment") any Pre-Closing Period Tax Returns or any Straddle Period Tax Returns of the Company or its Subsidiaries.

(ii) To the extent any determination of Tax Liability of the Company, whether as the result of an audit or examination, a claim for refund, the filing of an amended return or otherwise, in each case, only to the extent such audit, claim, or refund commenced on or prior to the Escrow Release Date (or, in the case of an action resulting from a request of the Member Representative, to the extent such request was submitted prior to the Escrow Release Date) results in any refund of Taxes ("Tax Refunds") attributable to any period which ends on or before the Closing Date or any portion thereof, any such Tax Refund shall be credited to the Members, and Purchaser shall promptly pay any such Tax Refunds and the interest actually received thereon (net of any Taxes payable with respect to such Tax Refunds or interest taking into account the deductibility, if any, of such Taxes payable) to the Members upon receipt thereof by Purchaser. Until the Escrow Release Date, upon the Member Representative's reasonable determination of the availability of a Tax Refund attributable to any period (or portion thereof) which ends on or before the Closing Date, the Member Representative may request that the Purchaser, the Company or any of its affiliates file or claim a Tax Refund or file an amended Tax Return and conduct the prosecution of such claims of Tax Refund in good faith. The Purchaser shall comply with the Members Representative's request to seek a Tax Refund or file an amended Tax Return unless compliance with such request would result in a material adverse impact to the Purchaser, the Company or any of its Subsidiaries. The Members shall reimburse the Purchaser, the Company or any of its Subsidiaries for reasonable out-of-pocket costs associated with any claim for Tax Refund or any amended Tax Return filed at the request of Members.

(d) Cooperation. The Members, the Member Representative, the Company and its Subsidiaries and the Purchaser shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the preparation and filing of Tax Returns pursuant to this Section 7.7, any Tax Proceeding (as defined below) and the review of any current or potential Tax Refund. Such cooperation shall include signing any Tax Returns, amended Tax Returns, claims or other documents necessary to settle any Tax Proceeding, the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such Tax Proceeding or any Tax Refund and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereby.

(e) Tax Proceedings.

(i) This Section 7.7(e) and not Section 9.3 shall govern with respect to Tax Proceedings (as defined below). After the Closing, the Purchaser shall promptly notify the Member Representative in writing of the proposed assessment or the commencement of any Tax audit or administrative or judicial proceeding or of any demand or claim on the Purchaser or the Company or its Subsidiaries ("Tax Proceeding") which, if determined adversely to the taxpayer or after the lapse of time, could result in an indemnification obligation to Members under this Agreement. After the Closing, the Member Representative shall promptly notify the Purchaser in writing of any Tax Proceeding relating to the Company or its Subsidiaries, notice of which is received by the Members or the Member Representative. Notices required to be given by or to the Purchaser or the Member Representative shall contain factual information (to the extent known to the Members, the Member Representative, the Purchaser or the Company or its Subsidiaries, as the case may be) describing the asserted Tax Liability in reasonable detail and shall include copies of any notice or other document received from any Governmental Entity in respect of any such asserted Tax Liability.

(ii) In the case of a Tax Proceeding that does not challenge the intended Tax treatment of the Company and its Subsidiaries prior to the Closing and that relates solely to any Pre-Closing Period, the Member Representative or the Members, as the case may be, shall have the right to direct and control the conduct of such Tax Proceeding, provided the Purchaser shall have the right to participate (at the Purchaser's own expense) in any such Tax Proceeding. In the case of any other Tax Proceeding that relates solely to any Pre-Closing Period, but excluding any Straddle Periods, the Member Representative shall have the right to direct and control the conduct of such Tax Proceeding, provided the Purchaser shall have the right to participate (at the Purchaser's own expense) in any such Tax Proceeding. The Purchaser's right to participate under this paragraph shall include, but shall not be limited to, the right to receive copies of all correspondence from any Governmental Entity relating to such Tax Proceeding, attend meetings and review and comment on submissions relating to any Tax Proceeding, and the Members or the Member Representative, as the case may be, shall consider in good faith any comments provided by the Purchaser. The Member Representative may, on behalf of the Members, elect to waive the Member Representative's right under this Section 7.7(e) to direct and control any Pre-Closing Period Tax Proceeding. Unless the Member Representative notifies the Purchaser of its



intent to direct and control any such Pre-Closing Period Tax Proceeding within fifteen (15) days of receipt of the notice of any such Tax Proceeding, the Member Representative shall be deemed to have waived its right to direct and control such Pre-Closing Period Tax Proceeding. In the event that the Member Representative waives its right to direct and control such Pre-Closing Period Tax Proceeding, Purchaser shall assume control of such Tax Proceeding and the Member Representative shall be liable to the Purchaser for all costs and expenses of such Tax Proceeding. Upon such a waiver, the Member Representative shall have the right to participate (at the Member Representative's own expense) in any such Tax Proceeding. The Member Representative's right to participate shall include, but shall not be limited to, the right to receive copies of all correspondence from any Governmental Entity relating to such Tax Proceeding, attend meetings and review and comment on submissions relating to any Tax Proceeding, and the Purchaser shall consider in good faith any comments provided by the Member Representative; provided, however, that neither the Purchaser nor the Company or its Subsidiaries may settle or compromise any Tax Proceeding for any Pre-Closing Period that may result in an indemnification obligation of the Members for Taxes under this Agreement without prior written consent of the Member Representative; provided further, however, that such consent to settlement or compromise shall not be unreasonably withheld.

(iii) In the case of a Tax Proceeding that relates to any Straddle Periods, the Purchaser shall have the right to control the conduct of such Tax Proceeding, provided the Member Representative shall have the right to participate (at the Member Representative's own expense) in any such Tax Proceeding involving any asserted Tax Liability for such Straddle Period with respect to which payment may be sought from the Members pursuant to this Agreement. The Member Representative's right to participate shall include, but shall not be limited to, the right to receive copies of all correspondence from any Governmental Entity relating to such Tax Proceeding, attend meetings and review and comment on submissions relating to any Tax Proceeding, and the Purchaser shall consider in good faith any comments provided by Member Representative. Neither the Purchaser nor the Company or its Subsidiaries may settle or compromise any Tax Proceeding for any Straddle Period that would result in an indemnification obligation of the Members for Taxes under this Agreement without prior written consent of the Member Representative; provided, however, that consent to settlement or compromise shall not be unreasonably withheld or delayed.

(f) Transfer Taxes. Any sales, use, real estate transfer, stock transfer or similar transfer Tax ("Transfer Taxes") payable in connection with the transactions contemplated by this Agreement shall be equally borne, on a 50:50, basis by the Members, on the one hand, and by the Purchaser on the other hand. The Purchaser shall duly and timely prepare and file any Tax Return relating to Transfer Taxes that the Purchaser is required or permitted by Law to file and shall provide any other Tax Return relating to Transfer Taxes to the appropriate party for filing. The Purchaser shall give the Member Representative a copy of each such Tax Return relating to Transfer Taxes for the Member Representative review and comments at least fifteen (15) days prior to filing thereof and the parties shall cooperate in good faith to resolve any disputes in connection with the filing of such Tax Returns. The Purchaser shall give the Member

Representative a copy of any such Tax Return as filed, together with proof of payment of the Transfer Taxes shown thereon to be payable.

(g) Actions With Respect to Taxes. Without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld or delayed, the Company and its Subsidiaries shall not make or change any Tax election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment (other than pursuant to extensions of time to file Tax Returns obtained in the Ordinary Course), or take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax liability of the Company or its Subsidiaries for any Straddle Period or any period commencing on or after the Closing Date or decreasing any Tax attribute of the Company or its Subsidiaries that would exist on the Closing Date.

(h) Tax Sharing Agreements. All tax sharing agreements or similar agreements with respect to or involving the Company or its Subsidiaries, except for such agreements and arrangements solely with respect to or involving the Company and or its Subsidiaries, shall be terminated as of the Closing Date and, after the Closing Date, no such party shall be bound thereby or have any Liability thereunder.

(i) Allocation of Purchase Price. Purchaser and the Member Representative shall cooperate in good faith in determining an allocation of the total consideration (including the Purchase Price and the assumption of any liabilities) with respect to the Company and its Subsidiaries for federal income tax purposes (the "Allocation"), and such allocation will be made in accordance with Section 1060 of the Code and applicable Treasury regulations. The parties agree that except as otherwise required by law, all relevant Tax Returns shall be filed in a manner consistent with the Allocation, and that they will file all required Treasury forms with respect to the Allocation.

(j) Information to Members; Tax Distributions to Members.

(i) With respect to any Taxes relating to any period, or a portion thereof, ending on or before the Closing Date for which the Members (rather than the Company or any Subsidiary) are liable under applicable Tax law, the Purchaser shall or shall cause the Company to, timely furnish to each Member appropriate information for their Tax Returns. The Purchaser shall use reasonable efforts to provide the Member Representative with such information as the Member Representative may reasonably request from time to time as is necessary to complete any Tax Returns by Members.

(ii) Notwithstanding anything to the contrary in this Agreement, until the Closing Date, each Member shall receive a cash distribution from the Company immediately following the end of each fiscal quarter equal to the

product of (i) the applicable Member Income Allocation for such period and (ii) the highest effective marginal statutory combined U.S. federal, state and local income tax rate prescribed for an individual or a corporation (as the case may be) residing in New York, New York (taking into account (x) the deductibility of state and local income taxes for U.S. federal income tax purposes and (y) the character of the applicable income); provided, that the aggregate amount of income considered allocated for these purposes to a Member for a period shall not exceed the excess of the aggregate amount of income allocated to such Member over the aggregate amount of losses (of the same character) allocated to such Member.

Section 7.8 Confidentiality. The Purchaser agrees to be bound by and comply with the terms of the Confidentiality Agreements, which are hereby incorporated into this Agreement by reference and shall continue in full force and effect, such that the information obtained by any party to this Agreement, or its officers, employees, agents or representatives, during any investigation conducted pursuant to Section 7.2 (Access and Information) or in connection with the negotiation and execution of this Agreement or the consummation of the transactions contemplated by this Agreement, or otherwise, shall be governed by the terms of the Confidentiality Agreements.

Section 7.9 Illinois CON Approval. As promptly as practicable following the date hereof, the Parties shall file the application required by the Illinois Health Facilities and Service Review Board (the "Illinois Board") for approval of a certificate of need ("CON") with respect to the change of ownership of the Illinois facilities currently owned and operated by the Illinois Subsidiaries. Each of the Purchaser, on the one hand, and the Company and the Members, on the other hand, shall use their reasonable best efforts to (i) respond to and comply with any requests for information from the Illinois Board, and (ii) obtain all required approvals from the Illinois Board, in each case, as promptly as practicable. If at any time after the date hereof, the Illinois Board and its agents or representatives issue any requirements, statements or interpretations pertaining to state-issued certificates of need that conflict with or have or would reasonably be expected to have an adverse effect on, the ability of the Parties to consummate the agreements set forth in this Agreement, the Parties shall use their reasonable best efforts to obtain a clarification or revised statement or interpretation from the Illinois Board that would permit such transactions.

## ARTICLE VIII CLOSING

Section 8.1 Closing. The Closing of the Acquisition will take place at the offices of Hogan Lovells US LLP located at 1200 Seventeenth Street, Suite 1500, Denver, Colorado 80202, on the second Business Day following the receipt of Illinois Board approval as required pursuant to Section 8.4, or at such time and on such date thereafter as the Purchaser and the Member Representative may mutually determine.

Section 8.2 Company Closing Deliveries. At the Closing, the Company, the Member Representative and the Members, shall deliver, or cause to be delivered, to the Purchaser and the Escrow Agent, as applicable, the following documents:

(a) One or more Assignments of Units in form and substance reasonably satisfactory to the Purchaser duly executed by each of the Members and effectively transferring all of the Units to the Purchaser;

(b) resignations of the executive officers and directors of the Company and each of its Subsidiaries, except for resignations of any such executive officers and directors in respect of whom the Purchaser notifies the Member Representative, at least five (5) days prior to Closing, that no such resignation is required;

(c) the Escrow Agreement duly executed by the Member Representative;

(d) the Closing Statement;

(e) with respect to each Member, a duly executed certification meeting the requirements of Treasury Regulation Section 1.1445-2(b)(2) to the effect that such Member is not a foreign person; it being understood for the avoidance of doubt that, in the event that such a certification is not delivered with respect to any Member, the Purchaser and the Escrow Agent, as applicable, shall be entitled to withhold any amount required to be withheld under applicable Tax Law from the Aggregate Closing Consideration to which such Member would otherwise be entitled; provided that, any such withholding shall be deemed to satisfy this closing delivery with respect to the affected Member;

(f) a certificate of the Secretary of the Company, dated as of the Closing Date, certifying that attached thereto are accurate and complete (i) copies of the Company's certificate of formation, certified as of a recent date by the Secretary of State of the State of Delaware, and the Company's operating agreement; (ii) incumbency certificates of the officers of the Company who are signatories to this Agreement and any Company Ancillary Documents; (iii) evidence of the Company's approval and authorization of the execution, delivery and performance of this Agreement and the Company Ancillary Documents and the transactions contemplated hereby and thereby; and (iv) a good standing certificate as of a recent date (a) by the Secretary of State of the State of Delaware that the Company and each Subsidiary of the Company is in good standing and (b) by the Secretary of State of the State of Illinois that each Subsidiary of the Company is qualified to do business in the State of Illinois;

(g) payoff letters from each lender owed any Closing Date Indebtedness and such other documents as the Purchaser may reasonably require to evidence the repayment in full of all Closing Date Indebtedness and the termination and release in full of all Liens relating to such Closing Date Indebtedness; and

(h) all other documents required to be entered into by the Company, any of its Subsidiaries, or any of the Members pursuant to this Agreement or as may be reasonably requested by the Purchaser.

Section 8.3 Purchaser Closing Deliveries. At the Closing, the Purchaser shall deliver, or cause to be delivered, to the Company, the Member Representative, or the Escrow Agent, as applicable:

(a) the Consideration Paid at Closing;

- (b) the amounts required to be paid at Closing pursuant to Section 3.5 of this Agreement and delivered in accordance therewith;
- (c) the Escrow Amount paid and delivered in accordance with Section 3.3 and Section 3.5 of this Agreement;
- (d) the Escrow Agreement, duly executed by the Purchaser; and
- (e) all other documents required to be entered into by the Purchaser pursuant to this Agreement or as may be reasonably requested by the Member Representative.

Section 8.4 Approval by Illinois Board. The respective obligations of each Party to consummate the transactions contemplated by this Agreement are subject to the Illinois Board's prior approval of a CON with respect to the change of ownership of the Illinois facilities currently owned and operated by the Illinois Subsidiaries.

Section 8.5 Frustration of Closing Conditions. Neither the Company, the Members nor the Purchaser may rely on the failure of any condition set forth in this Article VIII to be satisfied if such failure was caused by such Party's breach of any provision of this Agreement or failure to use its reasonable best efforts (or such efforts as otherwise expressly required by this Agreement) to consummate the Acquisition and the other transactions contemplated hereby.

## ARTICLE IX INDEMNIFICATION; REMEDIES

Section 9.1 Indemnification of the Purchaser Indemnified Parties. Subject to the other provisions of this Article IX, from and after the Closing, the Members shall indemnify, reimburse, defend and hold harmless the Purchaser Indemnified Parties from and against any and all damages incurred, resulting or arising from:

- (a) any breach or inaccuracy of the Fundamental Representations and Warranties made by the Company or any Member, except for any breach or inaccuracy of Sections 4.3 and 5.3;
- (b) any Fraud Based Purchaser Claims and any breach or inaccuracy of the representations set forth in Sections 4.3 and 5.3;
- (c) any breach by the Company or the Members of any covenant set forth in Section 7.1 or any other covenant or agreement set forth in Section 7.6 and Articles IX and X of this Agreement required to be performed by the Company or the Members;
- (d) any Transaction Expenses, but only to the extent such amounts are in excess of the Transaction Expenses that Purchaser agreed to pay on the Closing Date pursuant to Section 3.5(a);

(e) any Liability for (i) any Taxes imposed on the Members, the Company or any of its Subsidiaries with respect to any Pre-Closing Tax Period and the portion of any Straddle Period through the end of the Closing Date, (ii) any Taxes of the Members, the Company or any of its Subsidiaries arising (directly or indirectly) as a result of the transactions contemplated by this Agreement; (iii) all Taxes of any member of an affiliated, consolidated combined or unitary group of which the Company or any of its Subsidiaries (or any predecessor of the Company or any of its Subsidiaries) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation Section 1.1502-6 or any analogous or similar state, local or foreign Law or regulation, (iv) any and all Taxes of any Person (other than the Company or its Subsidiaries) imposed on the Company or any of its Subsidiaries as a transferee, successor, by Contract or pursuant to any Law, rule or regulation, which Taxes relate to an event or transaction occurring before the Closing Date, (v) the Transfer Taxes for which the Members are liable pursuant to Section 7.7 hereof, and (vi) any Taxes and other costs resulting from a failure on the part of the Company, its Subsidiaries or the Members to take any action required of the Company, its Subsidiaries or the Members pursuant to Section 7.7 hereof; and

(f) any claim relating to the inaccuracy of any allocation of consideration or other matter set forth on the Closing Statement.

The damages of the Purchaser Indemnified Parties described in this Section 9.1 as to which the Purchaser Indemnified Parties are entitled to indemnification are collectively referred to as "Purchaser Losses".

Section 9.2 Indemnification of the Member Indemnified Parties. Subject to the other provisions of this Article IX, the Purchaser shall indemnify, defend and hold harmless the Member Indemnified Parties from and against any and all direct or indirect damages incurred, resulting or arising from:

- (a) any breach of any representation or warranty made by the Purchaser in this Agreement;
- (b) any Fraud Based Member Claims; and
- (c) any breach of any covenant, agreement or undertaking made by the Purchaser in this Agreement.

The damages of the Member Indemnified Parties described in this Section 9.2 as to which the Member Indemnified Parties are entitled to indemnification are collectively referred to as "Member Losses".

Section 9.3 Indemnification Procedure. A party making a claim for indemnification under Section 9.1 or Section 9.2 shall be, for the purposes of this Agreement referred to as an "Indemnified Party" and a party against whom such claims are asserted under Section 9.1 or Section 9.2 shall be, for the purposes of this Agreement, referred to as an "Indemnifying Party." All claims by any Indemnified Party under Section 9.1 or Section 9.2 shall be asserted and resolved as follows:

(a) In the event that (i) any action, application, suit, demand, claim or legal, administrative, arbitration or other alternative dispute resolution proceeding, hearing or investigation (each, a "Proceeding") is asserted or instituted by any Person other than the Parties or their Affiliates which could give rise to damages for which an Indemnifying Party could be liable to an Indemnified Party under this Agreement (such Proceeding, a "Third Party Claim") or (ii) any Indemnified Party under this Agreement shall have a claim to be indemnified by any Indemnifying Party under this Agreement which does not involve a Third Party Claim (such claim, a "Direct Claim" and, together with Third Party Claims, "Indemnification Claims"), the Indemnified Party shall, promptly after it becomes aware of a Third Party Claim (and in any event, within thirty (30) days), or facts supporting a Direct Claim, send to the Indemnifying Party a written notice specifying the nature of such Proceeding giving rise to any such Third Party Claim or Direct Claim in reasonable detail in light of the facts then known to the Indemnified Party, and, if practicable in the Indemnified Party's reasonable judgment, the amount or estimated amount thereof (which amount or estimated amount shall not be conclusive of the final amount, if any, of such Proceeding) (a "Claim Notice"), together with copies of all notices and documents (including court papers) served on or received by the Indemnified Party in the case of a Third Party Claim, provided, however, that a delay (including a delay beyond the aforementioned thirty (30) day period) in notifying the Indemnifying Party (or delivering copies of the aforementioned notices and documents) shall not relieve the Indemnifying Party of its obligations under Section 9.1 or Section 9.2 except to the extent that (and only to the extent that) the Indemnifying Party shall have been materially prejudiced by the failure of the Indemnified Party to give such notice or deliver such documents or notices, in which case the Indemnifying Party shall be relieved of its obligations under Section 9.1 or Section 9.2 only to the extent of such material prejudice.

(b) In the event of a Third Party Claim, the Indemnifying Party shall have the right to defend against and direct the defense of such Third Party Claim, provided, however, that the Indemnifying Party shall have acknowledged in writing to the Indemnified Party its obligation to indemnify the Indemnified Party as provided hereunder. If the Indemnifying Party elects to defend against and direct the defense of any Third Party Claim, it shall within thirty (30) days (or sooner, if the nature of the Third Party Claim so requires) (the "Dispute Period") notify the Indemnified Party of its intent to do so; provided, however, that the Indemnifying Party must conduct its defense of the Third Party Claim actively and diligently thereafter in order to preserve its rights in this regard. If the Indemnifying Party does not elect within the Dispute Period to defend against and direct the defense of any Third Party Claim, fails to notify the Indemnified Party of its election during the Dispute Period, contests its obligation to indemnify the Indemnified Party for such damages under this Agreement or fails to actively and diligently conduct its defense of the Third Party Claim, the Indemnified Party may defend against and direct the defense of such Third Party Claim. If the Indemnifying Party elects to defend against and direct the defense of such Third Party Claim and appoint counsel in connection therewith, (i) the Indemnifying Party shall use its commercially reasonable efforts to defend and protect the interests of the Indemnified Party with respect to such Third Party Claim, (ii) the Indemnified Party may participate, at its own expense, in the defense of such Third Party Claim (though not as counsel of record) and (iii) the

Indemnified Party shall have the right to engage separate counsel in connection therewith, but such counsel shall appear as counsel of record for the Indemnified Party and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if, and only if, (x) in the reasonable opinion of counsel to the Indemnified Party, a conflict or potential conflict exists between the Indemnified Party and the Indemnifying Party that would make such separate representation advisable, (y) the Indemnifying Party requests that the Indemnified Party participate in such defense or (z) the Indemnifying Party shall not have engaged counsel within a reasonable time (but not more than thirty (30) days) after notice of the institution of such Third Party Claim. Except as provided in the preceding sentence, nothing in this Section 9.3 shall require the Indemnifying Party to be responsible for the fees and expenses of more than one law firm for one or more Indemnified Parties at any time in connection with the defense against a Third Party Claim. If reasonably requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in defending and contesting any Proceeding giving rise to the Third Party Claim which the Indemnifying Party defends. No Third Party Claim may be settled or compromised, or offered to be settled or compromised, or a default permitted or an entry of any judgment consented to (each, a "Settlement") (A) by the Indemnified Party without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed), or (B) by the Indemnifying Party without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed); provided that, in the case of a consent from an Indemnified Party, such consent shall not be required in the event such Settlement (1) includes a full release of the Indemnified Party and (2) involves only monetary damages that will be paid in full by the Indemnifying Party. Notwithstanding the foregoing, if a Third Party Claim seeks relief other than the payment of monetary damages or if any relief sought would result in the imposition of an Order that would materially restrict the future activity or conduct of the Indemnified Party or any of its Affiliates, then the Indemnified Party alone shall be entitled to contest, defend and resolve (subject, with respect to any Settlement, to obtaining the consent of the Indemnifying Party, such consent not to be unreasonably withheld or delayed) such Third Party Claim in the first instance and, if the Indemnified Party does not contest, defend and resolve such Third Party Claim, the Indemnifying Party shall then have the right to contest and defend (but not enter into a Settlement without the consent of the Indemnified Party, which consent may be withheld in the Indemnified Party's sole discretion) such Third Party Claim. In the event any Indemnified Party enters into a Settlement with respect to any Third Party Claim in violation of either of the two immediately preceding sentences, such Indemnified Party shall be deemed to have waived all rights against the Indemnifying Party for indemnification under this Section 9.3 with respect to such Third Party Claim.

(c) After any final decision, judgment or award shall have been rendered by a Governmental Entity or arbitrator of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a Settlement or arbitration shall have been consummated, or the Indemnified Party and the Indemnifying Party shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the Indemnified Party shall forward to the Indemnifying Party notice of any sums due and owing by the Indemnifying Party pursuant to this Agreement with respect to such matter and the



Indemnifying Party shall make prompt payment thereof by wire transfer in immediately available funds within five (5) Business Days after the date of such notice or, if required earlier, pursuant to the terms of the agreement reached with respect to the Indemnification Claim.

(d) In the event of a Direct Claim, the Indemnifying Party shall notify the Indemnified Party within thirty (30) days of receipt of a Claim Notice whether the Indemnifying Party disputes such Indemnification Claim. From and after the delivery of a Claim Notice under this Agreement, at the reasonable request of either Party, each Party shall grant the other and its Agents reasonable access to the books, records, Agents and properties of such Party to the extent reasonably related to the matters to which the Claim Notice relates. All such access shall be granted during normal business hours and shall be granted under conditions which will not unreasonably interfere with the business and operations of such Party. The Party requesting access will not, and shall use its reasonable best efforts to cause its Agents not to, use (except in connection with such Claim Notice) or disclose to any third person other than the Party's Agents (except as may be required by applicable Law) any information obtained pursuant to this Section 9.3(d) which is designated as confidential by the other Party. Notwithstanding the foregoing, neither Party shall have access to (i) any medical or other employee information that is contained in the personnel records of the other Party or its Affiliates and the disclosure of which would subject that Party or such Affiliate to risk of liability, (ii) any information which is subject of any attorney-client or other privilege or immunity from disclosure in favor of the other Party or its Affiliates or (iii) any information the disclosure of which would cause the other Party or any of its Affiliates to violate applicable Law.

(e) Notwithstanding the foregoing, any Tax Proceeding shall be governed by Section 7.7(e) and not by the provisions of this Section 9.3.

Section 9.4 Investigation; Survival; Claims Period.

(a) The rights of an Indemnified Party to indemnification or to assert or recover on any claim shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy of or compliance with, any of the representations, warranties, covenants or agreements set forth in this Agreement. The waiver of any condition based on the accuracy of any representation or warranty, or the performance or compliance with any covenant or agreement, shall not affect the right to indemnification or other remedy based on such representations, warranties, covenants or agreements.

(b) Except as expressly set forth in this Section 9.4(b), all representations and warranties set forth in Article IV, Article V and Article VI of this Agreement shall expire as of the Closing Date (and no indemnification claims may be brought under such representations and warranties at any time); provided, however, that the Claims Period for the Fundamental Representations and Warranties shall expire on the Escrow Release

Date (except with respect to the representations and warranties set forth in Sections 4.3 and 5.3).

(c) The Claims Period for any Fraud Based Purchaser Claims, Fraud Based Member Claims and the representations and warranties set forth in Sections 4.3 and 5.3 shall expire on the second anniversary of the Closing Date.

(d) Except as expressly set forth in this Section 9.4(d), all covenants or agreements made by the Parties in this Agreement shall expire as of the Closing Date (and no indemnification claims may be brought in connection with such covenants or agreements at any time); provided, however, that, (x) the Claims Period for any covenants or agreements made by the Parties under Sections 3.7, 7.1, 7.6, 7.9 and Articles IX and X in this Agreement shall expire on the Escrow Release Date, or such longer period as their performance is otherwise specifically provided for herein or required in connection with the exercise of rights that specifically survive for longer periods;

(e) The Claims Period for a claim for indemnification under Sections 9.1(d) and (f) shall expire on the second anniversary of the Closing Date.

(f) The Claims Period for a claim for indemnification under Section 9.1(e) (with respect to federal income Taxes) shall expire on the Escrow Release Date and the Claims Period for a claim for indemnification under Section 9.1(e) (other than with respect to federal income Taxes) shall expire ninety (90) days following the expiration of the longest applicable statute of limitations. The covenants under Section 7.7 shall survive coterminous with the Tax indemnity obligation with respect to which such covenants relate.

(g) No claim or cause of action for indemnification under Article IX may be made or brought (i) prior to Closing, (ii) following the expiration of the applicable representation, warranty, covenant or agreement; or (iii) following the expiration of the applicable Claims Period; provided that, in the event a notice of any claim for indemnification under Article IX shall have been made post-Closing, but prior to the expiration of the applicable Claims Period, then such claim for indemnification (and only such claim for indemnification), if not resolved prior to the expiration of the Claims Period, shall survive until such time as that claim for indemnification is fully and finally resolved.

#### Section 9.5 Liability Limits.

(a) The Purchaser Indemnified Parties may not make a claim for indemnification under (i) Sections 9.1(a), 9.1(b), or Section 9.1(e) (with respect to federal income Taxes), for Purchaser Losses unless and until the aggregate amount of Purchaser Losses for which the Purchaser Indemnified Parties are entitled to seek indemnification under Sections 9.1(a) and 9.1(b), and Section 9.1(e) (with respect to federal income Taxes), exceeds One Hundred Twenty Thousand Dollars (\$120,000) (the "Representation and Warranty Deductible"), or (ii) under Section 9.1(c) for Purchaser Losses arising from

a breach of any of the interim operating covenants set forth in Section 7.1 unless and until the aggregate amount of Purchaser Losses for which the Purchaser Indemnified Parties are entitled to seek indemnification under Section 9.1(c) with respect to Purchaser Losses arising under Section 7.1 exceeds Twenty Five Thousand Dollars (\$25,000) (the "Covenant Deductible"), in which event the Purchaser Indemnified Parties may only claim indemnification for Purchaser Losses exceeding the Representation and Warranty Deductible or the Covenant Deductible, as applicable. Subject to the Representation and Warranty Deductible, the Covenant Deductible and the other limitations set forth in this Article IX, Purchaser Losses for which the Purchaser Indemnified Parties may make a claim for indemnification shall be: (A) to the extent arising under Section 9.1(a), (b), (c) (if arising from a breach by the Company), (d), (e), or (f), first satisfied from the Escrow Fund, and the Escrow Fund shall be the sole and exclusive recourse for any Purchaser Losses arising under Section 10.1(a) and with respect to federal income Taxes only, Section 9.1(e), (B) (1) to the extent arising under Section 9.1(b), (c) (if arising from a breach by the Company), (d), (e) (other than with respect to federal income Taxes) or (f), and only after the Escrow Fund has been exhausted or otherwise released, satisfied by each Member, on a several and not joint basis, each in accordance with and limited to such Member's respective Pro Rata Percentage, and, (2) in the case of Purchaser Losses pursuant to Section 9.1(b), further limited to an aggregate indemnification cap of Two Million One Hundred Thousand Dollars (\$2,100,000) (the "Cap"), which Cap amount shall be reduced dollar for dollar by any payments made to the Purchaser Indemnified Parties from the Escrow Fund or by or on behalf of any Members pursuant to this Article IX, and, (3) in the case of Purchaser Losses pursuant to Section 9.1(b), (c) (if arising from a breach by the Company), (d), (e) (other than with respect to federal income Taxes) or (f), further limited in the case of each Member to the amount of the Purchase Price actually received by such Member (less any amounts paid by such Member pursuant to this Article IX for other Purchaser Losses) and (C) to the extent arising under Section 9.1(c) (if arising from a breach by a Member), satisfied by such breaching Member (and not any other Member) and limited to the amount of the Purchase Price actually received by such Member.

(b) The Member Indemnified Parties may not make a claim for indemnification under Section 9.2(a) for Member Losses unless and until the aggregate amount of such Member Losses for which the Member Indemnified Parties are entitled to seek indemnification under Section 9.2(a) exceeds the Representation and Warranty Deductible, in which event the Member Indemnified Parties may only make an indemnification claim for Member Losses arising under Section 9.2(a) exceeding the Representation and Warranty Deductible; and (i) in no event shall the aggregate amount of indemnification under Section 9.2(a) owed to the Member Indemnified Parties in respect of Member Losses for which the Member Indemnified Parties may make a claim for indemnification exceed Six Hundred Thousand Dollars (\$600,000) in the case of any Fundamental Representation or Warranty and (ii) in no event shall the aggregate amount of indemnification under Section 9.2(b) owed to the Member Indemnified Parties for which the Member Indemnified Parties may make a claim for indemnification exceed the Cap, which Cap amount shall be reduced dollar for dollar by any payments made to Member Indemnified Parties pursuant to this Article IX.

(c) Notwithstanding anything to the contrary contained in this Agreement, the amount of indemnity payable pursuant to Section 9.1 with respect to any Purchaser Losses shall be reduced to the extent (x) such Purchaser Losses are reflected as a liability on the Final Closing Statement, (y) any such Purchaser Losses have been taken into account in determining any post-Closing working capital adjustment contemplated by Section 3.7 or (z) such Purchaser Losses have otherwise been taken into account in determining the Consideration Paid at Closing pursuant to Section 3.2.

(d) Notwithstanding anything to the contrary contained in this Agreement, solely for purposes of determining whether any breach of any representation or warranty has occurred or any inaccuracy in any representation or warranty exists, and determining whether the Representation and Warranty Deductible has been met or exceeded, all qualifications, provisions or exceptions for "material," "materiality," "in all material respects" (or correlative meanings) and "Company Material Adverse Effect" and "Purchaser Material Adverse Effect" set forth in such representation or warranty shall be deemed to have been made or given for the purposes of this Agreement as though there were no such qualification, provision or exception.

(e) The calculation of any Purchaser Loss will reflect the amount of any insurance proceeds received in cash by the Purchaser Indemnified Parties in respect of such Purchaser Loss in such year, net of the present value of any reasonably probable increase in insurance premiums or other charges paid or to be paid by the Purchaser Indemnified Parties resulting from such Purchaser Loss and all costs and expenses incurred by any Purchaser Indemnified Party in recovering such proceeds from its insurers. The calculation of any Member Loss will reflect the amount of any insurance proceeds received in cash by the Member Indemnified Parties in respect of such Member Loss in such year, net of the present value of any reasonably probable increase in insurance premiums or other charges paid or to be paid by the Member Indemnified Parties resulting from such Member Loss and all reasonable costs and expenses directly incurred by any Member Indemnified Party in recovering such proceeds from its insurers.

(f) Notwithstanding anything to the contrary contained in this Agreement, Purchaser Losses and Member Losses shall include consequential damages, but shall not include any special, incidental, punitive, exemplary or multiple damages, lost profits, lost revenues or diminution in value (unless the Indemnified Party shall have paid or be required to pay such damages pursuant to a Third Party Claim).

(g) Notwithstanding anything to the contrary contained in this Agreement, the calculation of Purchaser Losses relating to the Illinois Subsidiaries shall exclude any damages that arise from or relate to any actions taken by or at the direction of the Purchaser or its Affiliates after the date hereof and prior to the Closing of the Acquisition with respect to the conduct or operation of the business of the Illinois Subsidiaries.

Section 9.6 Limitation of Remedy. The Purchaser and the Members acknowledge and agree that the sole and exclusive remedy of the Purchaser with respect to any breach or inaccuracy of any of the representations, warranties, covenants or agreements of the Company or the Members set forth herein shall be indemnification or specific performance, as applicable, in

accordance with this Article IX (but only if such indemnification or specific performance then is available to Purchaser pursuant to this Article IX and other applicable conditions and limitations in this Agreement).

Section 9.7 Treatment of Indemnity Payments. All payments made pursuant to Section 9.1 and Section 9.2 shall be deemed adjustments to the Purchase Price for Tax purposes. All distributions made to the Members from the Escrow Fund and the Member Representative Reserve shall be based on such Members' Pro Rata Percentage.

Section 9.8 Specific Performance. Each Party hereby acknowledges that the rights of each Party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any Party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching Party may be without an adequate remedy at law. In the event that any Party violates or fails or refuses to perform any covenant or agreement made by such Party herein, the non-breaching Party or Parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief contemplated by this Agreement, institute and prosecute an action in a court as specified in Section 10.6 to enforce specific performance of such covenant or agreement or seek any other equitable relief. The Company and the Members shall be entitled to seek specific performance against the Purchaser to consummate the Acquisition in accordance with the terms of this Agreement and the Purchaser shall be entitled to seek specific performance against the Company and the Members to consummate the Acquisition in accordance with the terms of this Agreement.

## ARTICLE X MISCELLANEOUS PROVISIONS

Section 10.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, or if sent by confirmed facsimile or receipted nationally recognized overnight courier services shall be deemed duly given on the Business Day received, in each case if received prior to 5:00 p.m. local time or on the following Business Day if received after 5:00 p.m. local time or on a non-Business Day, addressed to the respective parties hereto as follows:

To the Purchaser or Parent Guarantor and after the Closing to the Company	RA Acquisition Co., LLC c/o Liberty Dialysis, Inc. 7650 SE 27 <sup>th</sup> Street, Suite 200 Mercer Island, WA 98040 Attn: Mark Caputo Eric Shuey Fax: (206) 236-5002 Tel: (206) 236-5001
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with a copy to (which shall not constitute notice)	Hogan Lovells US LLP One Tabor Center 1200 Seventeenth St., Suite 1500 Denver, CO 80202 Attn: George A. Hagerty
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Keith A. Trammell  
Fax: (303) 899-7333  
Tel: (303) 899-7000

To the Member  
Representative (on behalf  
of the Members) and  
before the Closing to the  
Company

c/o Welsh, Carson, Anderson & Stowe X, L.P.  
320 Park Avenue, Suite 2500  
New York, New York 10022-6815  
Attn: D. Scott Mackesy  
Fax: (212) 893-9566  
Tel: (212) 893-9505

with a copy to (which  
shall not constitute notice):

Ropes & Gray LLP  
1211 Avenue of the Americas  
New York, NY 10036-8704  
Attn: Othon Prounis  
Fax: (646) 728-1513  
Tel: (212) 841-5785

or to such other representative or at such other address as such Person may furnish to the other parties in writing.

Section 10.2 Schedules and Exhibits. The Schedules and Exhibits are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full herein.

Section 10.3 Assignment; Successors in Interest. No assignment or transfer by the Company, by any Member or by the Purchaser of any of their respective rights and obligations hereunder shall be made except with the prior written consent of the other Parties; provided, however, that the Purchaser may assign this Agreement without the written consent of any other Parties to (a) any Person providing debt financing for purposes of creating a security interest herein or otherwise assigning as collateral in respect of such debt financing or (b) Parent Guarantor or any of its Subsidiaries, but in each case, no such assignment shall relieve the Purchaser of its obligations hereunder. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns, and any reference to a Party shall also be a reference to the successors and permitted assigns thereof.

Section 10.4 Captions. The titles, captions and table of contents contained herein are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 10.5 Controlling Law; Amendment. This Agreement and any claim relating to this Agreement shall be governed by and construed and enforced in accordance with the internal Laws of the State of Delaware without reference to its choice of law rules. This Agreement may be amended or supplemented in any and all respects only by written agreement of the Purchaser and the Member Representative.

Section 10.6 Submission to Jurisdiction.

(a) Each Party agrees that any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement shall be brought or otherwise commenced, and prosecuted, exclusively in any state court located in the State of Delaware or, if such court lacks subject matter jurisdiction over such action or proceeding, in any federal court located in the State of Delaware. Each Party:

(i) expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in the State of Delaware (and each appellate court located in the State of Delaware) in connection with any such legal action or proceeding, including to enforce any Order or award;

(ii) consents to service of process in any such action or proceeding in any manner permitted by the Laws of the State of Delaware, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 10.1 (and in the case of the Members, the address of the Member Representative specified pursuant to such Section 10.1) is reasonably calculated to give actual notice;

(iii) agrees that each state and federal court located in the State of Delaware shall be deemed to be a convenient forum for such action or proceeding;

(iv) waives and agrees not to assert (by way of motion, as a defense or otherwise), in any such action or proceeding commenced in any state or federal court located in the State of Delaware any claim that such Party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court; and

(v) agrees to the entry of an Order to enforce any Order or award made pursuant to this Section by the state and federal courts located in the State of Delaware and in connection therewith hereby waives, and agrees not to assert by way of motion, as a defense, or otherwise, any claim that such resolution, settlement, Order or award is inconsistent with or violative of the Laws or public policy of the Laws of the State of Delaware or any other jurisdiction.

(b) In the event of any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement, the prevailing party shall be entitled to payment by the non-prevailing party of all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party, including any costs and expenses incurred in connection with any challenge to the jurisdiction or the convenience or propriety of venue of proceedings before any state or federal court located in the State of Delaware.

Section 10.7 Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AND AGREES THAT ANY ACTION OR PROCEEDING WHICH MAY

ARISE RELATING TO THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE, IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUCH ACTION OR PROCEEDING. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY SUCH ACTION OR PROCEEDING, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.7.

Section 10.8 Severability. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Law, each Party hereby waives any provision of Law that renders any such provision prohibited or unenforceable in any respect.

Section 10.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms hereof to produce or account for more than one of such counterparts. Signatures delivered by facsimile or as email attachments shall be as effective as originals.

Section 10.10 Parties in Interest. Nothing expressed or implied herein is intended, or shall be construed, to confer upon or give any Person other than the Parties and the Member Representative, and their successors or permitted assigns, any right, remedy, obligation or liability under or by reason of this Agreement, or result in such Person being deemed a third-party beneficiary hereof

Section 10.11 Waiver. Any agreement on the part of a Party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such Party. A waiver by a Party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any Party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

Section 10.12 Integration. The Confidentiality Agreements, this Agreement and the documents executed pursuant hereto or in connection herewith supersede all negotiations, agreements and understandings among the Parties with respect to the subject matter hereof and constitute the entire agreement among the Parties with respect thereto.

Section 10.13 Fees and Expenses. Unless otherwise specifically provided pursuant to this Agreement, all fees and expenses incurred in connection with this Agreement, and the



transactions contemplated hereby shall be paid by the Party incurring such fees and expenses; provided, however, that the Members shall bear all expenses incurred by the Member Representative and the Members.

Section 10.14 Member Representative

(a) By the execution and delivery of this Agreement, including counterparts thereof, each Member hereby irrevocably constitutes and appoints Rain Stockholder Representative, LLC (the "Member Representative"), and the Member Representative hereby accepts such appointment, as the true and lawful agent, proxy and attorney-in-fact of such Member with full powers of substitution to act in the name, place and stead of such Member with respect to the performance on behalf of such Member under the terms and provisions hereof and to do or refrain from doing all such further acts and things, and to execute all such documents, as the Member Representative shall deem necessary or appropriate in connection with any transaction contemplated hereunder, including the power to:

(i) act for such Member, if applicable, with respect to all indemnification matters referred to herein, including the right to compromise or settle any such claim on behalf of such Member;

(ii) act for such Member with respect to the Escrow Amount (including giving any instructions to the Escrow Agent, on behalf of the Members, to pay from the Escrow Fund any amounts owed by the Members);

(iii) in its sole discretion, on behalf of the Members, amend or waive any provision hereof in any manner;

(iv) employ, obtain and rely upon the advice of legal counsel (including Ropes & Gray LLP), accountants and other professional advisors as the Member Representative, in the sole discretion thereof, deems necessary or advisable in the performance of the duties of the Member Representative;

(v) act for such Member with respect to all Consideration Paid at Closing matters, including any adjustments thereto;

(vi) incur any expenses, liquidate and withhold assets received on behalf of such Member prior to their distribution to such Member to the extent of any amount that the Member Representative deems necessary for payment of or as a reserve against expenses or other Liabilities, and pay such expenses or deposit the same in an interest-bearing bank account established for such purpose;

(vii) receive all notices, service of process, communications and deliveries hereunder on behalf of such Member; and

(viii) do or refrain from doing any further act or deed on behalf of such Member that the Member Representative deems necessary or appropriate, in the sole discretion of the Member Representative, relating to the subject matter hereof

as fully and completely as such Member could do if personally present and acting and as though any reference to such Member herein was a reference to the Member Representative.

(b) The appointment of the Member Representative shall be deemed coupled with an interest and shall be irrevocable, and any other Person may conclusively and absolutely rely, without inquiry, upon any action of the Member Representative as the act of each Member in all matters referred to herein.


(c) In the event the Member Representative resigns or ceases to function in such capacity for any reason whatsoever, then the successor Member Representative shall be the Person that the Company's majority Member appoints.

(d) The Member Representative is serving in that capacity solely for purposes of administrative convenience, and is not and shall not be personally liable in such capacity for any of the obligations of the Members hereunder, and Purchaser agrees that it will not assert claims against, or look to the personal assets of, the Member Representative, acting in such capacity, for the satisfaction of any obligations to be performed by the Members or the Company hereunder. The Member Representative will not be liable for any act taken or omitted by it as permitted under this Agreement, except if such act is taken or omitted in bad faith or by willful misconduct. The Member Representative will also be fully protected in relying upon any written notice, demand, certificate or document that it in good faith believes to be genuine (including facsimiles thereof). The Members agree, severally but not jointly (in accordance with their Pro Rata Percentage), to indemnify the Member Representative for, and to hold the Member Representative harmless against, any loss, liability or expense incurred without willful misconduct or bad faith on the part of the Member Representative, arising out of or in connection with the Member Representative's carrying out its duties under this Agreement, including costs and expenses of successfully defending itself against any claim of liability with respect thereto. The Member Representative may consult with counsel of its own choice and will have full and complete authorization and protection for any action taken and suffered by it in good faith and in accordance with the opinion of such counsel.

Section 10.15 Performance Guarantee. Parent Guarantor unconditionally and irrevocably agrees to take any and all actions necessary to cause Purchaser to perform all of its covenants, agreements and obligations under this Agreement, including with respect to the consummation of the Acquisition and the payment of consideration hereunder, indemnification and other obligations relating to or arising under Articles II, III, VII, VIII and IX hereof. Parent Guarantor unconditionally guarantees to the Company and the Members the full and complete performance by Purchaser of such covenants, agreements and obligations and shall be liable for any breach by Purchaser of any such covenant, agreement or obligation. This is a guarantee of payment and performance. Parent Guarantor hereby waives diligence, presentment, demand of performance, filing of any claim, any right to require any proceeding first against Purchaser, protest, notice and all demands whatsoever in connection with the performance of its covenants, agreements and obligations as set forth in this Section 10.15.

**THE PURCHASER:**

**RA ACQUISITION CO., LLC**

By:   
Name: Mark Caputo  
Title: Chief Executive Officer

**THE PARENT GUARANTOR:**  
**Solely for the purposes of Section 10.15**

**LIBERTY DIALYSIS HOLDINGS, INC.**

By:   
Name: Mark Caputo  
Title: Chief Executive Officer

THE COMPANY:

RA ILLINOIS HOLDINGS, LLC

By: Michael D. Klein  
Name: Michael D. Klein  
Title: President / CEO

*[Signature page to Illinois Unit Purchase Agreement]*

**RAIN STOCKHOLDER  
REPRESENTATIVE, LLC  
In its capacity as Member Representative**

**By: WELSH, CARSON, ANDERSON  
& STOWE X, L.P.**

**Member**

**By: WCAS X ASSOCIATES LLC,  
General Partner**

**By:** 

**Name: Jonathan Rather**


**Title: Managing Member**

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

**WELSH, CARSON, ANDERSON &  
STOWE X, L.P.**


**By: WCAS X ASSOCIATES LLC,  
General Partner**

By:   
Name: T. J. HANAHAN  
Title: Managing Member

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

**WCAS MANAGEMENT CORPORATION**

By:   
Name: SEANATHAN PATIL  
Title: TRUSTEE

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

**WCAS CAPITAL PARTNERS IV, L.P.**

**By: WCAS CP IV ASSOCIATES LLC,  
General Partner**

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

Name: JONATHAN RATH


Title: Managing Member

*[Signature page to Illinois Unit Purchase Agreement]*



**MEMBER:**

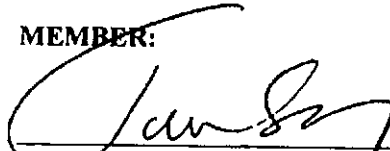
**ROSS RESOURCES LIMITED  
PARTNERSHIP**

By:   
Name: ROGER D. ROSS  
Title: GENERAL PARTNER

*[Signature page to Illinois Unit Purchase Agreement]*

65

MEMBER:



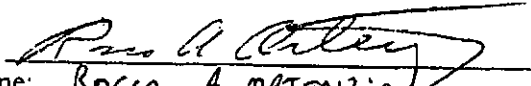
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Thomas Scully

*[Signature page to Illinois Unit Purchase Agreement]*


MEMBER:

SELECT GLOBAL INVESTORS, L.P.

By:   
Name: ROCCO A. ORTENZIO  
Title: GENERAL PARTNER

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

  
Michael Klein

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

Dean M. Weiland  
Dean Weiland

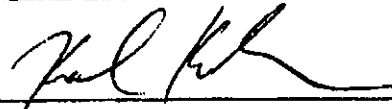
*[Signature page to Illinois Unit Purchase Agreement]*

MEMBER:

  
\_\_\_\_\_  
John Crawford

*[Signature page to Illinois Unit Purchase Agreement]*


**MEMBER:**

A handwritten signature in black ink, appearing to read 'Karl Kokko', written over a horizontal line.

Karl Kokko

*[Signature page to Illinois Unit Purchase Agreement]*

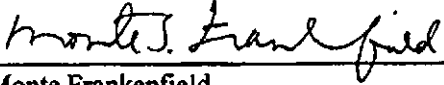
**MEMBER:**

  
Linda Meador

*[Signature page to Illinois Unit Purchase Agreement]*

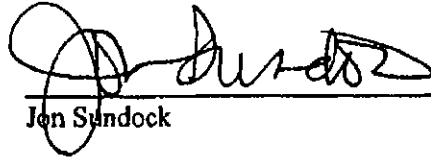


**MEMBER:**

  
\_\_\_\_\_  
Monte Frankenfield

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

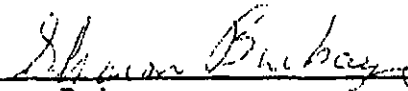


A handwritten signature in black ink, appearing to read "Jen Sundock", is written over a solid horizontal line.

Jen Sundock

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

  
\_\_\_\_\_  
Sharon Burbage

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

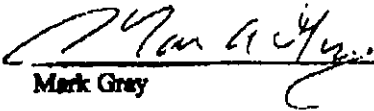


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Eric Enderle

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

  
Mark Gray

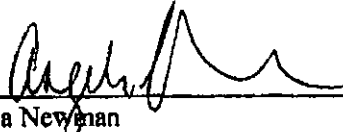
*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

*Gayle Franks*  
Gayle Franks

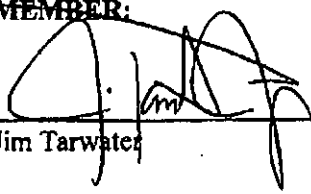
*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

  
\_\_\_\_\_

Angela Newman

*[Signature page to Illinois Unit Purchase Agreement]*

~~MEMBER:~~  
  
Jim Tarwater

*[Signature page to Illinois Unit Purchase Agreement]*



**MEMBER:**

**WEILAND FAMILY INVESTMENTS, L.P.**

By: Dean M. Weiland  
Name: Dean M. Weiland  
Title: General Partner

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

**KLEIN FAMILY INVESTMENTS, L.P.**

By: Michael D. Klein  
Name: Michael D. Klein  
Title: General Partner

*[Signature page to Illinois Unit Purchase Agreement]*

MEMBER:

A handwritten signature in black ink, appearing to read "Steven Housman", written over a horizontal line.

Steven Housman

*[Signature page to Illinois Unit Purchase Agreement]*

MEMBER:




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Raymond A. Ransill

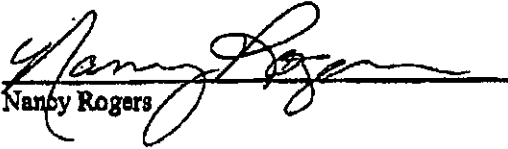
*[Signature page to Illinois Unit Purchase Agreement]*

MEMBER:

  
\_\_\_\_\_  
Lucille Smart

*[Signature page to Illinois Un. Purchase Agreement]*

**MEMBER:**

  
Nancy Rogers

*[Signature page to Illinois Unit Purchase Agreement]*

MEMBER:



Karen Wiseman  
Karen Wiseman

*[Signature page to Illinois Unit Purchase Agreement]*

**MEMBER:**

**KENNETH J. MELKUS 2010 (LAUREN)  
GRANTOR RETAINED ANNUITY TRUST  
(RA)**

By: Barbara Lynn Melkus  
Name: BARBARA LYNN MELKUS  
Title: Trustee

*[Signature page to Illinois Unit Purchase Agreement]*



**MEMBER:**

**KENNETH J. MELKUS 2010 (SIBLINGS)  
GRANTOR RETAINED ANNUITY TRUST  
(RA)**

By: *Barbara Lynn Melkus*  
Name: BARBARA LYNN MELKUS  
Title: Trustee

*[Signature page to Illinois Unit Purchase Agreement]*

**Exhibit 1.1(a)**  
**Working Capital Guidelines**

(see attached)

Currency: \$ 000	Example Sep '10 Actual	Estimated Working Capital
Cash	400	
Patient receivables, net	2,026	
Other accounts receivable	4	
Inventories	131	
Prepaid and other current assets	24	
Deferred tax asset	-	
<b>Subtotal - current assets</b>	<b>2,585</b>	
Accounts payable	9	
Due to third party payors	-	
Accrued compensation and benefits	142	
Other accrued expenses (including taxes) <sup>1</sup>	400	
Short term debt or note <sup>2</sup>	-	
<b>Subtotal - current liabilities</b>	<b>551</b>	
<b>Working capital, as reported</b>	<b>2,034</b>	
<b>Adjustments:</b>		
Deferred tax asset	-	
Accrued interest <sup>1</sup>	-	
<b>Subtotal - adjustments</b>	<b>-</b>	
<b>Closing Date Working Capital</b>	<b>2,034</b>	
<b>Target Working Capital</b>	<b>2,000</b>	<b>2,000</b>
<b>Variance</b>		

The line items set forth in this Exhibit shall be the only items considered in the calculation and adjustments for any Working Capital Surplus or Working Capital Deficit pursuant to Exhibit for each line item are for illustration purposes only.

Closing Date Working Capital shall be derived from internal consolidated financial state

The calculations set forth on this Exhibit shall exclude any Transaction Expenses, accrued current maturities of debt not assumed by Purchaser and current deferred taxes.

**Explanatory Footnotes**

<sup>1</sup>"Accrued interest" is a portion of "Other accrued expenses"

### 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:	Beverly Meyer
Title:	Center Director
Company Name:	RAI-Lincoln Highway
Address:	821 Lincoln Highway Fairview Heights, IL 62208
Telephone Number:	618/632-9550
E-mail Address:	
Fax Number:	618/632-8903

### Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Lincoln Land Trust
Address of Site Owner:	2015 Fairfield Place O'Fallon, IL 62269
Street Address or Legal Description of Site:	821 Lincoln Highway Fairview Heights, IL 62208
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:		
Address:		
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li><li>o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</li></ul>		
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 Not Applicable**

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at [www.FEMA.gov](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://www.illinoisfloodmaps.org). This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

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

**Historic Resources Preservation Act Requirements Not Applicable**

[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)]

<p>Part 1110 Classification:</p> <p><input type="checkbox"/> Substantive</p> <p><input checked="" type="checkbox"/> Non-substantive</p>	<p>Part 1120 Applicability or Classification: [Check one only.]</p> <p><input type="checkbox"/> Part 1120 Not Applicable</p> <p><input type="checkbox"/> Category A Project</p> <p><input checked="" type="checkbox"/> Category B Project</p> <p><input type="checkbox"/> DHS or DVA Project</p>
---	--

## 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.

Liberty Dialysis acquired Renal Advantage through a stock option transaction on December 17, 2010. At the time of acquisition, Renal Advantage operated three end stage renal disease (ESRD) facilities in Illinois. Since the acquisition, Renal Advantage has operated as a subsidiary of Liberty Dialysis. Renal Advantage's three Illinois facilities were carved out from the transaction to allow the merger to proceed without violating the Illinois Health Facilities and Services Review Board's change of ownership requirements.

This *Application for Permit* addresses the resultant change of ownership of RAI-Lincoln Highway, a 20-station facility located in Fairview Heights, Illinois. Similar *Applications for Permit* have been filed to address the change of ownership of the other two Illinois ESRD facilities owned by Renal Advantage.

No changes to the services provided or the facilities' number of ESRD stations are addressed with any of the three *Applications*.

This is a "non-substantive" project, pursuant to the definition of non-substantive" projects provided in Section 1110.40.

## Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			\$100,000
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition			\$9,761,900
<b>TOTAL USES OF FUNDS</b>			<b>\$9,861,900</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			\$9,861,900
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>			<b>\$9,861,900</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Related Project Costs**

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

Land acquisition is related to project  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 \$ none.

**Project Status and Completion Schedules**

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): \_\_\_\_\_

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.

**State Agency Submittals**

Are the following submittals up to date as applicable:

Cancer Registry **Not Applicable**  
 APORS **Not Applicable**  
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted **Not Applicable**  
 All reports regarding outstanding permits **Not Applicable**  
**Failure to be up to date with these requirements will result in the application 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.**

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

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

**Facility Bed Capacity and Utilization      Not Applicable**

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

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

**CERTIFICATION**

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

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

This Application for Permit is filed on the behalf of **RAI Care Centers of Illinois I, 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.

Dean M. Weiland  
SIGNATURE

Dean Weiland

PRINTED NAME

Chief Operating Officer

PRINTED TITLE

Jon M. Sundock  
SIGNATURE

Jon M. Sundock

PRINTED NAME

Vice President

PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 30<sup>th</sup> day of December 2010

Notarization:

Subscribed and sworn to before me  
this 30<sup>th</sup> day of December 2010

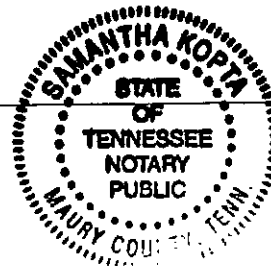
Samantha Kopta  
Signature of Notary

Seal

Samantha Kopta  
Signature of Notary

Seal

\*Insert EXACT legal name of the applicant

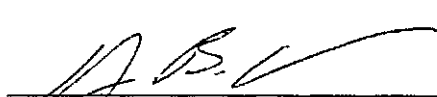


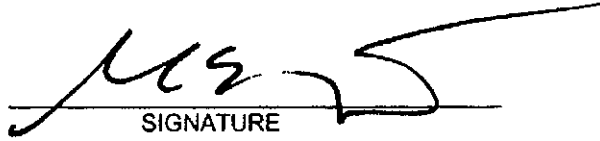
**CERTIFICATION**

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

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

This Application for Permit is filed on the behalf of Liberty Dialysis Holdings, Inc. \* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application 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.

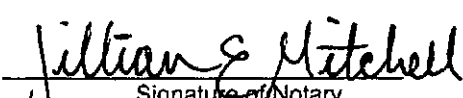
  
SIGNATURE  
Ryan Pardo  
PRINTED NAME  
Vice President  
PRINTED TITLE

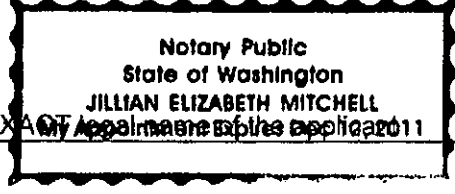
  
SIGNATURE  
Mark Caputo  
PRINTED NAME  
CEO  
PRINTED TITLE

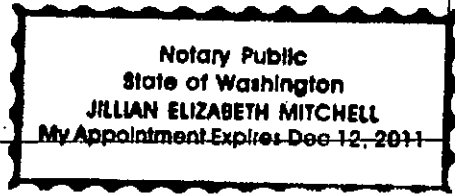
Notarization:  
Subscribed and sworn to before me  
this 13<sup>th</sup> day of December

Notarization:  
Subscribed and sworn to before me  
this 13<sup>th</sup> day of December

  
Signature of Notary

  
Signature of Notary

Seal  
  
\*Insert EXACT Appointment Expires application

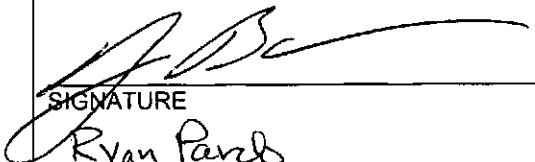
Seal  


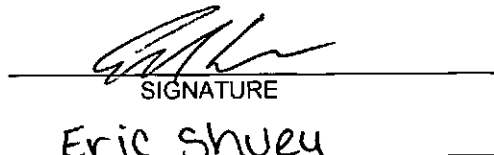
**CERTIFICATION**

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

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

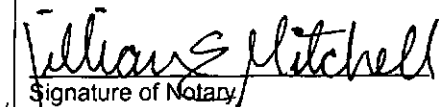
This Application for Permit is filed on the behalf of Renal Advantage Holdings, Inc.\* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf 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.

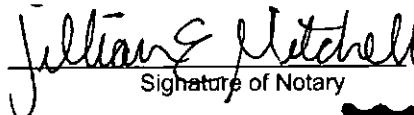
  
SIGNATURE  
Ryan Parb  
PRINTED NAME  
Vice President  
PRINTED TITLE

  
SIGNATURE  
Eric Shuey  
PRINTED NAME  
CFO  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 16<sup>th</sup> day of December, 2010

Notarization:  
Subscribed and sworn to before me  
this 16<sup>th</sup> day of December, 2010

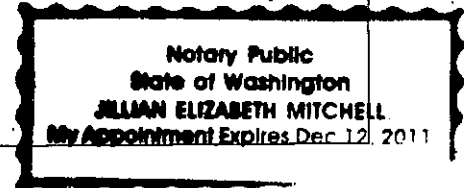
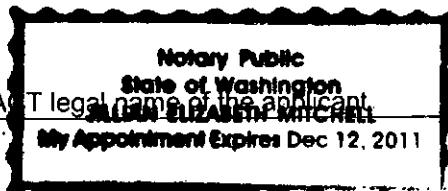
  
Signature of Notary

  
Signature of Notary

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\*Insert EXACT legal name of the applicant.

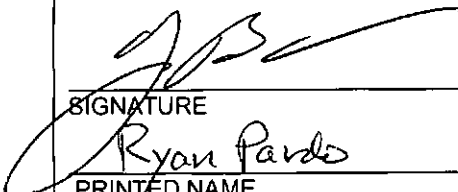


**CERTIFICATION**

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

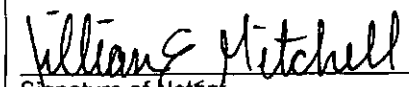
This Application for Permit is filed on the behalf of RA Acquisition Co., LLC \* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the 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.

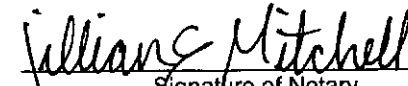
  
\_\_\_\_\_  
SIGNATURE  
Ryan Pardo  
\_\_\_\_\_  
PRINTED NAME  
Vice President  
\_\_\_\_\_  
PRINTED TITLE

  
\_\_\_\_\_  
SIGNATURE  
Eric Shuey  
\_\_\_\_\_  
PRINTED NAME  
CFO  
\_\_\_\_\_  
PRINTED TITLE

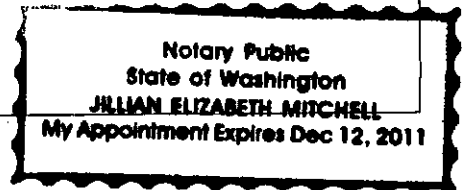
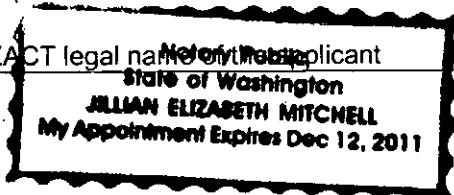
Notarization:  
Subscribed and sworn to before me  
this 16<sup>th</sup> day of December, 2010

Notarization:  
Subscribed and sworn to before me  
this 16<sup>th</sup> day of December, 2010

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

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

\*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:

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

This Application for Permit is filed on the behalf of **Welsh, Carson, Anderson & Stowe X, L.P.\*** 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

JONATHAN RATHUR  
\_\_\_\_\_  
PRINTED NAME

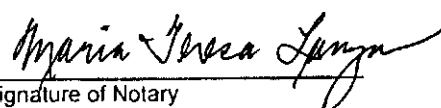
Managing Member  
\_\_\_\_\_  
PRINTED TITLE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 12th day of December 2010

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

Seal

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

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

Seal

\*Insert EXACT legal name of the applicant

MARIA TERESA LANZA  
NOTARY PUBLIC - STATE OF NEW YORK  
NO. 011AGJ48004  
QUALIFIED IN NEW YORK COUNTY  
MY COMMISSION EXPIRES 09-25-2014

### **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 Agency 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 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:

	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;
\$9,861,900	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.
\$9,861,900	<b>TOTAL FUNDS AVAILABLE</b>	

**APPEND DOCUMENTATION AS ATTACHMENT-39, 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. All of the projects capital expenditures are completely funded through internal sources
2. 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
3. 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-40, 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.

**Liberty Dialysis, LLC and Subsidiaries**

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
	2008	2009	2010	2011
Enter Historical and/or Projected Years:				
Current Ratio	1.46	1.76	1.98	2.36
Net Margin Percentage	1.8%	0.6%	-0.1%	4.8%
Percent Debt to Total Capitalization	58%	55%	54%	51%
Projected Debt Service Coverage	-----	---no debt---	-----	2.05
Days Cash on Hand	151	52	46	45
Cushion Ratio	-----	---no debt---	-----	1.33

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 41, 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      not applicable**

Read the criterion and provide the following:

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

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

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

**D. Projected Operating Costs**

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

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

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

**APPEND DOCUMENTATION AS ATTACHMENT -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**XI. Safety Net Impact Statement not applicable**

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

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

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

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

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

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

**APPEND DOCUMENTATION AS ATTACHMENT-43, 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.**

<b>CHARITY CARE</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Net Patient Revenue</b>	\$5,423,000	\$5,971,539	\$4,980,651
<b>Amount of Charity Care (charges)</b>	\$0	\$0	\$0
<b>Cost of Charity Care</b>	\$0	\$0	\$0





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

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

RAI CARE CENTERS OF ILLINOIS I, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON SEPTEMBER 22, 2005, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

*In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 1ST day of DECEMBER A.D. 2010*



Authentication #: 1033502410

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

*Jesse White*

SECRETARY OF STATE  
ATTACHMENT 1

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "LIBERTY DIALYSIS HOLDINGS, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTEENTH DAY OF DECEMBER, A.D. 2010.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.

4796855 8300

101200449

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



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 8435256

DATE: 12-16-10  
ATTACHMENT 1

114

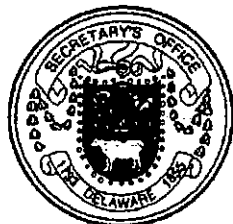
# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "RA ACQUISITION CO., 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 TENTH DAY OF DECEMBER, A.D. 2010.

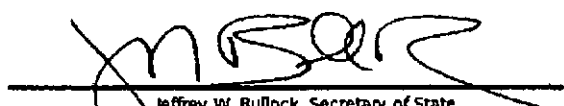
AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



4885663 8300

101172176

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

  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 8416382

DATE: 12-10-10

ATTACHMENT 1

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "RENAL ADVANTAGE HOLDINGS, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF DECEMBER, A.D. 2010.

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


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

4623411 8300

101194975

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



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 8431929

DATE: 12-15-10

ATTACHMENT 1

112



SERVICES PROGRAMS PRESS PUBLICATIONS DEPARTMENTS CONTACT  
 CORPORATION FILE DETAIL REPORT

Entity Name	RENAL ADVANTAGE HOLDINGS, INC.	File Number	67605632
Status	ACTIVE	Type of Corp	FOREIGN BCA
Entity Type	CORPORATION	State	DELAWARE
Qualification Date (Foreign)	12/21/2010	Agent Change Date	12/21/2010
Agent Name	ILLINOIS CORPORATION SERVICE C	President Name & Address	MARK CAPUTO 7650 SE 27TH ST STE 200 MERCER ISLAND WA 98040
Agent Street Address	801 ADLAI STEVENSON DRIVE	Secretary Name & Address	RYAN PARDO SAME
Agent City	SPRINGFIELD	Duration Date	PERPETUAL
Agent Zip	62703		
Annual Report Filing Date	00/00/0000		

116 A

ATTACHMENT 1



## OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

12/14/10

FILE: S025590

RAI CARE CENTERS OF ILLINOIS I, LLC  
160 NORTH MAIN ST.  
BREESE, IL. 62230

RE WELSH, CARSON, ANDERSON & STOWE X, L.P

DEAR SIR OR MADAM:

IT HAS BEEN A PLEASURE TO APPROVE AND FILE YOUR APPLICATION FOR ADMISSION TO TRANSACT BUSINESS THAT REGISTERED YOUR LIMITED PARTNERSHIP WITH THIS OFFICE ON 12/14/2010. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR VENTURE. PLEASE NOTE THE ASSIGNED FILE NUMBER MUST BE USED WHEN TRANSACTING ANY BUSINESS WITH THIS OFFICE.

WE ARE RETURNING THE FILED COPY OF THIS DOCUMENT TO YOU FOR YOUR RECORDS.

THIS OFFICE LOOKS FORWARD TO ASSISTING YOU IN THE FUTURE.

SINCERELY YOURS,

JESSE WHITE  
SECRETARY OF STATE  
BUSINESS SERVICES DEPARTMENT  
LIMITED LIABILITY DIVISION  
(217) 524-8008

ATTACHMENT 1

S025590

Form **LP 902**

June 2010

Secretary of State  
Department of Business Services  
Limited Liability Division  
501 S. Second St., Rm. 367  
Springfield, IL 62756  
217-524-8008  
www.cyberdrivellinois.com

Illinois Uniform Limited Partnership Act

**Application for Certificate  
of Authority**

FILE #:

This space for use by Secretary of State.

**SUBMIT IN DUPLICATE**

Please type or print clearly.

This space for use by Secretary of State.

Filing Fee: \$150

Approved: *Jm*

Correspondence regarding this filing will be sent to the registered agent of the Limited Partnership unless a self-addressed, stamped envelope is included.

**FILED**

**DEC 14 2010**

**JESSE WHITE  
SECRETARY OF STATE**

1. Limited Partnership Name: Welsh, Carson, Anderson & Stowa X, L.P.

2. Alternate Assumed Name: \_\_\_\_\_

(By electing this Alternate Name, the Limited Partnership hereby agrees not to use its Company Name in the transaction of business in Illinois. Form LP 108 is attached.)

3. Address of designated office at which records required by Section 111 will be kept:

320 Park Avenue, Suite 2500

Street Address (P.O. Box alone is unacceptable.)

New York, NY 10022

City, State, ZIP

4. Federal Employer Identification Number (F.E.I.N.): 20-2810577

5. Limited Partnership formed in jurisdiction of: Delaware on: April 19, 2005, and validly exists there as a Limited Partnership on this file date. (Attach current Certificate of Existence from jurisdiction.)

6. Registered Agent: RALCare Centers of Illinois I, LLC  
Name

Registered Office: 160 North Main St.  
Street Address (P.O. Box alone is unacceptable.)

Breese

City (must be in Illinois)

62230

ZIP

7. The undersigned agree(s) to keep the records as detailed in item 3 until the Limited Partnership's registration in this state is cancelled or amended.

8. This is a Foreign Limited Liability Limited Partnership:

Yes  No

9. Purpose(s) for which the Limited Partnership was organized and the purpose(s) that it proposes to conduct in the transaction of business in Illinois:

Private equity investments

10. Names and Addresses of all General Partners. If a General Partnership listed is not registered or qualified in Illinois, submit original Certificate of Good Standing dated within the last 30 days.

1. WCAS X Associates LLC  
General Partner Name  
320 Park Avenue, Suite 2500  
Street Address  
New York, NY 10022  
City, State, ZIP

2. \_\_\_\_\_  
General Partner Name  
\_\_\_\_\_  
Street Address  
\_\_\_\_\_  
City, State, ZIP

3. \_\_\_\_\_  
General Partner Name  
\_\_\_\_\_  
Street Address  
\_\_\_\_\_  
City, State, ZIP

4. \_\_\_\_\_  
General Partner Name  
\_\_\_\_\_  
Street Address  
\_\_\_\_\_  
City, State, ZIP

11. This application is accompanied by a recently authenticated Certificate of Existence or similar record from the state or country where the applying entity is formed.

The original application to transact business must be signed by at least one General Partner. The undersigned affirms, under penalties of perjury, that the facts stated herein are true, correct and complete.

Dated: December 18, 2010

  
\_\_\_\_\_  
Signature

Jonathan Rather, Managing Member  
Name and Title (type or print)

WCAS X Associates LLC  
General Partner Name  
If a corporation or other entity (must be in good standing)

**Signatures must be in black ink on an original document.  
Carbon copy, photocopy or rubber stamp signatures  
may only be used on conformed copies.**



December 16, 2010

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

To Whom It May Concern:

This letter confirms that WCAS X Associates LLC, located at 320 Park Avenue, Suite 2500, New York, New York 10022-6815, is the General Partner of Welsh, Carson, Anderson & Stowe X, L.P. If we can in any way provide assistance to your staff regarding this or any other issue relative to this application, please do not hesitate to contact me.

Sincerely,



Jonathan Rather  
Managing Member  
Welsh, Carson, Anderson & Stowe X, L.P.

**DRAFT**

Scott T. Larson  
Senior Vice President and General Counsel  
Direct: 303 626-6154  
E-mail: Scott.Larson@us.gambro.com

Gambro Healthcare Inc.  
1827 Cole Boulevard  
2nd Floor  
Lakewood, CO 80401 USA  
www.gambro.com  
Tel 303 232 6800

August 30, 2005

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Lincoln Place Land Trust  
c/o Concord Management  
Attn: Robbie Mize  
2015 Fairfield Place  
O'Fallon, IL 62269

Re: Consent to Assignment of Lease Agreement at 821 Lincoln Highway, Fairview Heights, Illinois (the "Leased Premises")  
Gambro Healthcare - Fairview Heights (PCN 3505)

Dear Sir or Madam:

Gambro Healthcare Renal Care, Inc., a Nevada corporation ("Tenant"), is the named "Tenant" under that certain Lease Agreement dated September 1, 1997 and renewed on June 10, 2002 (the "Lease") for the premises located at the Leased Premises described above. Lincoln Place Land Trust is the current "Landlord" under the Lease. Tenant is a subsidiary of Gambro Healthcare, Inc. ("Gambro").

Tenant and Gambro expect to sell the assets related to the operation of the dialysis facility located at the Leased Premises (the "Transaction") to RenalAmerica, Inc. or a subsidiary thereof (the "Purchaser"). Purchaser is a Delaware corporation that, together with its subsidiaries, would be purchasing the assets related to the operation of approximately 70 dialysis facilities, including the facility located at the Leased Premises, from Gambro and DaVita Inc., a dialysis company engaged in a transaction with Gambro. As part of that transaction, Gambro is seeking your consent to the assignment of the Lease to Purchaser.

Accordingly, by this letter, we hereby request your written consent to the assignment and transfer of the Lease to the Purchaser. The actual assignment will be effectuated pursuant to an Asset Purchase Agreement among DaVita Inc., Gambro Healthcare, Inc., and RenalAmerica Inc. and a related Assignment and Assumption and Bill of Sale. Therefore, in connection with the Asset Purchase Agreement, and the Assignment and Assumption and Bill of Sale, Purchaser would be assuming certain liabilities of the Tenant, including its obligations under the Lease. The assignment will not constitute a release of Tenant with respect to its obligations under the Lease during the stated term of the Lease. Tenant will remain liable for and will guarantee all obligations of Purchaser under the Lease during the its stated term. This guarantee will survive the assignment to and assumption of the Lease by Purchaser. The assignment will not constitute the Landlord's consent to any subsequent assignment, conveyance, or transfer of the Lease.

Lincoln Place Land Trust  
August 30, 2005  
Page 2 of 2

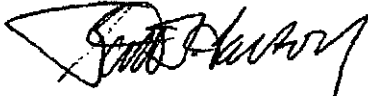
Please indicate the Landlord's consent to the assignment of the Lease by signing where indicated below on the enclosed duplicate original of this letter and returning that duplicate original to us by facsimile at (303) 209-7700 or in the enclosed self-addressed stamped envelope.

Because the closing of the transaction described above is scheduled to occur at the end of September, 2005, we would appreciate it if you would return the Landlord's executed consent to us as soon as reasonably possible. If you anticipate any difficulties complying with our request, we would appreciate your contacting us promptly.

If for any reason the closing of the transaction does not occur, this request for consent will be withdrawn and any consent provided will be of no force or effect.

If you have any questions, please contact Cheryl L. Cody, Regional Vice President, Gambro Healthcare, Inc., at (317) 582-0197.

Very truly yours,



Scott T. Larson  
Senior Vice President and  
General Counsel  
Gambro Healthcare, Inc.

**CONSENT TO ASSIGNMENT HEREBY  
ACCEPTED AND AGREED TO:**

**Lincoln Place Land Trust**

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

Print: \_\_\_\_\_

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

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

cc: Cheryl L. Cody, Regional Vice President  
Jon Kweller, Division General Counsel  
Gary B. Gertler, Esq.  
RenalAmerica, Inc.



confidential  
Jon Sundock  
WLDD  
Sep 08, 2008 16:20 EDT

CONTRACT ID #  
1766

5200 Virginia Way  
Brentwood, TN 37027

P.O. Box 6015  
Brentwood, TN 37024-6015  
USA  
1-800-467-4736  
www.gambro.com

Writer's Direct Dial:  
815-320-4505  
Fax: 615-320-4442

June 10, 2002

**VIA OVERNITE DELIVERY**

Robbie Mize  
Lincoln Place Trust  
c/o Concord Management  
2015 Fairfield Place  
O'Fallon, Illinois 62269

**Re:** Lease Agreement dated September 1, 1997 ("Lease") between Lincoln Place Trust ("Landlord") and GAMBRO Healthcare Renal Care, Inc. ("Tenant") for the premises located at 821 Lincoln Highway, Fairview Heights, IL, 62208 ("Premises") (Fairview Heights Facility; PC#3505)

Dear Mr. Mize:

Per our telephone conversation of this date and pursuant to Section 4(A) of the Lease, Tenant hereby exercises a five-year option to renew the Lease, commencing September 1, 2002 and ending August 31, 2007 ("First Renewal Term").

Pursuant to Section 4(A)(c) of the Lease, rent payable during the First Renewal Term shall increase to Seventy-Eight Thousand Dollars (\$78,000.00) annually, payable in equal monthly installments of Six Thousand Five Hundred Dollars (\$6,500.00). All other provisions of the Lease not expressly addressed herein remain in full force and effect.

Thank you for your assistance with this matter.

Sincerely,

Marvelyn P. Kinzer  
Contract Specialist  
North Central Division

cc: R. Douglas Mefford, Division Counsel  
Bill Wynn, Regional Vice President  
Cindy Milner, Regional Director  
Brian Beardsley, Regional Controller

M:\Lease Admin\North Central-01-02\Lincoln Place Trust\Renewal.Ltr.061002.doc  
confidential  
Jon Sundock  
WLDD  
Sep 08, 2008 16:20 EDT

## LEASE AGREEMENT

THIS LEASE, made this 1st day of Sept, 1997, by and between Lincoln Place Land Trust # 99395-22 (hereinafter referred to as "Landlord"), and GAMBRO Healthcare Renal Care, Inc. (hereinafter referred to as "Tenant");

01-90-4374-00

### WITNESSETH:

1. **LEASED PREMISES.** Landlord hereby demises and leases to Tenant certain space in Landlord's Center known as Lincoln Centre, located in Fairview Heights, Illinois 62208, which space contains approximately 4400 square feet of space, and is more fully described on Exhibit "A", attached hereto and made a part hereof (hereinafter referred to as the "Premises"), plus the use of all common areas designated by Landlord from time to time in and about Landlord's Center (hereinafter referred to as the "Property").

Tenant acknowledges that it has inspected the Premises and the common areas of the Property, and accepts same in their present "AS IS" condition, and as suitable for the purposes for which they are leased. Tenant further acknowledges that Landlord has made no representations to Tenant with respect to any alterations, repairs or improvements to be constructed within the Premises, unless otherwise set forth in this Lease. See *Additional Provisions, Paragraph 32*.

2. **USE.** The Premises shall be used only for the purpose of hemodialysis and uses reasonably incidental thereto and for general office purposes. Outside storage including, without limitation, drop shipments, dock storage, trucks and other vehicles, is prohibited without Landlord's prior written consent. Tenant shall obtain, at Tenant's sole cost and expense, any and all licenses and permits necessary for Tenant's contemplated use of the Premises. Tenant shall comply with all existing and future governmental laws, ordinances and regulations applicable to the use of the Premises, as well as all requirements of Landlord's insurance carrier. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises, nor take any other action which would constitute a nuisance or which would disturb or endanger any third-party tenants of the Property, or unreasonably interfere with such third-party tenant's use of their respective space. Tenant shall not receive, store or otherwise handle any product, material or merchandise which is explosive or highly inflammable. Tenant shall comply with all statutes, ordinances, rules, codes, regulations and requirements of any federal, state, municipal or other governmental or quasi-governmental authority with respect to any hazardous wastes stored, produced, manufactured, treated, or disposed of by Tenant within the Premises; and Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all liabilities or claims by reason of any injury to persons or damage to property arising out of the discharge, disbursement, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hazardous wastes, liquid or gasses, waste materials or other irritants, contaminants or pollutants into or about the Premises or Property, which originate from any products stored, produced, manufactured, treated, or disposed of by Tenant within the Premises. The aforesaid indemnification and defenses shall survive the term of this Lease.

3. **INITIAL TERM.** The initial term of this Lease shall be Five (5) years commencing on September 1, 1997 ("Commencement Date") and expiring at midnight of the fifth (5th) anniversary of the Commencement Date (the "Term").

4. **BASE RENT.** From and after the Commencement Date, Tenant shall pay to Landlord, as Base Rent for said Premises, in equal monthly installments on the first day of each calendar month, in advance, without set off or deduction, at the office of Landlord as set forth in Paragraph 23 of this Lease the rental as set forth below:

Until such time as the Additional Space containing approximately 1600 square feet is added to the Premises pursuant to Section 32 below, the Base Rent for the current space containing approximately 4400 square feet shall be the sum of Fifty Thousand Two Hundred Fifteen and 92/100 Dollars (\$50,215.92), per year, payable in equal monthly installments of Four Thousand One Hundred Eighty-Four and 88/100 (\$4,184.66) each, (based on a rate of approximately \$11.41 per square foot of space).

Upon addition of the Additional Space bringing the Premises to a total of approximately 6000 square feet, the Base Rent shall increase to Sixty Eight Thousand Four Hundred Sixty and no/100 Dollars (\$68,460.00), per year, payable in equal monthly installments of Five Thousand Seven Hundred Five and no/100 Dollars (\$5,705.00) each (based on a rate of approximately \$11.41 per square foot of space).

4A. **OPTIONS TO EXTEND.** Tenant shall have the right and option to extend the Initial Term of this Lease for two (2) renewal periods consisting of five (5) years each, the first of which (the "First Renewal Term"), if exercised, shall commence upon the expiration of the Initial Term and expire five (5)

years thereafter and the second of which (the "Second Renewal Term"), if exercised, shall commence upon the expiration of the First Renewal Term and shall expire five (5) years thereafter, upon the following additional terms and conditions:

(a) Tenant shall not have received a notice of Default from Landlord which has not been cured by Tenant or waived by Landlord at the time Tenant exercises its option or at the time the Initial Term expires.

(b) Tenant shall give to Landlord written notice exercising Tenant's option to extend the term of this Lease not less than three (3) months prior to the expiration of the Initial Term or the First Renewal Term, as applicable.

(c) During the First Renewal Term, the Base Rent payable by Tenant shall be increased to the sum of Seventy Eight Thousand and 00/100 Dollars (\$78,000.00), per year, (based on a rate of approximately \$13.00 per square foot of space) payable in equal monthly installments of Six Thousand Five Hundred and 00/100 (\$6,500.00) each, on the first day of each calendar month, in advance, without set off or deduction, at the office of Landlord as set forth in Paragraph 23 of this Lease.

(d) During the Second Renewal Term, the Base Rent payable by Tenant shall be increased to the sum of Ninety Thousand and 00/100 Dollars (\$90,000.00), per year, (based on a rate of approximately \$15.07 per square foot of space) payable in equal monthly installments of Seven Thousand Five Hundred and 00/100 (\$7,500.00) each, on the first day of each calendar month, in advance, without set off or deduction, at the office of Landlord as set forth in Paragraph 23 of this Lease.

(e) All other terms and conditions of this Lease shall be binding upon Landlord and Tenant and in full force and effect, as if such terms and conditions were again fully recited herein.

(f) In the event Tenant does not exercise its option to extend this Lease as herein provided, Landlord shall have the right, during the three (3) months prior to the end of the Initial Term or First Renewal Term, as applicable, to show the Premises during normal business hours to other prospective tenants.

6. **ADDITIONAL RENT.** Tenant shall pay to Landlord, as Additional Rent, Tenant's pro rata share of the taxes, insurance and common area maintenance charges (as such terms are hereinafter defined) incurred by Landlord for and on behalf of the Property.

(a) **Taxes.** Taxes shall mean any tax, assessment or governmental charge ("Tax"), which may lawfully be charged, assessed or imposed against the Property but shall exclude income, gift and estate taxes. In the event Landlord is assessed with a Tax which Landlord, in its sole discretion, deems excessive, Landlord may challenge such Tax to the extent legally permitted, so long as the validity or amount thereof is contested by Landlord in good faith, and so long as Tenant's occupancy of the Premises is not disturbed. In the event Landlord is successful in its challenge, resulting in an abatement and/or refund, Tenant's pro rata share of such Taxes shall be adjusted to reflect such abatement and/or refund, less Landlord's costs in securing same. In the event Landlord is unsuccessful in its challenge, Tenant shall pay its pro rata share of Landlord's costs to reduce or abate the contested Tax. Landlord's costs shall include, but shall not be limited to, fees of counsel and experts reasonably incurred by Landlord in connection with any such challenge, or any judicial review thereof.

In the event Landlord is assessed with a Tax which Landlord has the option to pay in installments over a period of time, and Landlord solely elects to pay such Tax in installments, the Taxes allocable to Tenant shall only include the then current installment and any applicable interest due thereon; and should Landlord elect not to pay such Tax in installments, the Taxes allocable to Tenant shall only include an amount equal to the installment that would have come due had Landlord elected the installment method of payment.

The foregoing provisions are predicated on the present system of taxation in the state where the Property is located. However, if due to a future change in the method of taxation any franchise, income, profit or other tax shall be levied against the Landlord in substitution, whole or in part, for or in lieu of any tax which would otherwise constitute a "real estate tax", such franchise, income, profit or other tax shall be deemed to be a Tax for the purposes hereof.

(b) **Insurance.** Insurance shall mean premiums for liability, property damage, fire, workers compensation, rent and any and all other insurance ("Insurance") which Landlord deems necessary to carry on or for the protection of the Property. In addition thereto, in the event Tenant's use of the Premises shall result in an increase of any of Landlord's insurance premiums, Tenant shall pay to Landlord, upon demand, and as Additional Rent, an amount equal to such increase in insurance. Such payments of insurance shall be in addition to all premiums of insurance which Tenant is required to carry pursuant to Paragraph 19 of this Lease.

(c) **Common Area Maintenance.** Common area maintenance charges (hereinafter referred to as "CAM") shall mean: the maintenance, repair and replacement, if

-2-

parking facilities, access roads, driveways, sidewalks and passageways; trunk-line plumbing (as opposed to branch-line plumbing); common utilities and exterior lighting; landscaping; snow removal; fire protection; exterior painting and interior painting of the common areas of the Property; management fees; and all other expenses incurred by Landlord for or on behalf of the Property. Notwithstanding the aforesaid, in no event shall CAM expenses include any expense chargeable to a capital account or capital improvement under generally accepted accounting principles as currently employed by Landlord; nor shall it include any expense for which Landlord is otherwise reimbursed.

(d) In addition to the aforesaid, Landlord reserves the right to perform any or all of the repairs and maintenance covenanted to be performed by Tenant pursuant to Paragraph 9, below; and, in such event, Tenant shall pay to Landlord, as Additional Rent, Landlord's actual costs of such repairs and maintenance.

(e) **Payment of Additional Rent.** Landlord shall have the right to bill Tenant monthly for all Taxes, Insurance and CAM expenses which Tenant is obligated to pay Landlord under this Lease; and, in the event Landlord so elects, Tenant shall pay to Landlord, in addition to payments of Base Rent, an amount equal to one-twelfth (1/12) of Tenant's total pro rata share of such Taxes, Insurance and CAM expenses. All monies paid in advance to Landlord by Tenant shall not accrue interest thereon. Such amounts for the first year of the lease term shall be reasonably estimated by Landlord; thereafter, such amounts shall be estimated upon the basis of the preceding year. At the end of each calendar year, Landlord shall deliver a statement to Tenant setting forth Tenant's actual pro rata share of Taxes, Insurance and CAM expenses and the total amount of monthly payments, if any, paid by Tenant to Landlord. Tenant shall thereafter pay to Landlord the full amount of any difference between Tenant's actual pro rata share and Tenant's estimated payments within thirty (30) days after receipt of Landlord's statement. Conversely, in the event Tenant's estimated payments exceed the actual amount of Tenant's actual pro rata share, Landlord shall refund the overpayment to Tenant within thirty (30) days after receipt of Landlord's statement. In the event any bills or computations are not available prior to the end of the lease term, Tenant shall pay an amount reasonably estimated by Landlord, which amount shall be equitably adjusted for any partial month or year of the term of this Lease. For purposes of this Lease, Tenant's pro rata share shall be defined as a fraction, the numerator of which shall be the square footage of the Premises, and the denominator of which shall be the square footage of the rentable area of the Property. The square footage of the Premises is 4,400 square feet therefore, Tenant's pro rata share is Twenty Five and 88/100ths percent (25.88%). See *Additional Provisions, Paragraph 32 (d)*.

Within ninety (90) days after receipt of each year-end statement, Tenant or its authorized agent shall have the right, at Tenant's sole cost and expense, to inspect and audit Landlord's records with respect to Tenant's pro rata share of expenses, which audit shall be at Landlord's office during Landlord's normal business hours, and upon five (5) days prior written notice. Except as aforesaid, Landlord shall not be obligated to provide Tenant with detailed summaries and receipts for all expenses incurred by the Property; but Landlord shall provide Tenant with a statement setting forth such expenses, categorized by class and amount. Unless Tenant asserts specific errors within said ninety (90) days, said year-end statement shall be deemed to be correct.

6. **LATE CHARGE.** In the event Tenant is late by more than five (5) days in the payment of any Base Rent or Additional Rent, Tenant shall be assessed a late charge for Landlord's increased administrative expenses, which late charge shall be equal to five (5%) percent, per month, of all outstanding rent owed Landlord.

7. **UTILITIES.** Landlord agrees to supply water, gas, electricity, sewer and telephone connections to the Premises; but Tenant shall pay for the use of all such water, gas, electricity, sewer, and telephone services, and any other utilities and/or services used by Tenant within the Premises, together with any taxes, penalties, surcharges or the like pertaining thereto. Tenant shall be liable for all maintenance and equipment with respect to the continued operation of such utilities including, without limitation, all electric light bulbs, tubes and starters. In the event any such utilities are not separately metered, Tenant shall pay to Landlord a portion of the cost of such utilities determined by Landlord's independent engineer. Landlord shall not be liable for any interruption or failure of any utility servicing the Property.

8. **LANDLORD'S REPAIRS AND MAINTENANCE.** Landlord shall maintain, repair and replace, if necessary, the structural portions of the roof, the foundation and the exterior walls, as well as maintain and repair all subfloors (but not floor coverings) at Landlord's sole cost and expense. Landlord shall maintain, repair and replace, if necessary, the heating and air conditioning systems servicing the Premises. Landlord shall maintain, repair and replace if necessary, all common areas in and about the Landlord's building, at Landlord's sole cost and expense. Notwithstanding the aforesaid, in the event any such maintenance or repairs are caused by the negligence of Tenant or Tenant's employees, agents or invitees, Tenant shall reimburse to Landlord, as Additional Rent, the cost of all such maintenance and repairs within thirty (30) days after receipt of Landlord's invoice for same. For purposes of this Paragraph, the term "exterior walls" shall not include windows, plate glass, doors, office entries, or any exterior improvement made by Tenant. Landlord reserves the right to designate all sources of services in

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connection with Landlord's obligations under this Lease. Tenant hereby grants to Landlord the right to enter upon the Premises, at reasonable times, and upon reasonable notice, except in emergencies exclusively determined by Landlord, for the purpose of making inspections and/or repairs. Tenant shall have the duty to periodically inspect the Premises and notify Landlord should Tenant observe a need for repairs or maintenance of any obligation of Landlord under this Lease. Upon receipt of Tenant's notice, Landlord shall have a reasonable period of time to make such repairs or maintenance; however, it is expressly understood that Landlord's liability with respect to such maintenance and repair shall be limited to the cost of such repairs or maintenance.

9. **TENANT'S REPAIRS AND MAINTENANCE.** Tenant, at Tenant's sole cost and expense, shall have the affirmative duty to periodically inspect, maintain, service, repair and replace, if necessary, all portions of the Premises which are not expressly the responsibility of Landlord including, but not limited to, any windows, plate glass, doors, office entries, interior walls and finish work, floor coverings, hot water heaters, sprinkler systems, dock bumpers, truck doors, branch plumbing, termites and pest extermination. In the event the Property has available to it rail spur access, Tenant agrees to sign a Joint Maintenance Agreement with the railroad company servicing the Property for the use of all tenants within the Property. Notwithstanding the aforesaid, Tenant shall not be liable for any repairs or maintenance which are directly caused by the negligence of Landlord or Landlord's employees, agents or invitees. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord in substantially the same condition as when received, reasonable wear and tear excepted. Tenant shall perform all repairs and maintenance that are the responsibility of Tenant hereunder in a good and workmanlike manner, and in compliance with all governmental and quasi-governmental laws, ordinances and regulations, as well as all requirements of Landlord's insurance carrier. In the event such repair or maintenance is not of the type which Landlord has elected to perform pursuant to Paragraph 5(c) of this Lease, and in the event Tenant fails to properly perform such repairs or maintenance within a reasonable period of time following notice from Landlord, Landlord shall have the option to perform such repairs on behalf of Tenant, in which event Tenant shall reimburse to Landlord, as Additional Rent, the costs thereof within thirty (30) days after receipt of Landlord's invoice for same.

10. **ALTERATIONS.** Tenant shall not make any structural alterations, additions or improvements to the Premises or Property without the prior written consent of Landlord. Notwithstanding the aforesaid, Tenant, at Tenant's sole cost and expense, may (i) perform the construction contemplated by Paragraph 32 of the Additional Provisions and (ii) construct interior non-structural alterations, additions or improvements to the Premises, or install such trade fixtures as Tenant may deem necessary, so long as such improvements and trade fixtures do not penetrate or disturb the structural integrity and support provided by the roof, exterior walls or subfloors. All such improvements and trade fixtures shall be constructed and/or installed in a good and workmanlike manner, and in compliance with all applicable governmental and quasi-governmental laws, ordinances and regulations, as well as all requirements of Landlord's insurance carrier.

Tenant shall remove all alterations, additions, improvements and trade fixtures installed by Tenant from the Premises upon the expiration or earlier termination of this Lease; and, upon such removal, Tenant shall restore the Premises to a condition substantially similar to that condition when received by Tenant. Notwithstanding the aforesaid, at Landlord's written election, all such alterations, additions, or improvements shall remain within the Premises upon the termination of this Lease, and shall be delivered up to Landlord along with the Premises. Landlord shall have no right to any of Tenant's trade fixtures; and, except as otherwise set forth in this Lease, Tenant may remove such trade fixtures upon the termination of this Lease, provided Tenant repairs any damage caused by such removal.

11. **DESTRUCTION.** If the Premises or the Property are damaged in whole or in part by casualty so as to render the Premises untenable, and if the damages cannot be repaired within one hundred eighty (180) days from the date of said casualty, this Lease shall terminate as of the date of such casualty. If the damages can be repaired within said one hundred eighty (180) days, and Landlord does not elect within sixty (60) days after the date of such casualty to repair same, then either party may terminate this Lease by written notice served upon the other. In the event of any such termination, the parties shall have no further obligations to the other, except for those obligations accrued through the effective date of such termination; and upon such termination, Tenant shall immediately surrender possession of the Premises to Landlord. Should Landlord elect to make such repairs, this Lease shall remain in full force and effect, and Landlord shall proceed with all due diligence to repair and restore the Premises to a condition substantially similar to that condition which existed prior to such casualty. In the event the repair and restoration of the Premises extends beyond one hundred eighty (180) days after the date of such casualty due to causes beyond the control of Landlord, this Lease shall remain in full force and effect, and Landlord shall not be liable therefor; but Landlord shall continue to complete such repairs and restoration with all due diligence. Tenant shall not be required to pay any rent for any period in which the Premises are untenable. In the event only a portion of the Premises are untenable, Tenant's rent shall be equitably abated in proportion to that portion of the Premises which are so unfit, and not used by Tenant as a result thereof. However, there shall be no rent abatement if said casualty is due to the fault or negligence of Tenant or Tenant's agents, employees or invitees.

12. **INSPECTION.** Landlord shall have the right to enter and inspect the Premises at any

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reasonable time upon reasonable notice for the purpose of ascertaining the condition of the Premises, or in order to make such repairs as may be required or permitted to be made by Landlord under the terms of this Lease. In addition thereto, during the last three (3) months of the lease term, Landlord shall have the right to enter the Premises at any reasonable time for the purpose of showing the Premises to prospective third-party tenants; and, during said three (3) months, Landlord shall have the right to erect on the Property and/or Premises a suitable sign indicating that the Premises are available for lease.

Tenant shall give Landlord thirty (30) days written notice prior to vacating the Premises, for the purpose of arranging a joint inspection of the Premises with respect to any obligation to be performed by Tenant pursuant to this Lease including, without limitation, the removal of any improvements and the restoration of the Premises. In the event Tenant fails to notify Landlord of such inspection, Landlord's inspection after Tenant vacates shall be conclusively deemed correct for purposes of determining Tenant's responsibility for repairs and restoration.

13. **SIGNS.** Tenant shall not install any signs upon the Premises or Property without Landlord's prior written consent. Any such approval by Landlord for any signs shall be subject to any applicable governmental or quasi-governmental laws, ordinances, regulations and other requirements. Upon the expiration or earlier termination of this Lease, Tenant shall remove all such signs and repair the Premises and/or Property to the condition which existed prior to the installation of such signs including, without limitation, any discoloration caused by such installation and/or removal.

14. **SUBLETTING AND ASSIGNING.** Tenant shall not assign or sublet the Premises, nor allow the same to be used or occupied by any other person or for any other use than herein specified, without the prior written consent of Landlord. In the event Landlord grants its consent to any sublease or assignment, same shall not constitute a release of Tenant from the full performance of Tenant's obligations under this Lease. Further, in the event of any such sublease or assignment, Tenant shall reimburse Landlord for all reasonable attorneys' fees in connection with reviewing and/or drafting any appropriate documents to effect such transfer of Tenant's interests.

However, Landlord's consent shall not be required for (i) a transfer, assignment or sublease to a parent, subsidiary or affiliate company of Tenant, (ii) an assignment of all of its right, title and interest in and to this Lease to any corporation which owns 100% of its stock or to a wholly owned subsidiary of Tenant, or (iii) a merger or consolidation with another business, firm or entity in which the Tenant is the surviving corporation as a result of such transaction. Such transfer, assignment, merger or sublease shall not release Tenant of liability. The sale or transfer of stock control, if Tenant be a corporation, or if Tenant be a partnership or joint venture, a sale of an interest in such partnership or joint venture, shall not be deemed an assignment of this Lease, provided the Guarantor continues to guarantee full performance under the Lease.

15. **DEFAULT AND HOLDING OVER.** If Tenant shall (i) fail to pay any rent or other charge when the same shall be due hereunder, or (ii) shall breach any other covenant or agreement of this Lease, and such breach shall continue for a period of fifteen (15) days after receipt of notice thereof from Landlord, or if Tenant makes an assignment for the benefit of creditors, vacates or abandons the Premises for more than thirty (30) days, files or has filed against it a petition in bankruptcy, or is adjudicated insolvent (hereinafter singularly or collectively referred to as "Default"), Landlord may terminate this Lease, or terminate Tenant's right of possession and repossess the Premises, with or without process of law, and expel and remove Tenant, or any other person in occupancy, together with their property, using such force as may be necessary in the judgment of Landlord. Upon any such Default, all rent up through the expiration date of this Lease shall immediately become due together with a sum equal to the following: all broker's commissions paid by Landlord in connection with the consummation of this Lease, all tenant concessions granted to Tenant including but not limited to free or reduced Rent, all tenant finish constructed within the Premises or any contribution paid to Tenant in lieu thereof, plus such expenses, including legal fees, as Landlord incurs in recovering possession of the Premises. Landlord may relet the Premises after taking possession thereof upon terms satisfactory to Landlord. However, in such event, Tenant shall be liable for all costs of reletting, including any additional brokers' fees, legal fees, and/or tenant finish; and, in the event the rent payable under any reletting is less than the rent payable under this Lease, Tenant shall be liable for the difference thereof.

If this Lease is terminated, Tenant shall, without demand therefor, peaceably surrender the Premises to Landlord in as good condition as when delivered to Tenant, reasonable wear and tear excepted. If Tenant shall remain in possession of the Premises after the termination of this Lease, and hold over for any reason, Tenant shall be deemed guilty of forcible detainer, and Tenant shall pay to Landlord monthly rent equal to 200% of both the Base Rent and that Additional Rent which was payable hereunder during the last month prior to Landlord's notice of termination, as well as any other damages, consequential or otherwise, incurred by Landlord as a result of such holdover. Should any of Tenant's property remain within the Premises after the termination of this Lease, it shall be deemed abandoned; and Landlord shall have the right to store or dispose of same at Tenant's cost and expense. Tenant waives any and all rights of redemption in the event Tenant is evicted or dispossessed, or in the event Landlord obtains possession of the Premises by reason of any breach of any covenant of this Lease. All of the aforesaid rights of Landlord shall be in addition to any remedies which Landlord may have at law or in equity.

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No payment of money by Tenant after the termination of this Lease, service of any notice, commencement of any suit, or after final judgment for possession of the Premises, shall reinstate this Lease or effect any such notice, demand or suit, or imply consent for any action for which Landlord's consent is required. Tenant shall pay all costs and attorney's fees incurred by Landlord from enforcing the covenants of this Lease. Should Landlord elect not to exercise its rights in the event of a Default, it shall not be deemed a waiver of such rights as to subsequent Defaults.

**16. RIGHT TO CURE TENANT'S DEFAULT.** If Tenant is in Default under any provision of this Lease, other than for the payment of rent, and Tenant has not cured same within fifteen (15) days after receipt of Landlord's written notice, Landlord may cure such Default on behalf of Tenant, at Tenant's expense. Landlord may also perform any obligation of Tenant, without notice to Tenant, should Landlord deem the performance of same to be an emergency. Any monies expended by Landlord, including any legal fees, to remedy any Default, or resolve any deemed emergency, shall be payable by Tenant to Landlord as Additional Rent.

**17. HOLD HARMLESS.**

Landlord hereby releases, discharges and shall indemnify, hold harmless and defend Tenant, at Landlord's sole cost and expense, for all losses, claims, liability, damages, and expenses (including reasonable attorney's fees) sustained by Tenant for any damage or injury to persons or property of the parties hereto or of third persons occurring within the common areas of the Property, or which are caused by Landlord, or which are caused by Landlord's breach of any term or condition of this Lease, unless such losses, claims, liability, damages, and expenses are due to the negligence of Tenant or Tenant's agents, invitees, or employees.

Tenant hereby releases, discharges and shall indemnify, hold harmless and defend Landlord, at Tenant's sole cost and expense, for all losses, claims, liability, damages, and expenses (including reasonable attorney's fees) sustained by Landlord for any damage or injury to persons or property of the parties hereto or of third persons occurring within the common areas of the Property, or which are caused by Tenant, or which are caused by Tenant's breach of any term or condition of this Lease, unless such losses, claims, liability, damages, and expenses are due to the negligence of Landlord or Landlord's agents, invitees, or employees.

**18. CONDEMNATION.** If the whole or any part of the Property or the Premises shall be taken in condemnation or transferred by agreement in lieu of condemnation, either Landlord or Tenant may terminate this Lease by serving the other party with written notice of same, effective as of the taking date. However, Tenant may only elect to terminate this Lease if the remaining portion of the Premises and/or Property may no longer be adequately used for the purpose set forth in Paragraph 2 of this Lease. In the event only a portion of the Premises and/or Property is taken in condemnation, and Tenant elects not to terminate this Lease, such taking shall be deemed a "casualty" pursuant to Paragraph 11 of this Lease; and Landlord shall be afforded all of the rights set forth in said Paragraph 11 to restore the Premises. If neither Landlord nor Tenant elect to terminate this Lease as aforesaid, then this Lease shall terminate on the taking date only as to that portion of the Premises and/or Property so taken; and the rent and other charges payable by Tenant shall be reduced proportionally. Landlord shall be entitled to the entire condemnation award for all realty and improvements. Tenant shall not be entitled to any award for Tenant's leasehold interest, but shall be entitled to any award for Tenant's trade fixtures and personal property, business interruption and moving expenses, provided Tenant independently petitions for same. Notwithstanding the aforesaid, if any condemnation takes a portion of the parking area, and does not effect any portion of the Premises, and same does not result in a reduction of the minimum required parking ratio below that established by local Code or Ordinance, this Lease shall continue in full force and effect without modification.

**19. INSURANCE.** Landlord shall maintain in full force and effect policies of insurance covering the Property in an amount not less than eighty (80%) percent of the "replacement cost" thereof as such term is defined in the Replacement Cost Endorsement attached to such policy, insuring against physical loss or damage generally included in the classification of "all risk" coverage. Except as set forth below, such insurance shall be for the sole benefit of Landlord, and under Landlord's sole control.

Tenant, at Tenant's sole cost and expense, shall maintain in full force and effect policies providing "all risk" insurance coverage protecting against physical damage (including, but not limited to, fire, lightning, extended coverage perils, vandalism, sprinkler leakage, water damage, collapse, and other special extended perils) to the extent of 100% of the replacement cost of Tenant's property and improvements during the term of this Lease, as well as broad form comprehensive or commercial general liability insurance insuring Landlord and Tenant jointly against any liability (including bodily injury, property damage and contractual liability) arising out of Tenant's use or occupancy of the Premises, with a combined single limit of not less than \$1,000,000, or for a greater amount as may be reasonably required from time to time, and in policy form and content satisfactory to Landlord. Landlord shall be named as an additional insured on all insurance carried by Tenant, and all such policies shall be primary and non-contributing with or in excess of any insurance carried by Landlord. All policies shall be with

companies licensed to do business in the state where the Property is located, and rated A+XV in the most current issue of Best's Key Rating Guide. Tenant shall furnish Landlord with certificates of all such policies at least thirty (30) days prior to occupancy, or otherwise upon Landlord's request; and, further, such insurance shall provide that not less than thirty (30) days written notice be given to Landlord before any such policies be canceled or substantially changed to reduce the insurance provided thereby. Tenant shall not do any act which may make void or voidable any insurance carried by Landlord on the Premises or Property; and, in the event Tenant's use of the Premises shall result in an increase in Landlord's insurance premiums, Tenant shall pay to Landlord upon demand, as Additional Rent, an amount equal to such increase in insurance.

Landlord and Tenant hereby mutually waive any and all right of recovery against one another, directly or by way of subrogation or otherwise, due to the negligence of either party, their agents or employees, for real or personal property damage occurring to the Premises, the Property, or any personal property located therein, from perils agreed to be insured against in the aforesaid policies (whether or not such insurance is actually carried). Each party shall have the affirmative duty to inform their respective insurance carriers of this Paragraph and the mutual waiver of subrogation contained herein.

20. **MORTGAGES.** This Lease is subject and subordinated to any mortgages, deeds of trust or underlying leases as well as to any extensions or modifications thereof (hereinafter collectively referred to as "Mortgages"), now of record or hereafter placed of record. In the event Landlord exercises its option to further subordinate this Lease, Tenant shall at the option of the holder of said Mortgage atom to said holder. Any subordination shall be self-executing, but at the written request of Landlord, Tenant shall execute such further assurances as Landlord deems desirable to confirm such subordination. In the event any existing or future lender, holding a mortgage, deed of trust or other commercial paper, requires a modification of this Lease which does not increase Tenant's Rent hereunder, or does not materially change any obligation of Tenant hereunder, Tenant agrees to execute appropriate instruments to reflect such modification, upon request by Landlord. In the event Tenant should fail or refuse to execute any instrument required under this Paragraph, within fifteen (15) days after Landlord's request, such failure shall be a Default by Tenant subject to Paragraph 15 hereof.

21. **LIENS.** Tenant shall not mortgage or otherwise encumber or allow to be encumbered its interests herein without the prior written consent of Landlord. Any consent by Landlord to allow any construction by Tenant within the Premises shall not be construed as a waiver of any prohibition in this Paragraph. Should Tenant cause any mortgage, lien or other encumbrance (hereinafter referred to as "Encumbrance") to be filed against the Premises or the Property, Tenant shall demise or bond against same within fifteen (15) days after the filing thereof. If Tenant fails to remove said Encumbrance within said fifteen (15) days, Landlord shall have the absolute right to cause same to be cured by whatever measures Landlord shall deem convenient including, without limitation, payment of such Encumbrance, in which event Tenant shall reimburse Landlord for same as Additional Rent. All of the aforesaid rights of Landlord shall be in addition to any remedies at law or in equity available to either Landlord or Tenant.

22. **GOVERNMENT REGULATIONS.** Tenant, at Tenant's sole cost and expense, shall conform with all laws and requirements of any Municipal, State or Federal authorities now in force, or which may hereafter be in force, pertaining to the Premises as well as any requirement of Landlord's insurance carrier with respect to Tenant's use of the Premises. The judgment of any court, or an admission of Tenant in any action or proceeding at law, whether Landlord be a party thereto or not, shall be conclusive of the fact as between Landlord and Tenant.

23. **NOTICES.** All rents which are required to be paid by Tenant shall be delivered by the United States mail, postage prepaid, addressed to Landlord at its address below, and all notices that are required to be given hereunder shall be in writing and delivered by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the parties herein at their respective addresses below:

<b>LANDLORD:</b>	<b>TENANT:</b>
01-90-4774-00	
Lincoln Place Land Trust #90365-22	GAMBRO Healthcare Patient Services, Inc.
5 Canty Lane	1919 Charlotte Avenue
Fairview Heights, Illinois 62208	Nashville, Tennessee 37203
	Attention: Legal Department

Either party may designate a different address by giving notice to the other party of same at the address set forth above. Notices shall be deemed given on the date shown on the return receipt, or if no receipt is obtained, five (5) days after mailing.

24. **PARKING.** Tenant shall be liable for all vehicles owned, rented or used by Tenant or Tenant's agents and invitees in the operation of Tenant's business. Tenant will not store any equipment or inventory in any trucks, nor shall Tenant store any trucks, on the parking lot of the Property. Tenant

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shall abide by all parking restrictions now or hereafter placed upon the parking lot; and Tenant shall only park its vehicles in those areas designated for Tenant's use. Tenant shall not park any trucks or other vehicles in any driveways, streets or other areas not specifically designated for parking; and, upon request by Landlord, Tenant shall move its trucks and vehicles if in Landlord's reasonable opinion said vehicles are in violation of any of the above restrictions. Unless otherwise set forth in this Lease, parking shall be provided on an unallocated basis.

**25. OWNERSHIP.** Notwithstanding anything in this Lease to the contrary, the term "Landlord" as used in this Lease, shall be defined as the current owner(s) of the Property. In the event of any transfer of the Property, the party conveying same shall thereafter be automatically relieved of all personal liability with respect to Landlord's performance of any obligations thereafter occurring or covenants thereafter to be performed, it being intended hereby that all obligations under this Lease shall be binding upon the owner(s) of the Property only during that owner(s)' respective period(s) of ownership of said Property. It is expressly understood and agreed that none of Landlord's covenants under this Lease are personal in nature, and that Tenant agrees to look solely to the Property for recovery of any damages or breach or non-performance of any of the obligations of Landlord hereunder.

**26. SECURITY DEPOSIT.** Tenant has deposited with Landlord the sum of Three Thousand Three Hundred Sixty-Six and 57/100 Dollars (\$3,366.67) as security for the full and faithful performance of Tenant's obligations under this Lease. The parties agree that unless otherwise required by law, Landlord shall not be required to keep said security deposit separate from its general funds, nor pay any interest thereon to Tenant. Such security deposit shall not be construed as an advance rent payment, or as a measure of Landlord's damages in the event of a Default by Tenant. If Tenant should be placed in Default with respect to any provision of this Lease, Landlord may apply all or any part of said security deposit for the payment of any sum in Default or for the payment of any amount which Landlord expended by reason of such Default. If any portion of said deposit is so applied, Tenant shall deposit with Landlord, within ten (10) days after written demand therefor, an amount sufficient to restore the security deposit to its original amount.

**27. ESTOPPEL CERTIFICATES.** Tenant agrees, upon written request by Landlord, to execute and return to Landlord, within twenty (20) days, a statement in writing certifying that this Lease is unmodified and in full force and effect, that Tenant has no defenses, offsets or counterclaims against its obligations to pay the rent and to perform its other covenants under this Lease, that there are no uncured Defaults of Landlord or Tenant, and setting forth the dates to which the rent and other charges have been paid, as well as any other information reasonably requested by Landlord. In the event Tenant fails to return such statement within said twenty (20) days, setting forth the above or, alternatively, setting forth those Lease modifications, defenses and/or uncured Defaults, Tenant shall be in Default hereunder or, at Landlord's election, it shall be deemed that Landlord's statement is correct with respect to the information therein contained. Any such statement delivered pursuant to this Paragraph may be relied upon by any prospective purchaser, mortgagee, or assignee of any mortgage of the Property.

**28. PERSONAL PROPERTY TAXES.** Tenant shall timely pay all taxes assessed against Tenant's personal property and all improvements to the Premises in excess of Landlord's standard installations. If said personal property and improvements are assessed with the property of Landlord, Tenant shall pay to Landlord an amount equal to Tenant's share of such taxes, within ten (10) days after receipt of Landlord's statement for same.

**29. BROKERAGE.** The parties warrant that they have dealt with no other broker or person in connection with this transaction. This provision shall survive the termination of this Lease.

**30. RIGHT OF FIRST REFUSAL.** In the event that the Landlord receives a bona fide offer to purchase the Property, Landlord shall send a written notice incorporating the terms and conditions of such offer to Tenant prior to selling the same to such party. Tenant shall have the right to purchase the Property on the same terms and conditions set forth in Landlord's notice to Tenant, provided Tenant is not then in default of any of the terms and conditions contained in this Lease and provided further that Tenant shall notify Landlord of Tenant's intention to purchase the Property within fifteen (15) days of Tenant's receipt of Landlord's notice. If the purchase option granted herein is exercised by Tenant in the manner above provided, the parties agree to close the sale and purchase contemplated by this Section 30 within fifteen (15) days following delivery of the notice from Tenant to Landlord indicating Tenant's desire to exercise the purchase option (the "Closing Date"). At closing, Landlord shall deliver a Special Warranty Deed to Tenant which deed shall be subject to all easements, covenants and restrictions of record as of the Closing Date. Tenant shall pay all closing costs and shall pay all costs of providing a standard title insurance policy on the Property. This Lease shall terminate automatically upon closing of the sale contemplated by this Section 30.

**31. MISCELLANEOUS.**

(a) All of the covenants of Tenant and Landlord hereunder shall be deemed and construed to be "conditions" as well as "covenants" as though both words were used in each separate instance.

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(b) Should any provision of this Lease be unenforceable, it shall be severable from this Lease, and this Lease shall remain in full force and effect and be binding upon the parties hereto as though said provision had not been included.

(c) This Lease shall not be recorded by Tenant without the prior written consent of Landlord.

(d) In addition to the terms and conditions herein contained, Landlord reserves the right to establish and enforce reasonable rules and regulations for all tenants of the Property, provided such rules and regulations hereafter established shall not materially impair Tenant's rights under this Lease, and further provided that all rules shall be applied consistently to Tenant and the other tenants of the Property.

(e) The paragraph headings appearing in this Lease are inserted only as a matter of convenience, and in no way define or limit the scope of any paragraph.

(f) Submission of this Lease shall not be deemed to be an offer, or an acceptance, or a reservation of the Premises; and Landlord shall not be bound hereby until Landlord has delivered to Tenant a fully executed copy of this Lease, signed by both of the parties hereto on the last page of this Lease in the spaces herein provided. Until such delivery, Landlord reserves the right to exhibit and lease the Premises to other prospective tenants.

(g) This Lease demises real estate located in the State of Illinois, and shall be governed by the laws of such State.

(h) All of the terms of this Lease shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.


(i) This Lease is modified and affected by the following Exhibits which are attached hereto and made a part hereof.

Exhibit "A": Legal Description and/or Floor Plan  
Exhibit "B": Additional Provisions

IN WITNESS WHEREOF, Landlord and Tenant have respectively signed and sealed this Lease the day and year first above written.

WITNESS/ATTEST:

This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.



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April 20, 1987

LANDLORD:  
MAGNA TRUST COMPANY, TRUSTEE  
LINCOLN PLACE LAND TRUST #00005-22  
01-60-4074-00

By: Jennifer M. Eisman  
Name: Jennifer M. Eisman  
Title: Asst. Trust Officer

TENANT:  
GAMBRO HEALTHCARE RENAL CARE, INC.

By: Ralph Levy Jr.  
Name: Ralph Levy Jr.  
Title: Vice President

EXHIBIT "A"

Lincoln Centre  
Fairview Heights, Illinois

The Premises shall consist of the following:

Approximately 4400 square feet of Lincoln Centre comprised of the easterly 8' of Bay 3, and all of Bays 4, 5, 6 and 7, as shown below; plus

Approximately 1800 square feet of Lincoln Centre comprised of Bay 2 and the westerly 12' of Bay 3, as shown below.

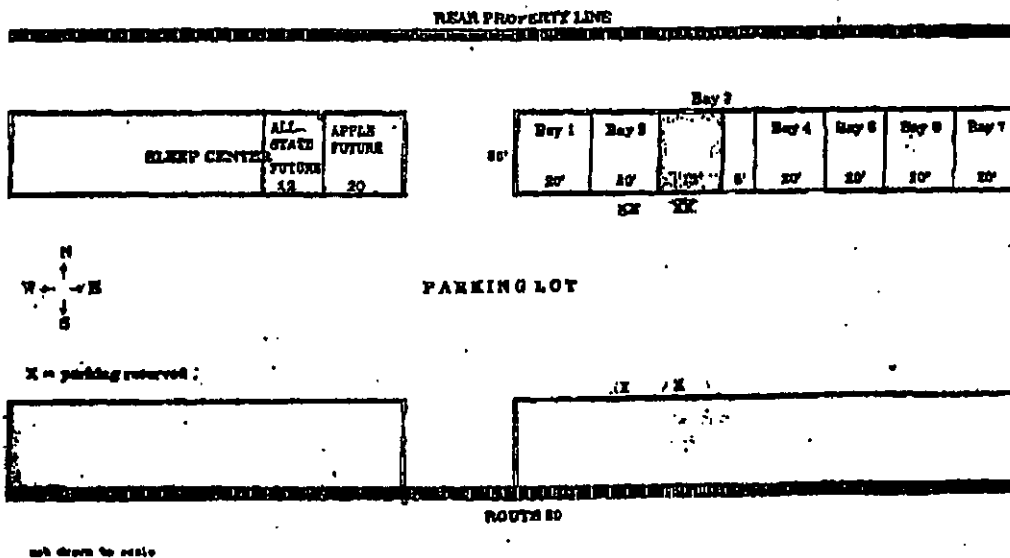


EXHIBIT "B"

ADDITIONAL PROVISIONS TO LEASE BY AND BETWEEN  
LINCOLN PLACE LAND TRUST #1 90905-22, AS LANDLORD,  
AND VIVRA RENAL CARE, AS TENANT

32. **ADDITIONAL SPACE.** In addition to the approximate 4,400 square feet of space described in Paragraph 1 as the Premises, Tenant shall have the affirmative obligation to also lease certain additional space within the Property, shown as Bay 2 and a portion of Bay 3 on Exhibit "A", together containing approximately 1,600 square feet of space (hereinafter collectively referred to as the "Additional Space"), when such space shall be made available to Tenant by Landlord. Tenant acknowledges that, as of the date of this Lease, the Additional Space is leased to certain third party tenants. In the event Landlord should relocate said third party tenants, or in the event said third party tenants should otherwise vacate the Additional Space, Tenant shall have the affirmative obligation to thereafter lease said Additional Space, upon the terms and conditions set forth below. Tenant shall be responsible for the payment of one half (1/2) of the total cost to relocate the aforesaid third party tenants provided, however, in no event shall the cost to Tenant for such relocation exceed the sum of Five Thousand and 00/100 Dollars (\$5,000.00). Tenant's share of the relocation cost as set forth above shall be payable within ten (10) days following Landlord's demand therefor. The Additional Space shall be merged with Tenant's existing 4,400 square feet of space, thereby increasing Tenant's demised space to approximately 8,000 square feet, which combined space shall also be known as the Premises. Tenant shall lease the Additional Space upon the same terms and conditions as the original Premises, except as herein set forth.

a. Tenant shall accept said Additional Space in its present "AS IS" condition; and, except as set forth above in Section 8 of this Lease, Tenant acknowledges that Landlord has made no representations to Tenant with respect to any other alterations, repairs or improvements to be performed by Landlord within such space. Tenant shall have the right and option to perform certain interior finish work within the Additional Space, provided that all such work is performed in accordance with drawings and specifications prepared by Tenant and approved by Landlord prior to the commencement of such work. It is expressly understood that any plans prepared by or on behalf of Tenant shall incorporate all requirements of the Americans with Disabilities Act of 1990, and Tenant shall be solely responsible for compliance with such Act, and hold Landlord harmless therefrom, notwithstanding Landlord's approval of any such plans or any construction. Any changes, alterations, or additions made to the original approved plans shall be in writing and also approved by Landlord prior to construction. Tenant acknowledges and agrees that Tenant shall be liable for all costs of Tenant's interior finish and, prior to the commencement of any construction, Tenant shall provide Landlord with certain assurances reasonably satisfactory to Landlord that Tenant is capable of paying for all interior finish work. All construction undertaken by Tenant shall be in compliance with state, federal, and local codes, and shall be built in a good and workmanlike manner, and shall be subject to Landlord's inspection from time to time. Tenant shall indemnify and hold Landlord harmless from any and all claims and damages (including reasonable attorneys' fees), to persons or property of Landlord or third persons, caused by Tenant's construction. Tenant shall also indemnify Landlord against any mechanic's liens or other liens arising out of any construction performed by or on behalf of Tenant; and Tenant, shall within thirty (30) days after any construction furnish to Landlord lien waivers for all work performed and materials furnished. In the event a lien is filed against the Property for any reason as a result of any construction performed or alleged to have been performed by or on behalf of Tenant, Tenant shall remove such lien within fifteen (15) days. Should Tenant fail to remove any such lien within said fifteen (15) days, Landlord shall have the absolute right to cause such lien to be removed by whatever measures as Landlord, in Landlord's sole discretion, shall deem convenient or necessary including, without limitation, payment to any contractor, subcontractor, laborer, supplier or materialman (and any relating attorney's fees) to extinguish such lien; and, in such event, Tenant shall pay to Landlord, as Additional Rent, all of Landlord's costs and expenses including, without limitation, any payment made by Landlord to any contractor, subcontractor, laborer, supplier or materialman, the payment of any attorney's fees of any lienholder, as well as the payment of Landlord's attorneys' fees to extinguish such lien. Upon the termination of this Lease, all improvements made to the Additional Space by Tenant and pre-approved in writing by Landlord shall be delivered to Landlord with the Premises. All improvements made to the Additional Space by Tenant which are not pre-approved in writing by Landlord shall, at the option of Landlord, be either delivered to Landlord with the Premises or removed from the Premises prior to the lease termination date. In the event Landlord elects for Tenant to remove any such improvements, Tenant shall repair and restore the Additional Space to a condition substantially similar to the condition of the Additional Space immediately prior to the installation of such improvements; and, in the event Tenant fails to so repair and restore the Premises, Tenant shall be liable for the costs thereof, which liability shall survive the termination of this Lease.

b. The commencement date for said Additional Space shall be the earlier of (i) thirty (30) days after the date Landlord delivers said Additional Space to Tenant or (ii) the date Tenant first takes occupancy of any portion of said Additional Space for any purpose other than the construction of Tenant's interior finish.

c. Tenant shall pay to Landlord, as Base Rent for said Additional Space the sum of Eighteen Thousand Two Hundred Fifty-Five and 96/100 Dollars (\$18,255.96) per year, payable in equal monthly installments of One Thousand Five Hundred Twenty-One and 33/100 Dollars (\$1,521.33) each. Payment shall be made in the time, manner and place as set forth in Section 4 hereof.

d. Tenant's pro rata share for purposes of determining Tenant's obligation for Additional Rent or any other charge under this Lease, shall be equitably increased to reflect the additional square footage of the Additional Space.

33. **QUIET ENJOYMENT.** So long as Tenant is not in default of its obligations under this Lease, Tenant shall at all times during the term of this Lease peacefully and quietly have and enjoy possession of the Premises without any encumbrance or hindrance by, from or through the Landlord.

34. **COUNTERPARTS.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when there exists copies hereof which, when taken together, bear the authorized signatures of each of the parties hereto. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Lease.

#:\FLER00M\HOLLOWAY\KAZEM\YR\A.LSE

-12-



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**DAVITA INC.**  
**Gambro St. Louis Area-- REAL PROPERTY LEASE SUMMARIES**  
**(Gambro-Owned Facilities)**

Center Name/Number	Parties	Square Footage	Rent / Sq. Ft	Annual Base Rent	Total Annual Rent	Commencement Date	Termination Date	Expiration By	Assignment	Landlord Contact Info
Gambro Fairview Heights	LL: Lincoln Place Land Trust T: Gambro Healthcare Renal Care, Inc.	6,000	\$13.00	\$78,000	\$78,000	September 1, 197	August 31, 2007  The initial term of the lease shall be five years commencing on September 1, 1997. Tenant has the right and option to extend the initial term of the lease for two renewal periods of 5 years each.	12/31/2006 No	Tenant shall not assign or sublet the premises	Lincoln Place Land Trust 5 Canty Lane Fairview Heights, IL 62208

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RENAL ADVANTAGE INC.

115 East Park Drive, Suite 300  
Brentwood, TN 37027  
tel: 615-661-1100  
fax: 615-661-1109  
www.renaladvantage.com

*Via United States Mail Return Receipt Requested*

May 14, 2007

Robbie Mize  
Lincoln Place Land Trust  
c/o Concord Management  
2015 Fairfield Place  
O'Fallon, IL 62269

Re: RAI-Lincoln Hwy.-Fairview Heights  
821 Lincoln Highway  
Fairview Heights, IL 62208

Dear Mr. Mize:

Pursuant to Section 4A of the Lease Agreement, dated as of September 1, 1997, by and between Lincoln Place Land Trust (Landlord) and Gambro Healthcare Renal Care, Inc. (Gambro) (which Lease was assigned to RAI Care Centers of Illinois I, LLC, (RAI) effective as of October 1, 2005), this letter shall serve as written notice that RAI hereby exercises the final renewal option to extend the term of the Lease for one (1) additional five (5) year period. The Second Renewal Term shall run from September 1, 2007 through August 30, 2012. Pursuant to Section 4A(d), the Base Rent during the Second Renewal Term shall be \$90,000 per year, payable in equal monthly payments of \$7,500.

Derrick Byl, the Regional Director for this location, has discussed with someone in your office the leasing of space adjacent to the premises that we are currently leasing. We would like to prepare an Amendment to the Lease Agreement which would give us the right of first refusal to lease the adjacent property.

Please feel free to contact me at my direct dial telephone number 615-507-3307 if you have any questions and to discuss an Amendment to the Lease Agreement.

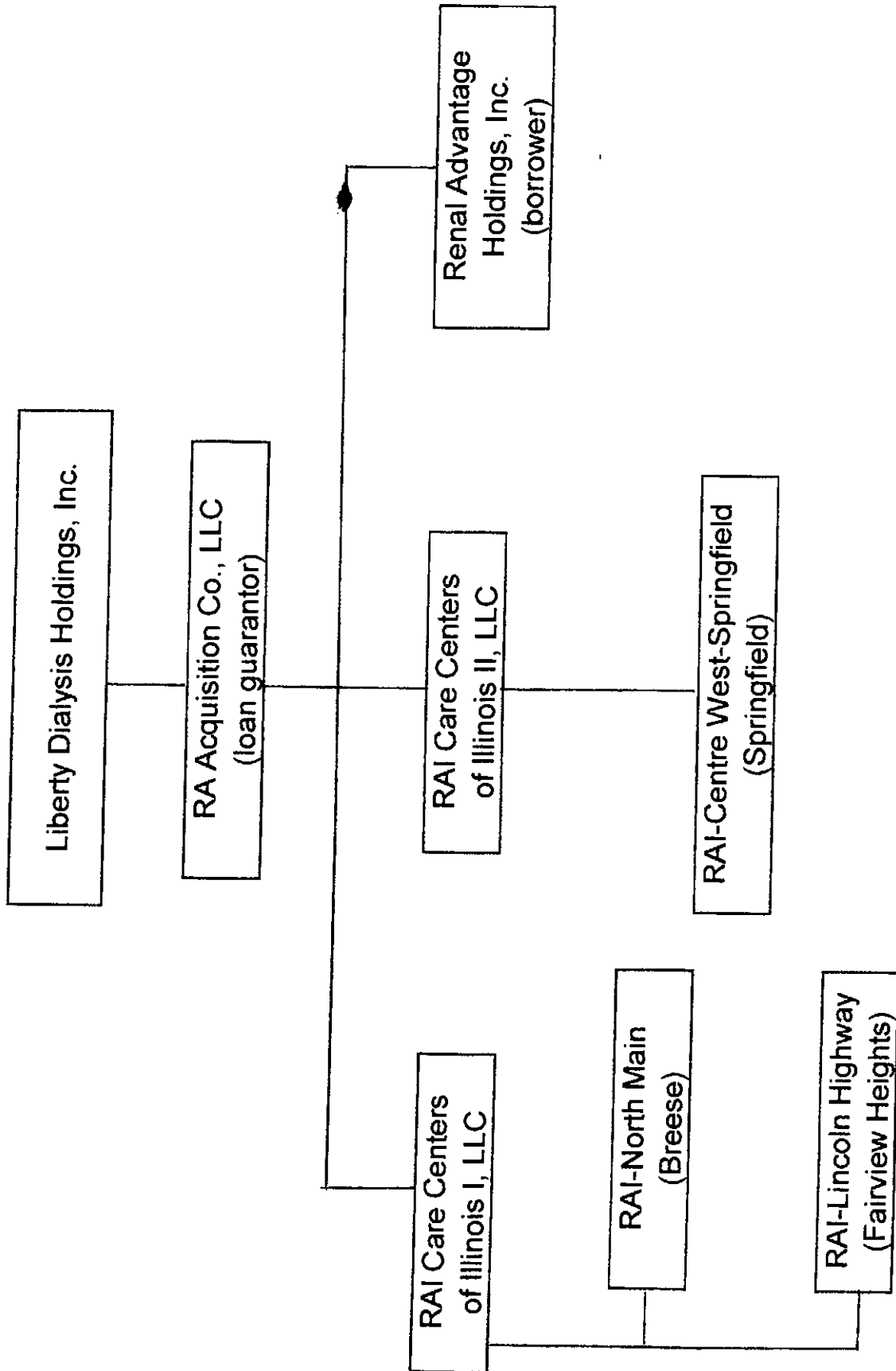
Very truly yours,

Jon M. Sundock  
Vice President & General Counsel

cc: Derrick Byl

ATTACHMENT 2

# ORGANIZATIONAL CHART



## PROJECT COSTS

### Acquisition (\$9,761,900)

The acquisition costs represents an apportionment of the acquisition costs associated with the three Illinois facilities (\$20,500,000), based on the number of dialysis stations approved for each of the three facilities.

### Consulting and Other Fees (\$100,000)

The consulting and other fees identified in the Application for Permit consist primarily of the categories: CON application development and review-associated fees, and transaction-related fees, including legal fees.

May 8, 2006

Ms. Gernilyn Vogel  
Clinic Manager  
Fairview Heights Dialysis  
821 Lincoln Highway  
Fairview Heights, IL 62208

Dear Ms. Vogel:

**Subject:** Change of Ownership - Supplier Number: 14-2558

We were notified that the end-stage renal disease facility, Gambro Healthcare Renal Care, Inc. d/b/a Gambro Healthcare-Fairview Heights, changed ownership effective January 1, 2006. It is now operating as RAI Care Centers of Illinois I, LLC- Fairview Heights. When a provider of services undergoes a change in ownership, the existing provider number is automatically assigned to the new owner. The new owner is then subject to all terms and conditions under which the existing agreement was issued.

Your facility has been approved for twenty (20) maintenance stations. Also, your facility is approved to provide the following services:

- Staff Assisted Hemodialysis
- Staff Assisted Peritoneal Dialysis
  - Self Administered Peritoneal Dialysis - Patient Training and Support of Continuous Ambulatory Peritoneal Dialysis (CAPD)

Blue Cross Blue Shield-GA has been authorized to process your Medicare claims. Your facility has been assigned the identification number shown above. This number should be entered on all forms and correspondence relating to the Medicare program.

Again, thank you for notifying us of your change of ownership. Should there be a future change in your legal status as owner of the facility, please promptly notify the Centers for Medicare & Medicaid Services (CMS). Furthermore, you should report to the Illinois Department of Public Health any changes in staffing, services, or organization that might affect your certification status.

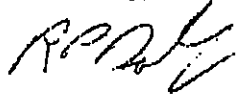
233 North Michigan Avenue  
Suite 600  
Chicago, Illinois 60601-5519

Richard Bolling Federal Building  
601 East 12<sup>th</sup> Street, Room 235  
Kansas City, Missouri 64106-2808

Ms. Vogel  
Page 2

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 Sarah McBride in the Chicago office at (312) 353-9613.

Sincerely,



Robert P. Daly  
Branch Manager

cc: Illinois Department of Public Health  
Illinois Department of Public Aid  
BCBS-GA  
Illinois Foundation for Quality Health Care

Supplier Number: 14-2546

December 5, 2006

Martin Valtierra, R.N.  
Center Director  
RAI Care Center of Illinois, Inc.  
1112 Centre West Drive  
Springfield, Illinois 62704

Dear Mr. Valtierra:


Based upon information provided by the Illinois Department of Public Health, your renal dialysis facility (ESRD) is approved to provide self-administered hemodialysis services effective November 6, 2006. Your facility is approved for a total of fourteen (14) stations and continues to be approved to provide the following services:

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

Regulations at 42 CFR 489.18 require that providers notify CMS when there is a change of ownership. Therefore, you must notify this office promptly if there is a change in your legal status as owner of this facility. You must also report to the State agency any changes in staffing, services, or organization which might affect your certification status.

We look forward to continuing to work with you in the administration of the Medicare program. If you have any questions regarding this letter, please contact Justin Pak of the Chicago office at (312) 3535-0519.

Sincerely,

  
Douglas Wolfe  
Program Representative  
Non-Long Term Care Branch

cc: Illinois Department of Public Health  
Illinois Department of Healthcare and Family Services  
Trailblazers Health Enterprises, Inc.  
The Renal Network, Inc.

233 North Michigan Avenue  
Suite 600  
Chicago, Illinois 60601-5519

Richard Bolling Federal Building  
601 East 12<sup>th</sup> Street, Room 235  
Kansas City, Missouri 64106-2808

ATTACHMENT II

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A

CMS Certification Number (CCN): 14-2637

December 7, 2009

Michael D. Klein  
Administrator  
RAI Care Centers of Illinois, LLC  
160 North Main Street  
Breese, IL 62230

Dear Mr. Klein:

Based upon information provided by the Illinois Department of Public Health (IDPH), the Centers for Medicare & Medicaid Services (CMS) has approved the addition of self-administered hemodialysis and patient-training for hemodialysis effective November-12, 2009.

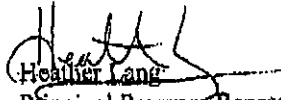
Your renal dialysis facility continues to be approved to for a total of eight (8) maintenance stations to provide staff-assisted hemodialysis, staff-assisted peritoneal dialysis, patient training for continuous ambulatory peritoneal dialysis (CAPD), patient training for continuous cycling peritoneal dialysis (CCPD), and self-administered peritoneal dialysis.

Regulations at 42 CFR 489.18 require that providers notify the CMS when there is a change of ownership. Therefore, you must notify this office promptly if there is a change in your legal status as owner of this center.

You must also inform the IDPH if you wish to relocate your unit, change the services which you are currently providing, or expand the number of stations which your unit is currently approved for.

If you have any questions or concerns, please contact Mai Le-Yuen of the Chicago office at (312) 353-2853 or by email at [mai.le-yuen@cms.hhs.gov](mailto:mai.le-yuen@cms.hhs.gov).

Sincerely,



Heather Lang  
Principal Program Representative  
Non-Long Term Care Certification  
& Enforcement Branch

cc: Illinois Department of Public Health  
Illinois Department of Healthcare & Family Services  
Renal Network 9/10  
Blue Cross Blue Shield Georgia (00101)

233 North Michigan Avenue  
Suite 600  
Chicago, Illinois 60601-5519

Richard Bolling Federal Building  
601 East 12<sup>th</sup> Street, Room 235  
Kansas City, Missouri 64106-2808

ATTACHMENT 11



Midwestern Consortium  
Division of Survey and Certification



May 8, 2006

Vpd/f

Ms. GERALYN Vogel  
Clinic Manager  
Breese Dialysis  
160 North Main Street  
Breese, IL 62230

Dear Ms. Vogel:

**Subject:** Change of Ownership – Supplier Number: 14-2637

We were notified that the end-stage renal disease facility, Gambro Healthcare Renal Care, Inc. d/b/a Gambro Healthcare-Breese, changed ownership effective January 1, 2006. It is now operating as RAI Care Centers of Illinois I, LLC d/b/a Breese Dialysis. When a provider of services undergoes a change in ownership, the existing provider number is automatically assigned to the new owner. The new owner is then subject to all terms and conditions under which the existing agreement was issued.

Your facility has been approved for eight (8) maintenance stations. Also, your facility is approved to provide the following services:

- Staff Assisted Hemodialysis
- Staff Assisted Peritoneal Dialysis
  - Self Administered Peritoneal Dialysis – Patient Training and Support of Continuous Ambulatory Peritoneal Dialysis (CAPD)

Highmark Carefirst (BCBS-GA) has been authorized to process your Medicare claims. Your facility has been assigned the identification number shown above. This number should be entered on all forms and correspondence relating to the Medicare program.

Again, thank you for notifying us of your change of ownership. Should there be a future change in your legal status as owner of the facility, please promptly notify the Centers for Medicare & Medicaid Services (CMS). Furthermore, you should report to the Illinois Department of Public Health any changes in staffing, services, or organization that might affect your certification status.

233 North Michigan Avenue  
Suite 600  
Chicago, Illinois 60601-5519

Richard Bolling Federal Building  
601 East 12<sup>th</sup> Street, Room 235  
Kansas City, Missouri 64106-2808

ATTACHMENT 11

A'

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Ms. Vogel

Page 2

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 Sarah McBride in the Chicago office at (312) 353-9613.

Sincerely,



Robert P. Daly  
Branch Manager

cc: Illinois Department of Public Health  
Illinois Department of Public Aid  
Highmark Carefirst (BCBS-GA)  
Illinois Foundation for Quality Health Care

December , 2010

Illinois Health Facilities  
and Services Review Board  
Springfield, IL

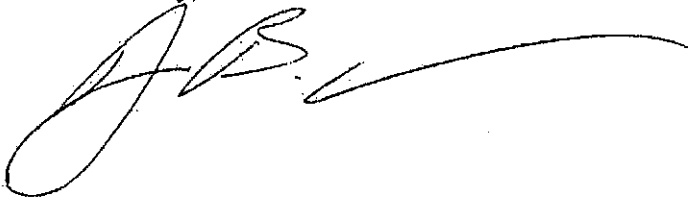
To Whom It May Concern:

In accordance with Review Criterion 1110.230.b, Background of the Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that:

1. Neither Liberty Dialysis Holdings, Inc. nor any affiliated entity has had any adverse actions against any Illinois facility owned and operated by Liberty Dialysis Holdings, Inc. or a related entity during the three (3) year period prior to the filing of this application, and
2. Liberty Dialysis Holdings, Inc. authorizes the State Board and Agency access to information related to itself and related entities to verify documentation or information submitted in response to the requirements of Review Criterion 1110.230.b or to obtain any documentation or information which the State Board or Agency finds pertinent to this application.

If we can in any way provide assistance to your staff regarding these assurances or any other issue relative to this application, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to be 'J.B.', with a long horizontal flourish extending to the right.

ATTACHMENT11

12/6

December 20, 2010

Illinois Health Facilities  
and Services Review Board  
Springfield, IL

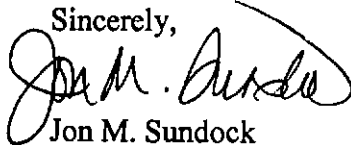
To Whom It May Concern:

In accordance with Review Criterion 1110.230.b, Background of the Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that:

1. Neither RAI Care Centers of Illinois I, LLC, RAI Care Centers of Illinois II, LLC nor any affiliated entity has had any adverse actions against any Illinois facility owned and operated by RAI Care Centers of Illinois I, LLC, RAI Care Centers of Illinois II, LLC or a related entity during the three (3) year period prior to the filing of this application, and
2. RAI Care Centers of Illinois I, LLC and RAI Care Centers of Illinois II, LLC authorize the State Board and Agency access to information related to itself and related entities to verify documentation or information submitted in response to the requirements of Review Criterion 1110.230.b or to obtain any documentation or information which the State Board or Agency finds pertinent to this application.

If we can in any way provide assistance to your staff regarding these assurances or any other issue relative to this application, please do not hesitate to call me.

Sincerely,



Jon M. Sundock  
RAI Care Centers of Illinois I, LLC  
RAI Care Centers of Illinois II, LLC

December 6, 2010

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

To Whom It May Concern:

In accordance with Review Criterion 1110.230.b, Background of the Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that:

1. Neither Welsh, Carson, Anderson & Stowe X, L.P. nor any affiliated entity has had any adverse actions against any Illinois facility owned and operated by Welsh, Carson, Anderson & Stowe X, L.P. or a related entity during the three (3) year period prior to the filing of this application, and
2. Welsh, Carson, Anderson & Stowe X, L.P. authorizes the State Board and Agency access to information related to itself and related entities to verify documentation or information submitted in response to the requirements of Review Criterion 1110.230.b or to obtain any documentation or information which the State Board or Agency finds pertinent to this application.

If we can in any way provide assistance to your staff regarding these assurances or any other issue relative to this application, please do not hesitate to call me.

Sincerely,



Jonathan Rather  
Managing Member  
Welsh, Carson, Anderson & Stowe X, L.P.

ATTACHMENT 11

DIALYSIS FACILITIES OWNED BY LIBERTY DIALYSIS

Reference	Facility Name	# of Stations	Address	City	Zip	State
AHP	Liberty Dialysis - AHP LLC dba Liberty At Home - Anchorage		4050 Lake Otis Parkway, Suite 106	Anchorage	99508-5520	AK
Alaska	Liberty Dialysis - Alaska LLC	12	901 East Dimond Blvd	Anchorage	99515	AK
Berlin	Liberty Dialysis - Berlin LLC	15	30 Tansboro Road	Berlin	08009-1948	NJ
Blackfoot	Idaho Kidney Center - Blackfoot, LLC	6	98 Poplar Street	Blackfoot	83221-1758	ID
Boise-Meridian	Boise Dialysis, LLC (Liberty Dialysis - Meridian)	15	Meadow Lake Village Medical Office Building 3525 East Louise Drive, Suite 100	Meridian	83642-6303	ID
Brenham	Liberty Dialysis - Brenham LLC	12	604 Medical Courts	Brenham	77833-5411	TX
Bryan	Liberty Dialysis - Bryan LLC	21	2390 E. 29th Street	Bryan	77802	TX
Caldwell	LDCD LLC dba Liberty Dialysis - Caldwell	13	4620 Enterprise Way, Suite 101	Caldwell	83605-6764	ID
Carson City	Liberty Dialysis - Carson City LLC	20	4500 South Carson Street	Carson City	89701-5517	NV
Castle Rock	Liberty Dialysis - Castle Rock LLC	13	4352 Trail Boss Drive	Castle Rock	80104-7512	CO
Charing Cross	Charing Cross Dialysis, LLC	17	5730 Executive Drive (St. 124-130)	Baltimore	21228	MD
College Station	Liberty Dialysis - College Station LLC	16	3314 Longmire Drive	College Station	77845-5812	TX
Colorado Springs - North	CSLD LLC dba Liberty Dialysis - Colorado Springs North	15	2180 Hollowbrook Drive	Colorado Springs	80918	CO
Colorado Springs - South	021808 LLC dba Liberty Dialysis - Colorado Springs South	18	2508 Airport Road	Colorado Springs	80910-3120	CO
Colorado Springs - Central	CSLD Letaray LLC dba Liberty Dialysis - Colorado Springs Central	23	1910 Letaray	Colorado Springs	80909	CO
Davis County	Liberty Dialysis - Davis County LLC, dba Liberty Dialysis - Layton	12	2132 N 1700 W, Ste 120	Layton	84041-7057	UT
Doylestown	Liberty Dialysis - Doylestown LLC	20	2800 Kelly Road, St. B	Warrington	18976-3624	PA
Duncanville	Liberty Dialysis - Duncanville LLC	20	1038 US Highway 67	Duncanville	75137-2704	TX
Duneland - Knox	Liberty Dialysis - Duneland LLC, d/b/a Duneland Dialysis - Knox	9	1008 Edgewood Drive	Knox	46534-8228	IN
Duneland-Coffee Creek	Liberty Dialysis - Duneland LLC, d/b/a Duneland Dialysis - Coffee Creek	24	3100 Village Point, Ste 101	Chesterton	46304-9689	IN
Duneland-LaPorte	Liberty Dialysis - Duneland LLC, d/b/a Duneland Dialysis - LaPorte	6	1007 Lincolnway, Ste 1107	LaPorte	46350-3201	IN
Duneland-Valparaiso	Liberty Dialysis - Duneland LLC d/b/a Duneland Dialysis Home Training facility at Valparaiso		1551 Sturdy Road	Valparaiso	46383-7883	IN
Fairfield	Liberty Dialysis - Fairfield LLC	16	500 Kings Highway	Fairfield	06825-4847	CT
Fishkill	Fishkill Dialysis Center, LLC		60 Merritt Blvd	Fishkill	12524-2990	NY
Hammond	Liberty Dialysis - Hammond LLC	18	7214 Calumet Ave.	Hammond	46325-2408	IN
Hammononton	Liberty Dialysis - Hammononton LLC	18	392 N. White Horse Pike	Hammononton	08037-1866	NJ
Hayden	Liberty Dialysis - Hayden LLC	15	8556 North Wayne Drive	Hayden	83835-5029	ID
Hudson Valley	LSL Newburgh LLC dba Hudson Valley		4 Corwin Court	Newburgh	12550-5148	NY
Idaho Falls	Liberty Dialysis - Idaho Falls, LLC	20	2391 E. Sunnyside Rd.	Idaho falls	83404-7521	ID
INS-Charlotte	Independent Nephrology Services-Charlotte		8430 University Executive Park Dr., Ste 685	Charlotte	28262-3379	NC
INS-Franklin	Independent Nephrology Services-Franklin		60 Wheaton Drive, Suite 78	Youngsville	27596	NC
INS-Huntersville	Independent Nephrology Services-Huntersville		9920 Kincoy Avenue, Ste 140	Huntersville	28078-2401	NC
INS-Iredell County	Independent Nephrology Services-Iredell County		134 Professional Park Dr., Suite C	Mooreville	28117-5537	NC
INS-Statesville	Independent Nephrology Services-Statesville		2603 Davie Avenue	Statesville	28625-8256	NC
Irving	LIBIR LLC dba Liberty Dialysis - Irving		1111 W Airport Freeway, Suite 101	Irving	75062-6203	TX
Kenwood	022808 Kenwood LLC dba Liberty Dialysis - Kenwood	24	8251 Pine Road, Suite 110	Cincinnati	45242-1993	OH
Kokomo	Liberty Dialysis - Kokomo LLC	15	3760 South Reed Road	Kokomo	46902-3829	IN
Lafayette-Crawfordsville	Liberty Dialysis-Lafayette LLC d/b/a Liberty Dialysis-Crawfordsville	10	1710 Lafayette Road	Crawfordsville	47933-1033	IN
Lafayette-Frankfort	Liberty Dialysis-Lafayette LLC d/b/a Liberty Dialysis-Frankfort	6	1300 S. Jackson Str.	Frankfort	46041-3313	IN
Lafayette-Lafayette II	Liberty Dialysis-Lafayette LLC d/b/a Liberty Dialysis-Lafayette II	28	1020 North 18th Street	Lafayette	47904-2279	IN
Lafayette-Monticello	Liberty Dialysis-Lafayette LLC d/b/a Liberty Dialysis-Monticello	12	810 S. 6th St.	Monticello	47960-1600	IN
Lakeland - Niles	Liberty Dialysis - Lakeland, LLC dba Liberty at Lakeland Niles		8 Longmeadow Village Drive	Niles	48120-4508	MI

ATTACHMENT 11

Reference	Facility Name	# of Stations	Address	City	Zip	State
Lakeland - Royalton	Liberty Dialysis - Lakeland, LLC dba Liberty at Lakeland Royalton		3772 Hollywood Rd	Saint Joseph	49085-9550	MI
Lancaster	Lancaster Dialysis LLC d/b/a Liberty Dialysis - Lancaster	17	3250 W. Pleasant Run Rd, Ste 280	Lancaster	75146	TX
Laredo	Liberty Dialysis Laredo LLC dba Hope Kidney Clinic	20	2309 E Saunders Street	Laredo	78041-5434	TX
Las Vegas	Spring Valley Dialysis Center LLC dba Liberty Dialysis - Las Vegas	16	6970 West Patrick Lane, Suite 100	Las Vegas	89113-0269	NV
Lawton (Sooner)	Lawton Med Partners, LLC dba Sooner Dialysis - Lawton	20	924 SW 38th Street	Lawton	73505-7021	OK
LDH-Hilo	Liberty Dialysis Hawaii - Hilo Dialysis	24	140 Rainbow Drive	Hilo	96720	HI
LDH-Home Program	Liberty Dialysis Hawaii - Home Program		2226 Liliha Street, 1st Floor	Honolulu	96817	HI
LDH-Kahana	Liberty Dialysis Hawaii - Kahana	7	10 Hooihul Road, Ste 100	Lahaina	96781	HI
LDH-Kailua	Liberty Dialysis Hawaii - Kailua	24	25 Kaneohe Bay Drive, Suite 230	Kailua	96734	HI
LDH-Kaimuki (East Oahu)	Liberty Dialysis Hawaii - Kaimuki	12	3625 Harding Avenue	Honolulu	96818	HI
LDH-Kauai	Liberty Dialysis Hawaii - Kauai Dialysis	11	3224 Elua Street	Lihue	96766	HI
LDH-Kona	Liberty Dialysis Hawaii - Kona Dialysis	7	79-1020 Haukapila Street, #213	Kealahou	96750	HI
LDH-Leeward	Liberty Dialysis Hawaii - Leeward Dialysis	22	91-2137 Ft. Weaver Rd.	Ewa Beach	96706	HI
LDH-Maui	Liberty Dialysis Hawaii - Maui Dialysis	20	105 Maui Lani Parkway	Wailuku	96793	HI
LDH-Molokai	Liberty Dialysis Hawaii - Molokai Dialysis	6	28 Kamoi St., Ste 400 P.O. Box 1917	Kaunakakai	96748	HI
LDH-Renal Annex	Liberty Dialysis Hawaii - Renal Annex	5	2230 Liliha Street Mother Marianne Bldg, Floor 4	Honolulu	96817	HI
LDH-Siemsen	Liberty Dialysis Hawaii - Siemsen Dialysis	48	2226 Liliha Street, 1st Floor	Honolulu	96817-1605	HI
LDH-Sullivan	Liberty Dialysis Hawaii - Sullivan Dialysis	21	2230 Liliha Street, Sullivan Bldg, Level B	Honolulu	96817	HI
LDH-Waianae	Liberty Dialysis Hawaii - Waianae Dialysis	16	86-080 Farrington Highway	Waianae	96792	HI
LDH-Waipahu	Liberty Dialysis Hawaii - Waipahu		94-450 Mokuola Street, Suite 109	Waipahu	96797-3300	HI
LDH-West Kauai	Liberty Dialysis Hawaii - West Kauai Dialysis	8	4643A Waimea Canyon Road	Waimea	96796	HI
Lebanon	Liberty Dialysis-Lebanon LLC d/b/a Witham Health Services-Liberty Dialysis	24	2485 N. Lebanon Street	Lebanon	46052-1188	IN
Linwood	LDSP LLC dba Liberty Dialysis -Linwood	18	1201 New Road, Suite 170	Linwood	08244-1101	NJ
Mesquite	Liberty Dialysis - Mesquite LLC	20	3330 N. Galloway Ave	Mesquite	75150-4701	TX
MidAmerica	Mid-America Dialysis LLC		2355 South Hamilton Road	Columbus	43232	OH
Monroe	Liberty - Monroe Clinic Dialysis Partners LLC	6	515 22nd Avenue,	Monroe	53566-1569	WI
Mountain Ridge	Mountain Ridge Dialysis LLC	12	229 Merchants Walk	Summersville	26651-1901	WV
Nampa	Liberty Dialysis - Nampa LLC	12	280 W. Georgia Ave	Nampa	83686	ID
North Haven	Liberty Dialysis - North Haven LLC	18	510 Washington Ave	North Haven	06473-1313	CT
North Hawaii	Liberty Dialysis - North Hawaii LLC	9	67-1123 Mamalahoa Hwy., Ste 112	Kamuela	96743	HI
North Laredo	LDNL LLC dba Hope Kidney Clinic Lakeview	19	8410 Crescent Loop, Suite 100	Laredo	78041-2043	TX
Northwest Reno	Liberty Dialysis - Northwest Reno LLC	19	6144 Mae Ann Ave	Reno	89523-4700	NV
Norwood	022808 LLC dba Liberty Dialysis - Norwood	24	2071 Sherman Ave	Norwood	45212	OH
Oquirrh	Oquirrh Artificial Kidney Center, LLC	20	2496 West 4700 South	Taylorville	84118-1655	UT
Orange	LDO LLC dba Liberty Dialysis Orange		240 Indian River Road BLDG D	Orange	06477-3649	CT
Pasadena	Pasadena Dialysis LLC d/b/a Arroyo Dialysis	24	1111 South Arroyo Parkway #105	Pasadena	91105-3254	CA

ATTACHMENT 1



Reference	Facility Name	# of Stations	Address	City	Zip	State
Petersburg	Liberty Dialysis Petersburg LLC	32	3400 South Crater Road	Petersburg	23805-9252	VA
Pocatello	Pocatello Med Partners LLC	20	444 Hospital Way, Suite 607	Pocatello	83201	ID
Pueblo	Liberty Dialysis - Pueblo LLC	18	850 Eagle Ridge Blvd	Pueblo	81008-2148	CO
Reno Home	Liberty Dialysis - Reno Home Dialysis LLC	2	601 Sierra Rose Drive, Suite 201	Reno	89511-4027	NV
Rockwall	Liberty Dialysis - Rockwall, LLC	16	2850 Ridge Road, Suite 112	Rockwall	75087-5501	TX
Runnemede	Liberty Dialysis- Runnemede	18	170 East 9th Ave., Unit B	Runnemede	08078	NJ
Sandpoint	SPLD LLC dba Liberty Dialysis-Sandpoint	12	1210 Washington Ave	Sandpoint	83864-5052	ID
Seaford	LDSD LLC dba Liberty Dialysis-Seaford	16	600 Health Services Drive	Seaford	19973-5783	DE
South Mountain	South Mountain Dialysis, LLC	16	10069 S. Riverfront Parkway, Ste 100	South Jordan	84095	UT
South Reno	Liberty Dialysis - South Reno LLC	16	601 Sierra Rose Drive, Suite 101	Reno	89511	NV
St. George	Liberty Dialysis - St. George LLC (Blackridge Clinic)	18	1173 South 250 West Bldg. #2	St. George	84770-6392	UT
St. Joseph's-Cortland	St. Joseph's - Cortland	10	3993 West Road	Cortland	13045	NY
St. Joseph's-Northeast	St. Joseph's - Northeast	12	4105 Medical Center Drive	Fayetteville	13066	NY
St. Joseph's-Regional	St. Joseph's - Regional	30	973 James Street	Syracuse	13203	NY
St. Joseph's-Seneca	St. Joseph's - Seneca	10	8136 Oswego Street	Liverpool	13090	NY
St. Joseph's-Camillus	St. Joseph's - Camillus	11	5101 W. Genesee Street	Camillus	13031	NY
UHS - Park Ave	Vestal Healthcare, LLC dba UHS Dialysis - Park Ave		27 Park Avenue	Binghamton	13903-1605	NY
UHS - Penn Ave	Vestal Healthcare, LLC dba UHS Dialysis - Pennsylvania Ave		65 Pennsylvania Avenue	Binghamton	13903-1661	NY
Vestal	Vestal Healthcare, LLC	24	116 N Jensen Rd	Vestal	13850-2128	NY
Victoria	LDV LLC dba Liberty Dialysis - Victoria	17	606 Locust Ave	Victoria	77901-3966	TX
Wasatch	Wasatch Artificial Kidney Center, LLC	20	650 E. 4500 S., Suite 200	Murray	84107	UT
Waxahachie	WAXLD LLC dba Liberty Dialysis - Waxahachie		1011 N Highway 77, Suite 102	Waxahachie	75165-1399	TX
Weber County	Liberty Dialysis - Weber County LLC dba Liberty Dialysis - Ogden	16	4780 Old Post Rd.	Ogden	84403-4335	UT
West Jordan	Liberty Dialysis - Jordan Landing LLC dba Liberty Dialysis - West Jordan	13	3823 West 9000 South, Suite D	West Jordan	84088-8899	UT
Wilmington	Liberty Dialysis - Wilmington LLC	18	913 Delaware Avenue	Wilmington	19806-4701	DE
Woods Cross	Liberty Dialysis - Woods Cross LLC (Bountiful)	12	572 West 750 South, Bldg B	Woods Cross	84010-7265	UT
WPMA-Baden	Liberty Dialysis - Baden LLC	17	1682 State Street	Baden	15005	PA
WPMA-Banksville	Liberty Dialysis - Banksville LLC	28	2875 Banksville Road	Pittsburgh	15216	PA
WPMA-Chippewa	Liberty Dialysis - Chippewa LLC	19	100 Pappan Business Drive	Beaver Falls	15010-1261	PA
WPMA-Friendship Ridge	Liberty Dialysis - Friendship Ridge LLC	6	246 Friendship Circle	Beaver	15009-9713	PA
WPMA-Hopewell	Liberty Dialysis - Hopewell LLC	20	400 Corporation Drive	Aliquippa	15010	PA

ATTACHMENT 11

Reference	Facility Name	# of Stations	Address	City	Zip	State
WPMA-Southpointe	Liberty Dialysis - Southpointe LLC	22	1200 Corporate Drive	Canonsburg	15317	PA
WPMA-Washington	Liberty Dialysis - Washington LLC	24	80 West Chestnut Str.	Washington	15301	PA

ATTACHMENT 11

**DIALYSIS FACILITIES OWNED BY RENAL ADVANTAGE, INC.**

Chris Sabendel Regional Director San Francisco					Vince Teresio Regional Director San Francisco				Western Division Vice Orlando DVP	
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
1	A03	RAI-Telegraph-Peralta	510.835.0154	510-835-2036	2757 Telegraph Ave.	Oakland	CA	94612	Victoria Yarela	Anita Carstensen, MD
1	A04	RAI-Telegraph-Piedmont	510.286.9948	510-286-9914	2710 Telegraph Ave., Ste.100	Oakland	CA	94612	Shirley Largentz	John Mourantuff, MD
1	A08	RAI-Ocean Ave., San Francisco	415.406.1090	415-584-8705	1738 Ocean Ave.	San Francisco	CA	94413	Cristy Satic	Rodney Omachi, MD
1	A11	RAI-Haight-San Francisco	415.752.9886	415-752-1133	1800 Haight Street	San Francisco	CA	94117	Parcela Laino	Hector Santibañan, MD
1	A13	RAI-Cesar Chavez St., San Francisco	415.206.9775	415-206-9640	1750 Cesar Chavez St., Ste. A	San Francisco	CA	94124	Victoria Yarela	Mark Kassalik, MD
*1	A21	RAI-Chaboune-Fairfield	707.434.9098	707-434-9101	490 Chaboune Road	Fairfield	CA	94534	Martha Huntz	Terry Maher, MD
1	A29	RAI-Ceres Ave., Chico	530.543.5279	530-543-7490	3011 Ceres Ave., Suite 125	Chico	CA	95973	William May	Mona Sarbu, MD
1	C06	RAI-East Bay-Oakland	510.893.2060	510-835-1529	3012 Summit Street Suite 6630	Oakland	CA	94609	Jeach Hlanday	Bryan Wong, MD
1	C07	RAI-Oakland Home Program (PD & Home)	510.452.8302	510-452-9376	2710 Telegraph Ave., Ste.205	Oakland	CA	94612	Kathy Astinos	Robert Doud, MD
Region 2		Virgil Edwards Regional Director Northern California	415-203-2551 (m)	916-773-7101	ROA - OPEN	Time Trainer Charlotte Inquest			Western Division Vice Orlando DVP	
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
2	A05	RAI-Innocent Ave., Oakland	510.553.1333	510-553-1311	7200 Bancroft Ave., Ste.220	Oakland	CA	94605	Al Jannah	Hamoudi A Al-Bander, MD
*2	A22	RAI-Secret Ravine Parkway-Roseville	916.773.4000	916-773-7101	1451 Secret Ravine Pkwy., Bldg. D, Ste.130	Roseville	CA	95661	Maria Bower	Brian Thornton, MD
2	A23	RAI-Elk Grove Blvd.-Elk Grove	916.478.3520	916-478-3520	8139 Elk Grove Blvd., Ste.200	Elk Grove	CA	95758	Grace Cruz	Vijay Rathore, MD
2	A27	RAI-West March-Stockton	209.955.7527	209-955-7537	3115 West March Lane	Stockton	CA	95219	Dave Conner	Lian Suang, MD
2	A28	RAI-N. California-Stockton	209.943.0854	209-943-0137	2350 N. California St.	Stockton	CA	95204	Deena (Deed) Brooks	Jagjit Singh, MD
2	A30	RAI-Harding-Roseville	916.786.2728	916-786-7003	218 Harding Blvd.	Roseville	CA	95678	Alan Bostwick	Brian Thornton, MD
2	A32	RAI-East 14th Street-San Leandro	510.430.8311	510-430-8911	198 East 14th Street	San Leandro	CA	94577	Alan Cepe, COM	Hamoudi A Al-Bander, MD
2	C04	RAI-Fairway-Rocklin	916.624.3871	916-624-3970	6000 Fairway Drive, Ste. 14	Rocklin	CA	95677-4221	Lee Dove	Adarah Bhai, MD
2	D03	RAI - Sterling Pkwy - Lincoln	916-434-5597	916-434-6435	811 Sterling Parkway, Building 11, Suite 100	Lincoln	CA	95648	Linda Duni	Venu M. Konje, MD Anisa Nayeem
Region 3		Eric Lenz Regional Director Los Angeles	323-887-0843 (o) 323-333-4981 (c)	323-887-8772	ROA - Open Sun/Attendance (CO)	2-Time Trainer Mary Stanczyk			Western Division Vice Orlando DVP	
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
3	A12	RAI-Centinel-Inglewood	310-673-6865	310-673-0927	1416 Centinel Ave.	Inglewood	CA	90302	Patricia Wilhite, COM	Anon Licht, MD
3	A15	RAI-Newhope-Fountain Valley	714-241-0196	714-241-1562	17197 Newhope St., Ste. A-C	Fountain Valley	CA	92708	OPEN	Ajit Sawhney, MD
3	A16	RAI-Hospital Circle-Westminster	714-895-3698	714-895-0949	280 Hospital Circle	Westminster	CA	92683	Quanjai Surbattuanagul	Hong Kim, MD Mohammed Ismail, MD Sankaranjan, MD
3	A17	RAI-Laguna Canyon-Irvine	949-727-4495	949-727-7443	16255 Laguna Canyon Road	Irvine	CA	92618	OPEN	Jacob Abdou, MD
*3	A18	RAI-East Olympic-Los Angeles	323-887-0841	323-887-8772	5714 East Olympic Blvd.	Los Angeles	CA	90022	RubyChrist Sannes, COM	Michael Ausieritz, MD Michael Black, MD
3	A19	RAI-East First-Tustin	714-730-1428	714-730-7958	535 East First St.	Tustin	CA	92780	Eline (Ruth) Watson	Jaginder Jolka, MD Ajit Sawhney, MD
3	A20	RAI-Harbor Blvd.-Garden Grove	714-539-3122	714-539-3922	12761 Harbor Blvd.	Garden Grove	CA	92640	Yoonhee An, COM	Hong Kim, MD Medi Darwani, MD
3	A24	RAI-Compton-Los Angeles	323-563-1140	323-566-5253	11859 Compton Ave	Los Angeles	CA	90059	Isai Ramirez	Ajay Gupta, MD
3	A31	RAI-Garden Grove Blvd-Garden Grove	714-741-7255	714-741-2029	12555 Garden Grove Blvd., Ste 100	Garden Grove	CA	92643	Mariol Ester Salazar	Hong Kim, MD Medi Darwani, MD
3	B08	RAI-Goldenwest-Westminster	714-373-1543	714-892-0619	15330 Goldenwest Street	Westminster	CA	92683	OPEN	Tarun Marwaha, MD
Region 4		Carl Palmer Regional Director Southern California	760-989-1323 (m)	615-712-2127	ROA - Linda Charette	Time Trainer Mary Stanczyk			Western Division Vice Orlando DVP	
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
4	A01	RAI-Mission Gorge-San Diego	619-229-1070	619-265-0409	7007 Mission Gorge Road, Ste. A	San Diego	CA	92120	Lian Sabangul	Dr. Fong Alex Kay, MD
4	A02	RAI-Corporate Way-Palm Desert	760-346-7588	760-379-0870	41-501 Corporate Way	Palm Desert	CA	92260	Michael Genoughly	Howard Erlanger, MD
4	A06	RAI-Broadway-Chula Vista	619-585-0016	619-585-0410	1181 Broadway, Ste.5	Chula Vista	CA	91911	Sally Johnson	Peter Friend, MD
4	A07	RAI-El Camino Real-Oceanside	760-757-1838	760-757-6693	2227A-2229-C El Camino Real	Oceanside	CA	92054	Nilda Remigio	Jill Meyer, MD
4	A09	RAI-Monroe-Indio	760-347-3986	760-347-8738	46-767 Monroe Street, Ste. 101	Indio	CA	92201	April Thompson	Howard Erlanger, DO
4	A10	RAI-North Riverside-Rialto	909-879-1185	909-879-1191	1850 North Riverside, Ste.150	Rialto	CA	92376	Pat Smith	Hai Phan, MD
4	A14	RAI-Fletcher Parkway-El Cajon	619-442-4122	619-442-4533	858 Fletcher Parkway	El Cajon	CA	92020	Aida Smith	Frank Sella, MD
4	A25	RAI-Indiana Court-Redlands	909-792-8880	909-798-1154	1210 Indiana Court (Mail 1210 Box 8548-92375)	Redlands	CA	92374	Josephine Calma	Patricia Blakely, MD
4	A26	RAI-North Waterman-San Bernardino	909-381-1591	909-384-1744	1500 North Waterman Ave.	San Bernardino	CA	92404	Joy Woodburn	Allan Kavulich, MD
4	A33	RAI-North Garey-Pomona	909-593-5863	909-596-3480	150 East Arrow Highway	Pomona	CA	91767	Eric Clatchman	Victor Purpoe, MD
4	A34	RAI-Freshhill Blvd.-Glendora	626-335-7551	626-335-0962	W.120 Freshhill Blvd.	Glendora	CA	91740	Marciano Oves	Franklin Cabebe, MD
4	B09	RAI-West C Street-Culton	909-430-0930	909-430-0934	1275 West "C" Street	Culton	CA	92324	Alejandra (Alex) Saldana	Gertl Friedman, MD Patricia Blakely, MD
4	C03	RAI-Juniper Ave.-Fontana	909-854-4336	909-874-1382	10557 Juniper Ave., Bldg. A, Ste. B	Fontana	CA	92337-7513	Gina Pringle	Hui Yu, MD
4	C05	RAI-E. 6th Street-Hematt	951-769-5072	951-769-5073	1536 East Sixth Street	Hematt	CA	92223-2508	Xin Chong (Wendy)	Patricia Blakely, MD

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Florida										
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
5	A40	RAI-Patterson-Haines City	863-422-0800	863-422-0323	110 Patterson Road	Haines City	FL	33844	Brenda Boyd	Gurkirpal Gill, MD
5	A41	RAI-Starkey-Largo	727-531-8227	727-539-0706	12505 Starkey Road, Ste B	Largo	FL	33773	Linda Correia	Kodra Shetye, MD
5	A42	RAI-DuPont-Punta Gorda	941-505-0777	941-505-0770	355 Dulant Street	Punta Gorda	FL	33950	Leigh Osoinach	Kianorah Kaveh, MD
5	A43	RAI-SR 60 East -Lake Wales	863-676-9510	863-678-3814	1348 SR 60 East	Lake Wales	FL	33853	Brenda Boyd	Allan Sallman, MD
5	A44	RAI-Su. US Highway #1-Port St. Lucie	773-807-7229	773-807-7266	8661 South US Highway #1	Port St. Lucie	FL	34952-3331	Tim Higginbotham	Zelzy Roche, MD
5	A45	RAI-9th Street North-St. Petersburg	727-895-1472	727-822-0268	1101 9th Street North	St. Petersburg	FL	33701	Terri Biernacki	Manus Prasantham, MD
5	A46	RAI-Ohio Avenue-Fort Pierce	772-465-6551	772-468-8254	2501 Ohio Ave.	Fort Pierce	FL	34947	Tim Higginbotham	Zelzy Roche, MD
5	A47	RAI-US 19 North-Clearwater	727-785-9036	727-772-8027	29296 US 19 N, Ste.1	Clearwater	FL	33761	Angelia Schmoling (Mellic)	Prakas D'Conha, MD
5	A48	RAI-Lakeview-Clearwater	727-461-5477	727-442-2494	1124 Lakeview Road., Ste.1	Clearwater	FL	33756	Dawn Meehan	Michael Drucculari, MD
5	A49	RAI-Security Square-Winter Haven	863-294-7887	863-291-0577	120 Bates Ave., SW, Ste. 170	Winter Haven	FL	33880	Susan Barron	Alan Sallman, MD
5	D01	RAI-S. Courtenay-Merritt Island	321-453-0030	(321)453-4366	245 S. Courtenay Pkwy., Bldg. A	Merritt Island	FL	32952	Missy Stephens	Charles K. Wanich, MD
5	G06	RAI-Waldenere-Sarasota	941-917-6444	941-917-6448	1921 Waldenere St, Suite 107	Sarasota	FL	34239	David Bobbiah	Steven Fineman, MD
Region 6		Celine McGillis Regional Director 843-766-5081 (f) 843-745-6658 (m)	ROA-Maria McCann 843-766-5081 (f) 843-745-6658 (m)		Time Trainer Michelle Ball		Sara D. Allen Regional Director 843-766-5081 (f) 843-745-6658 (m)			
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
6	A53	RAI-RC Dennis Blvd.-Moncks Corner	843-899-4953	843-899-5292	112 McCormick Circle	Moncks Corner	SC	29461	Jullanna Clarke	Presley Rustler, MD
6	A54	RAI-Charlie Hall-Charleston	843-766-4655	843-766-0588	2080 Charlie Hall Blvd.	Charleston	SC	29414	Danna Mensal	Brent Hamilton, MD
6	A55	RAI-Medical Plaza-North Charleston	843-572-1660	843-572-0311	9305 Medical Plaza Drive	North Charleston	SC	29406	LeQuisha Harris	Michael Byrne, MD
6	A56	RAI-Burton-Summerville	843-875-9800	843-875-1918	109 Burton Ave., Ste. A	Summerville	SC	29485	Donna Evans	Lisa Stewart, MD
6	E01	RAI-Main Hwy-Hamburg	803-245-1775	803-245-9390	2046 Main Highway	Hamburg	SC	29603	Amanda Gross	Moustafa A Moustafa, MD
6	E02	RAI-Old State Rd-Holly Hill	803-496-2800	803-496-2808	8532 Old State Rd. Mile P.O. Box 310	Holly Hill	SC	29059	Lequisha Harris-interim	Moustafa A Moustafa, MD
6	E03	RAI-Ewall St-Mount Pleasant	843-884-3115	843-884-3190	1028 Ewall St.	Mount Pleasant	SC	29464	Suzie Jones	Oscarwegie Emsworn, MD
6	E04	RAI-Orangeburg Mall-Orangeburg	803-531-7501	803-531-7553	1184 Orangeburg Mall Ct.	Orangeburg	SC	29115	Susan Bass	Moustafa A Moustafa, MD
6	E05	RAI-Jacobs Point Blvd-Ravenel	843-571-4025	843-571-4015	5953 Jacobs Point Blvd	Ravenel	SC	29470	Stephanie Richards	Oscarwegie Emsworn, MD
6	E06	RAI-Carroll Ave-Varnville	803-943-4334	803-943-2092	593 W Carroll Ave	Varnville	SC	29944	Stephanie Bolton	Moustafa A Moustafa, MD
6	A60	RAI-Glenwater-Charlotte	704-503-6900	704-503-0303	9030 Glenwater Drive	Charlotte	NC	28262	Suzann Yateon	Paul Blake, MD
6	A61	RAI-Wayne Memorial-Goldsboro	919-734-0044	919-734-2441	2403 Wayne Memorial Drive	Goldsboro	NC	27534	Amela Sutton	John Herion, MD
6	A62	RAI-Latrobe-Charlotte	704-366-5299	704-366-7597	3515 Latrobe Drive	Charlotte	NC	28211	Open	Paul Blake, MD
6	A63	RAI-West College-Warsaw	910-293-9984	910-293-9988	213 West College Street	Warsaw	NC	28398	Amela Sutton	John Herion, MD
Region 7		Ginny Gillins Regional Director 706-799-3126	ROA-Larry Smart 706-799-3126		Time Trainer Josh McGinnis		Sara D. Allen Regional Director 843-766-5081 (f) 843-745-6658 (m)			
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
7	A58	RAI-Drayton-Savannah	912-233-6067	912-232-4033	1020 Drayton Street	Savannah	GA	31401	Iklen (Hartley) Arnold	James Bazemore, MD
7	E22	RAI-Patterson St-Valdosta	229-244-6045	229-244-6291	1115 S Patterson St	Valdosta	GA	31601	Geneva M. Ray	Ven C. Chiang, MD
7	E23	RAI-Kings Way-Valdosta	229-244-6923	229-244-6958	4358 Kings Way	Valdosta	GA	31602	Geneva M. Ray	Ven C. Chiang, MD
7	E24	RAI-Deans Bridge Rd-Augusta	706-790-5909	706-790-4373	2841 Deans Bridge Rd	Augusta	GA	30906	OPEN	John White, MD
7	E25	RAI-Atlantic Rd-North Augusta	803-279-3722	803-279-3722	540 Atlantic Rd	North Augusta	SC	29841	Emily Poole	John White, MD
7	E49	RAI-Crescent-Augusta	706-228-7253	706-228-7980	1719 Magnolia Way	Augusta	GA	30909	Emily Poole	Anup Maraharan, MD
7	G07	RAI-Peachtree St-Louisville	478-625-9566	478-625-9567	1069 Peachtree St.	Louisville	GA	30434	Muriha Parker	Pairedi Pittuvern, MD
7	G08	RAI-Masonic St-Millen	478-082-9533	478-082-9535	242 N. Masonic Street	Millen	GA	30442	OPEN	David Allen, MD
7	G09	RAI-Harris St. - Sandersville	478-552-6818	478-552-0858	614 South Harris Street	Sandersville	GA	31082	Susan McAfee	Sajid Akhtar, MD
7	G10	RAI-Medical Center Dr.-Swainsboro	478-237-8186	229-237-4119	3 Medical Center Drive	Swainsboro	GA	30401	Charlotte Wood	Pairedi Pittuvern, MD
7	G11	RAI-Peach Orchard Rd.-Augusta	706-798-5774	706-796-3465	3206 Peach Orchard Rd	Augusta	GA	30906	Robert Reichert	Robert Shay, MD

Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
8	A80	RAI-Royal Park-Zealand	616-748-0522	616-748-0881	2 Royal Park Drive	Zealand	MI	49464	Judy Dykstra	Alberta Garbaccio, MD
8	A81	RAI-South East-Jackson	517-788-8727	517-788-4541	200 South East Ave.	Jackson	MI	49201	Regina Walton	Hekilvalene Nagosh, MD
8	A82	RAI-Rockford Park-Rockford	616-863-6214	616-863-6445	311 Rockford Park Drive	Rockford	MI	49341	Kate Swendrowski	Daniel Legault, MD
8	A83	RAI-West Norton-Muskegon	231-780-5458	231-780-5410	1080 West Norton Ave.	Muskegon	MI	49441	Mary Ellen Larson (Met)	IbaMin Twa, MD
*8	A84	RAI-Clyde Park-Wyoming	616-531-5353	616-531-9076	4893 Clyde Park Ave., SW	Wyoming	MI	49500	Molly Kidner	Richard O'Connor, MD
8	C02	RAI-Hastings Avenue-Elkhart	616-392-3263	616-392-3413	649 Hastings Avenue, Ste. B	Elkhart	MI	49423-5427	Nasani Hein	Phillip Grushaw, MD
8	E07	RAI-Davis Dr-Daleville	765-378-1735	765-378-1744	14520 W Davis Dr	Daleville	IN	47334	Patricia Chambers	Regi Joseph, MD
8	E08	RAI-North St-Muncie	765-747-3020	765-751-2772	2705 W North St	Muncie	IN	47303	Rhonda Ferrell	Joseph Haslett, MD
8	E09	RAI-North Granville Ave-Muncie	765-288-3740	765-288-3756	3001 North Granville Ave	Muncie	IN	47303	Ired Ckr	Regi Joseph, MD
8	E10	RAI-Emerson Ave-New Castle	765-521-0938	765-521-3068	101 Emerson Ave	New Castle	IN	47362	Penny Armstrong	Regi Joseph, MD
8	E11	RAI-Greenville Ave-Winchester	765-584-8000	765-584-8008	409 Greenville Ave	Winchester	IN	47394	Charmia Acker	Regi Joseph, MD
8	E46	RAI-Ball Acute-Muncie	765-747-3504	765-751-1303	2401 University Ave	Muncie	IN	47373	Lari Harbison	Regi Joseph, MD
Region 9		OPEN Regional Director: Mich/Alabama			ROA: Krista Greene (VA)			Time Trainer: 16th McCune		Central Division: Sarah Johnson, DVP
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
9	A70	RAI-Mechanicsville Turnpike-Richmond	804-644-0447	804-643-9352	2521 Mechanicsville Turnpike	Richmond	VA	23223	Robin Coins	Todd Gehr, MD
9	A71	RAI-West Leigh-Richmond	804-649-8070	804-649-8076	801 W. Leigh St., Ste B	Richmond	VA	23220	Patricia Walker	Anna Vinnukova, MD
9	A72	RAI-Airline-Portsmouth	757-465-5085	757-465-5405	2809 Airline Blvd.	Portsmouth	VA	23701	Hope Snowden-Akron	Martin Harpin, MD
9	A73	RAI-Churchland-Cheapeake	757-484-3628	757-484-4821	3204 Churchland Blvd.	Cheapeake	VA	23321	open	Keith Zaitoun, MD
9	A74	RAI-Goode Way-Portsmouth	757-393-6582	757-393-7830	311 Goode Way	Portsmouth	VA	23704	Marybeth Waldner	Antonietta Custaneres, MD
9	A75	RAI-Thimble Shoals-Newport News	757-873-1090	757-873-3689	739 Thimble Shoals Blvd., Ste 600	Newport News	VA	23606	OPEN	John Greica, MD Robert Pusateri, MD
9	A77	RAI-Silver Hill-District Heights	301-967-9891	301-967-6964	5652 Silver Hill Road	District Heights	MD	20747	Georgia Eiriksson	Eric Antwi-Dankor, MD
9	A78	RAI-Baltimore-Beltsville	301-595-0263	301-595-3724	10701 Baltimore Ave	Beltsville	MD	20705	OPEN (Hartley I.D.A)	Ijazri Osman, MD
9	A79	RAI-Indian Head-Oxon Hill	301-749-9307	301-749-0419	5410 Indian Head Highway	Oxon Hill	MD	20745	Linda Hunter	Khosrow Davachi, MD
9	B01	RAI-Cheapeake Ave.-Newport News	757-247-4080	757-247-4084	225 Cheapeake Avenue	Newport News	VA	23607	Robin Hincey	John Greica, MD
9	B02	RAI-W. Mercury Blvd.-Hampton	757-826-1860	757-838-0350	3319 W. Mercury Blvd	Hampton	VA	23666	Jane Mackris	Thomas Mackenzie, MD
9	B03	RAI-John Tyler Hwy.-Williamsburg	757-229-5701	757-229-5748	4511 John Tyler Hwy., Unit J	Williamsburg	VA	23185	Aime McCray	Frank Seney, MD
9	B05	RAI-Medical Drive-Gloucester	804-695-2904	804-695-2908	1547 Medical Dr., Suite 1400	Gloucester	VA	23061	Kaja Dunston	Frank Seney, MD
9	B07	RAI-South Church-Smithfield	757-365-4293	757-365-4297	1812 South Church Street	Smithfield	VA	23430	Sutba Unrkar (Sue)	David Conner, MD
9	C08	RAI-Chillum-Hyattsville	301-927-8804	301-927-8809	2426 Chillum Road	Hyattsville	MD	20782	OPEN	Colette Jamison, MD
9	D02	RAI-Old Alexandria-Clinton	301-877-3263	301-877-0277	7201 Old Alexandria Ferry Rd., Ste 6	Clinton	MD	20735	Dianna Hrus	Buazi Osman, MD
Region 10		OPEN Regional Director: Georgia/Alabama			ROA: Charlene Conger			Time Trainer: Michele Fidler		Eastern Division: Sam Swank, DVP
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
10	E13	RAI-Boulder Dr-Gray	478-986-3066	478-986-3114	1002 Boulder Dr	Gray	GA	31032	Kim Blydenworth	Sighir Ahmed, MD
10	E14	RAI-Williams St-Ikigauville	706-637-4028	706-637-1382	1002 Williams St	Ikigauville	GA	30230	Ruby (Christine) Baldwin	Andre D. Feria, MD
10	E15	RAI-Old Mill Rd-LaGrange	706-884-6825	706-884-6851	140 Old Mill Rd.	LaGrange	GA	30241	open	Andre D. Feria, MD
10	E16	RAI-Second St-Macon	478-738-0420	478-745-0460	2525 Second Street	Macon	GA	31206	Darlene Hamilton	MuJid Uthman, MD
10	E17	RAI-Hemlock St-Macon	478-742-8001	478-742-3608	657 Hemlock St	Macon	GA	31201	Icken (Hartky) Arnold (interim)	Sighir Ahmed, MD
10	E18	RAI-Jefferson St-Milledgeville	478-452-4014	478-452-4032	1310 North Columbia St, Suite C	Milledgeville	GA	31061	Arrecher Chabnan	Muhammad Akbar, MD
10	E19	RAI-Funderburg Dr-Milledgeville	706-468-1240	706-468-5300	1393 Funderburg Dr	Milledgeville	GA	31064	Toysir West	MuJid Uthman, MD
10	E20	RAI-Werz Industrial Dr-Newnan	770-251-7896	770-251-4450	101 Werz Industrial Dr	Newnan	GA	30263	Christy Johnson	Shazia Khan, MD
10	E21	RAI-Walnut Way-Palmetto	770-463-1442	770-463-1337	500 Walnut Way	Palmetto	GA	30268	Stephanie Blalock	Shazia Khan, MD
10	E26	RAI-Hwy 431-Roanoke	334-863-8365	334-863-8364	4439 US Highway 431	Roanoke	AL	36274	Antanda Knight	Andre D. Feria, MD
10	E27	RAI-Stone Ave-Talladega	256-362-4449	256-362-4443	717 Stone Ave	Talladega	AL	35160	Bonnie Holman	Unni Oduna, MD
10	F02	RAI-Eagles Landing-Stockbridge	770-474-6068	770-507-1718	500 Eagles Landing Parkway	Stockbridge	GA	30281	OPEN	Leo Oradje, MD
10	G05	RAI-Hwy 54 - Fayetteville			1240 Hwy 54 West	Fayetteville	GA	30215	OPEN	Shazia Khan, MD
10	G14	RAI-E. 11th St.-Anniston	256-237-7366	256-231-2769	522 E. 11th St.	Anniston	AL	36207	Lanetta Alford	Venugopal S. Bhemanathini, MD
10	G15	RAI-Henry Rd.-Jacksonville	256-435-3161	256-435-6121	331 Henry Rd.	Jacksonville	AL	36265	Loretta Alford	Venugopal S. Bhemanathini, MD
10	G16	RAI-Snow St.-Oxford	256-835-5914	256-835-5016	711 Snow St.	Oxford	AL	36203	Susan Anderson	Venugopal S. Bhemanathini, MD
10	G17	RAI-North St. East-Talladega	256-362-2457	256-315-5096	803 North St. East	Talladega	AL	35160	Susan Anderson	Venugopal S. Bhemanathini, MD

Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
11	E28	RAI-Hospital Dr-Barbourville	606-545-6600	606-546-2964	315 Hospital Dr., Suite 3	Barbourville	KY	40906	Lisa Smith	Ashutosh Lohi, MD
11	E29	RAI-Mary Lynn Dr-Georgetown	502-867-7855	502-867-4899	98 Mary Lynn Dr	Georgetown	KY	40324	Sonia Fish	Ziad Sara, MD
11	E30	RAI-Laurel Rd-London	606-862-8888	606-862-8890	775 N Laurel Rd	London	KY	40741	OPEN	Ashutosh Lohi, MD
11	E31	RAI-Bellaire Dr-Nicholasville	859-881-8118	859-881-8212	230 Bellaire Dr	Nicholasville	KY	40356	Connie Sturgis, COM	Ziad Sara, MD
11	E32	RAI-Jefferson-Princeton	270-365-7588	270-365-7586	401 S Jefferson	Princeton	KY	42445	Robin Day	Dilip Unnikrishnan, MD
11	E33	RAI-Duxley St-Crossville	931-484-4500	931-484-2130	121 Duxley St	Crossville	TN	38555	Amber Key	M.K. Zaina, MD
11	E34	RAI-Beasley Dr-Dickson	615-441-8886	615-441-8620	254 Beasley Dr	Dickson	TN	37055	Tom Frontera	Anumet Priyadarshi, MD
11	E35	RAI-Interstate Dr-Manchester	931-728-7733	931-728-5995	367 Interstate Dr	Manchester	TN	37355	Diana Spellman	Yerusa Patterson, MD
11	E36	RAI-Sparto Dr-McMinnville	931-507-5700	731-507-5704	1524 Sparto Dr	McMinnville	TN	37110	Anna Chambers	R.P. Sabi, MD
11	E37	RAI-Avenue H-Bay City	979-245-0099	979-245-6435	1105 Avenue H	Bay City	TX	77414	Shelly Bullock	Jess Lambijon, MD
11	E38	RAI-J A Richardson Loop-Ada	580-421-9131	580-421-9135	324 NW J A Richardson Loop	Ada	OK	74820	Charles Ingram	Abdul Khan, MD
11	E47	RAI-Peplar Ave.-Memphis	901-725-0482	901-278-0352	1333 Peplar Avenue	Memphis	TN	38104	Stephanie Williams	Christie Green, MD
11	E48	RAI-Pace Rd-Memphis	901-345-8649	901-345-1013	4185 Pace Road	Memphis	TN	38116	Lisa Brewster	Brad Canada, MD
11	E50	RAI-East Main-Gallatin	615-452-0913	615-452-4104	270 E Main St	Gallatin	TN	37066	TBD	Matthews Joseph, MD
11	E52	RAI-West Main St-Lebanon	615-449-2825	615-449-2784	1701 W. Main St., Suite 101	Lebanon	TN	37087	TBD	Matthews Anaph, MD
<p>Florida Malton Regional Director Region 11 Heidi Malton</p> <p>615-526-4888</p> <p>615-526-4888</p> <p>RAI-Florida Malton Regional Director Heidi Malton</p> <p>615-526-4888</p>										
Region #	Center #	Center Name	Center Ph #	Fax	Center Address	City	St	Zip	Center Director	Medical Director
12	A87	RAI-Centre West-Springfield	217-787-3310	217-787-4762	1112 Centre West Drive	Springfield	IL	62704	Marin Vallierra	Merry Downer, MD
12	A88	RAI-North Main-Breese	618-526-7370	618-526-7871	160 No. Main Street	Breese	IL	62230	Cecyln Vogel	Matt Koch, MD
12	A89	RAI-LinkedIn Highway-Fairview Heights	618-632-9550	618-632-8903	821 LinkedIn Highway	Fairview Heights	IL	62308	Beverly Meyer	Matt Koch, MD
12	A95	RAI-Ames-Omaha	402-451-7754	402-451-8090	5084 Ames Avenue	Omaha	NE	68104	Carol Ween-Jackson	Gerald Griggel, MD
12	A96	RAI-N Healthy Way-Fremont	402-721-1158	402-721-0324	2600 N Healthy Way	Fremont	NE	68025	Cindy Hoffman	Bryce Lund, MD
12	A97	RAI-Center Street-Omaha	402-558-3284	402-558-3114	411 Center Street, Suite A	Omaha	NE	68105	Diane Holmann	Troy Plumb, MD
12	C01	RAI-Humacher-Waterloo	618-939-9003	618-939-5984	509 Humacher Road, Ste.206	Waterloo	IL	61298	Beverly Meyer	Jay Seltzer, MD
12	D10	RAI-NMC Actues-Omaha	402-552-7746	402-558-3114	4350 Dewey Ave	Omaha	NE	68105	Jana Sensakken	Gerald Griggel, MD
12	E39	RAI-Liberty St-Farmington	573-760-1030	573-760-1026	1370 W Liberty St	Farmington	MO	63640	Bonnie House	Mohammed Amin MD
12	E40	RAI-Armory St-Fredericktown	573-783-2089	573-783-7206	105 Armory St	Fredericktown	MO	63645	Kristen Maxon	Mohammed Amin MD
12	E41	RAI-Clayton Rd-Frontenac	314-567-0543	314-989-0986	10435 Clayton Rd, Suite 201	Frontenac	MO	63131	Mary Wilson	Heidi Inat, MD
12	E42	RAI-High St-Potosi	573-436-8085	573-436-8092	828 E High St	Potosi	MO	63664	Lanna Sadler, COM	Mohammed Amin MD
12	E43	RAI-Hampton Ave-St Louis	314-646-1713	314-646-0636	2635 Hampton Ave	St Louis	MO	63139	Stephanie Houston	Clayton Krithman, MD
12	E44	RAI-South Towne Square-St Louis	314-894-3400	314-894-1384	11107 South Towne Square	St Louis	MO	63123	Cathy Panopoulos	Karthikapillil Anthony, MD
12	E45	RAI-Parallel Pkwy-Kansas City	913-299-1064	913-328-0597	6401 Parallel Parkway	Kansas City	KS	66102	Robert Hayden	Franz Winkhofer, MD
12	G04	RAI-Rainbow Blvd - Wentzville	913-403-0441	913-403-0681	4720 Rainbow Blvd., Suite 200	Wentzville	KS	66205	Open	Ellen McCarthy, MD
	RLB-MS	Remedlab	601-939-4792 extension 221		197 Interstate Drive/Suite G	Richland	MS	39218		

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## PURPOSE

The project addressed in this application is limited to a change of ownership, and does not propose any change to the services provided, including the number of dialysis stations located at RAI-Lincoln Highway. The facility will continue to provide ESRD services to residents of Fairview Heights, St. Clair County and the surrounding primarily rural communities traditionally serviced by the ESRD facility.

The table on the following page identifies each ZIP Code/community that has historically provided 3% or more of the facility's patients. The facility's primary patient population resides in St. Clair County, with St. Clair County accounting for approximately 67% of RAI-Lincoln Highway's patients. No change in the patient origin distribution is anticipated as a result of the proposed change of ownership, or for any other reason. Also, and as can be seen in the patient origin analysis below, RAI-Lincoln Highway is a primary provider of ESRD services in the area. RAI-Lincoln Highway is one of two ESRD facilities located in St. Clair County.



RAI-Lincoln highway  
Patient Origin

<u>ZIP Code Area</u>	<u>Community</u>	<u>%</u>
62269	O'Fallon	10.1%
62208	Fairview Heights	8.5%
62221	Belleville	5.9%
62254	Lebanon	5.9%
62205	East St. Louis	5.1%
62226	Swansea	5.1%
62206	Caholia	4.2%
62220	Belleville	4.2%
62223	Belleville	4.2%
62203	East St. Louis	3.4%
62207	East St. Louis	3.4%
62234	Collinsville	<u>3.4%</u>
		63.4%
others, <3%, each		<u>36.6%</u>
		100.0%

The proposed change of ownership will address the health care status of the population that has traditionally looked to this facility for care, by continuing to provide the ESRD services currently being provided, and with the continued utilization of the facility serving as a measurement of success.

## ALTERNATIVES

Section 1110.230(c) requests that an applicant document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served.

This project is limited to a change of ownership, and more specifically, Renal Advantage is being acquired by and merged into Liberty Dialysis, resulting in a combined "system" of approximately 250 ESRD facilities, nationwide. Included in the acquisition are three ESRD facilities currently owned by Renal Advantage, and located in Springfield, Fairview Heights and Breese.

In order to best respond to Section 1110.230(c), given the particular circumstances and limited nature of the project, when developing an *Application for Permit* for a similar project, the applicant's consultants conducted a technical assistance conference with State Agency Staff (July 12, 2010). That technical assistance conference was documented according to the agency's practice. Through the technical assistance process, the applicants were directed by State Agency staff to set forth the factual background in response to Section 1110.230(c): On August 21, 2010 Liberty Dialysis provided a Letter of Intent to Renal Advantage to acquire Renal Advantage. The offer was not solicited, nor had Renal Advantage solicited acquisition offers from others.

Upon receipt of the offer, and after a four-month due diligence process undertaken by both Liberty and Renal Advantage, the definitive agreement included in this *Application* was negotiated and signed.

With the agreement to proceed with the transaction, the only alternative faced by the applicants related to the three Illinois facilities. More specifically, the significant tax advantages associated with closure of the transaction by December 31, 2010 would be lost if the applicants were to delay the transaction's closure until change of ownership Certificate of Need Permits were secured from the Illinois Health Facilities and Services Review Board for the three Illinois facilities. As a result, the acquisition of the three Illinois facilities was carved out from the larger transaction, and will not occur until the required approval from the IHFSRB is secured.

The three Illinois ESRD facilities will continue to operate, to provide the same services currently being provided, and provide the same number of ESRD stations currently being provided. As a result, the health care needs of the patient populations that rely on the three facilities for their ESRD care will be maintained.

MERGERS, CONSOLIDATIONS, and  
ACQUISITIONS/CHANGES OF OWNERSHIP

A. Impact Statement

The proposed change of ownership will not have any impact on the manner in which ESRD services are provided at RAI-Lincoln Highway. The facility will continue to operate its existing twenty stations, and no expansion or contraction is anticipated, nor are any changes in the clinical services provided by the facility anticipated.

The operating entity will continue to be RAI Care Centers of Illinois I, LLC.

The change of ownership is a result of Liberty Dialysis acquiring Renal Advantage through a stock option transaction, and Liberty Dialysis' intent to acquire Renal Advantage's three Illinois ESRD facilities, which were carved out of the larger transaction, to allow compliance with the Illinois Health Facilities and Services Review Board's requirements.

No changes to the staffing of RAI-Lincoln Highway, other than those normally associated with the ongoing operations of an ESRD facility are anticipated.

The cost associated with the proposed change of ownership is limited to those costs identified in ATTACHMENT 7; and the primary benefit of the project is the ongoing operation of the facility.

B. Access

The proposed change of ownership will not result in any change in accessibility to ESRD services for residents of the area. The admissions policies under which Renal Advantage facilities currently operate are attached, and it is anticipated that following the change of ownership, RAI-Lincoln Highway will continue to operate under those policies. Confirmation, as required by review criterion 1110.240(c) is attached.

C. Health Care System

The proposed change of ownership will not have any impact on any other area provider.

The table below identifies the three Illinois ESRD facilities currently operated by Renal Advantage. The services provided at each of the facilities is limited to ESRD/chronic dialysis.

Name/Location	Stations	YE 3/30/10 Treatments
RAI-Centre West-Springfield 1112 Centre West Drive Springfield, IL 62704	14	15,210
RAI-Lincoln Highway 821 Lincoln Highway Fairview Heights, IL 62208	20	14,157
RAI-North Main 160 Lincoln Highway Street Breese, IL 62230	8	3,939

Attached is a patient transfer agreement with Memorial Hospital in Belleville. Memorial Hospital is located 5.8 miles/11 minutes (per MapQuest) from RAI-Lincoln Highway.

Because of the limited nature of the clinical services provided in ESRD facilities, the use of other health care system facilities, the duplication of services, and the provision of currently unavailable services noted in the *Application for Permit* form (page 17), are not applicable to the proposed change of ownership.

RENAL ADVANTAGE CHARITY CARE POLICY



## **PATIENT FINANCIAL INDIGENCE**

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### **1. PURPOSE:**

The purpose of this policy is to ensure that RAI has a process for patients with limited financial resources to receive financial assistance for their share of deductibles and co-insurance relating to our services.

### **2. POLICY:**

RAI will determine if assistance is available for financially indigent patients by comparing the patient's household income to nationally published poverty guidelines. Any patient with household income less than or equal to two times the poverty guideline is considered indigent and would not be responsible for self-pay balances (coinsurance and deductibles) incurred from services provided by the company.

### **3. SIGNIFICANT ACCOUNTS:**

Contractual Adjustments - Charity  
Bad Debt Expense  
Allowance for Doubtful Accounts

### **4. PROCEDURES:**

This policy includes procedures for the following:

1. Application for Assistance
2. Approval Process
3. Classification of Indigence in QMS
4. Account Adjustment





4.1 Application for Assistance

**RESPONSIBILITY**

**ACTION**

**Insurance Verification Specialist**

1. As part of the insurance verification process, the Insurance Verification Specialist assigns primary, secondary and tertiary insurance for each patient based on the patient's existing coverage.

2. If a new patient is admitted or an existing patient's insurance coverage changes such that the patient does not have primary insurance or does not have a secondary insurance but has Medicare primary, these patients will be forwarded to a Regional Management Designee (Financial Caseworker or Social Worker) to determine options available for underinsured patients.

**Regional Management Designee**

3. Underinsured patients will be identified and evaluated to determine if any alternative insurance options are available based on the patient's individual circumstances (Medicaid, Medigap, etc.).

4. After all options for third party assistance have been explored and exhausted, the Regional Management Designee will have the patient complete an Application for Patient Assistance (see exhibit REV-B-APP).

5. If a patient has Household Income equal to or less than two times the Poverty Guidelines, the patient is eligible for assistance. Household income is defined as the income of all dependent family members which may include earnings, unemployment compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, and other miscellaneous sources. Attempts should also be made to obtain and evaluate assets convertible to cash such as bank accounts, CD's, etc. Income is pre tax or deductions. Income of non-relatives, such as housemates, should not be considered. Non cash benefits such as food stamps and housing subsidies are not considered income.

4.2 Approval Process

**RESPONSIBILITY**

**ACTION**

**Regional Management Designee**

1. Once the Application for Patient Assistance has been completed, the Regional Management Designee will have the patient sign the document to confirm all data presented is correct.

Originated:

Revised:

© 2006



**Regional Director**

2. Once the information is validated by the Regional Management Designee, the form will be signed as approved.
3. The Regional Director must approve the Application for Patient Assistance in order to complete the application.
4. The form, along with supporting documentation, will be forwarded to the Insurance Verification Specialist for input into the QMS system.
5. These steps will be duplicated not less than annually for existing patients who previously qualified for Patient Assistance to ensure the patient's status has not changed.

**4.3 Classification of Indigence in QMS**

**RESPONSIBILITY**

**ACTION**

**Insurance Verification Specialist**

1. Upon receipt of an approved Application for Patient Assistance, the Insurance Verification Specialist will review the application and supporting documentation.
2. A Self-Pay insurance plan (PAT5) will be added to the appropriate insurance rank (primary, secondary or tertiary) for the patient. The Patient Assistance approval designation is only valid up to one year and must be reestablished annually.

**Business Office Manager**

3. The Business Office Manager will provide a monthly report of all patients currently set-up with PAT5 Self-Pay insurance to confirm with the Regional Management Designee that all approved patients are set up correctly in QMS.

**4.4 Account Write Off**

**RESPONSIBILITY**

**ACTION**

**Collection Specialist**

1. Each month, the Collection Specialist will run a QMS aging report identifying all patients with a PAT5 Self-Pay balance. The Collection Specialist will complete a Write-Off Request Form (WORF) and forward to the appropriate person for signature prior to the account being written off (see Policy Rev-F).

Originated:

Revised:

© 2006

ATTACHMENT 19A

7-22

# LIBERTY DIALYSIS

PATIENT FOCUSED • PHYSICIAN DRIVEN

7650 SE 27<sup>th</sup> Street, Suite 200  
Mercer Island, WA 98040

Tel 206.236.5001  
Fax 206.236.5002

December 13, 2010

Illinois Health Facilities and  
Services Review Board  
Springfield, IL 62761

To Whom It May Concern:

Please be advised that the proposed change of ownership of the three End-Stage Renal Disease facilities operated by Renal Advantage in Illinois will not result in diminished accessibility to services, nor will the admissions policies of those facilities become more restrictive as a result of the proposed change of ownership.

Sincerely,



Mark E. Caputo  
CEO

ATTACHMENT 19B

*Committed to giving our patients the liberty to lead extraordinary lives*

RENAL ADVANTAGE ADMISSIONS POLICIES

# PATIENT ADMISSION PACKET AND CHECKLIST

Patient Name	
Patient ID Number	
RAI Care Center	

Place check mark in column one when complete or note as NA if not applicable

	Hemodialysis
	Peritoneal Dialysis
	Home Hemodialysis
	Reuse of Dialyzers
	* Assignment of Benefits
	* Financial Responsibility Agreement
	* Laboratory Assignment of Benefits Form
	* Home Therapy Statement of Responsibility and Equipment Usage
	In-Center Patient Rights and Responsibilities and Center Rules
	Home Therapy Patient Rights and Responsibilities and Center Rules
	Grievance Policy
	Grievance Procedure
	Emergency Evacuation Acknowledgement
	Advance Directive Acknowledgement
	Refusal of Blood Products (Complete only if patient desires to refuse administration of blood products)
	Notice of Privacy Practices (HIPAA)
	Consent for Use and Disclosure of Medical Information
	Transportation Choice Acknowledgement
	Disclosure to Caretaker/Personal Representative (Complete only if patient desires to authorize release of information to specific individuals.)
	* Medicare Secondary Payer Questionnaire
	* Proof of Citizenship Form
	TIME Patient Photograph Consent/Declination Form

\* Fax copy to Business Office with In-Take Fax Cover Sheet

Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**CONSENT FOR TREATMENT: HEMODIALYSIS**

1. My physician has explained to me that I suffer from end stage renal disease. Because there is no cure for this disease, I understand that I will require continuous, long-term treatment to sustain my life.
2. My physician has explained the different treatment options that may be available to me:
  - In-center hemodialysis
  - Home hemodialysis
  - Peritoneal dialysis (continuous ambulatory or automated)
  - Kidney transplant
3. The potential benefits of hemodialysis have been explained to me by my physician, and may include:
  - Lengthened span of life
  - Improved quality of life
4. The potential risks associated with hemodialysis have been explained to me by my physician, and may include but are not limited to:
  - Altered fluid and electrolyte balance leading to seizures, cramps, irregular heart rhythms, low blood pressure, difficulty breathing, heart failure.
  - Cardiovascular problems such as low or high blood pressure, heart failure, irregular heart rhythms.
  - Treatment-related problems such as infection, blood loss, damage to red blood cells, air embolism.
  - Access problems such as clotting, infiltration, aneurysm/pseudoaneurysm formation, air embolism, blood loss, inadequate blood flow to the limb.
5. I have reviewed the patient rights and responsibilities (which include patient conduct expectations) and center rules and agree to abide by them. I also understand that if my conduct endangers the center, staff or other patients I may not be allowed to receive treatment at the center.
6. I understand the information in this consent. I have had the opportunity to ask questions about the proposed hemodialysis treatments and they have been answered to my satisfaction.
7. I consent to hemodialysis treatments provided by this RAI Care Center. This consent includes acceptance of all treatment orders by my physician, including drugs, blood testing, administration of blood and/or blood products, vaccines and skin testing as needed. I also consent to the administration to me of quality of life and patient satisfaction surveys, as required by federal regulations and by policies and procedures applicable to my center.
8. I further consent to any care or treatment ordered by my physician due to complications which could develop during or after the hemo dialysis treatment.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**CONSENT FOR TREATMENT: PERITONEAL DIALYSIS**

1. My physician has explained to me that I suffer from end stage renal disease. Because there is no cure for this disease, I understand that I will require continuous, long-term treatment to sustain my life.
2. My physician has explained the different treatment options that may be available to me:
  - In-center hemodialysis
  - Home hemodialysis
  - Peritoneal dialysis (continuous ambulatory or automated)
  - Kidney transplant
3. The potential benefits of peritoneal dialysis have been explained to me by my physician, and may include:
  - Lengthened span of life
  - Improved quality of life
4. The potential risks associated with peritoneal dialysis have been explained to me by my physician, and may include but are not limited to:
  - a. Peritonitis or exit-site infections
  - b. Access complications, such as catheter and/or pericatheter leak
  - c. Fluid/electrolyte imbalances
  - d. Hernia development
5. I have reviewed the patient rights and responsibilities (which include patient conduct expectations) and center rules and agree to abide by them. I also understand that if my conduct endangers the center, staff or other patients I may not be allowed to receive treatment at the center.
6. I understand the information in this consent. I have had the opportunity to ask questions about peritoneal dialysis and they have been answered to my satisfaction.
7. I consent to peritoneal dialysis treatments provided by this RAI Care Center. This consent includes acceptance of all treatment orders by my physician, including drugs, blood testing, administration of blood and/or blood products, vaccines and skin testing as needed. I also consent to the administration to me of quality of life and patient satisfaction surveys, as required by federal regulations and by policies and procedures applicable to my center.
8. I further consent to any care or treatment ordered by my physician due to complications which could develop during the course of peritoneal dialysis treatment.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date

Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**CONSENT FOR TREATMENT: FREQUENT HOME HEMODIALYSIS**

1. My physician has explained to me that I suffer from end stage renal disease. Because there is no cure for this disease, I understand that I will require continuous, long-term treatment to sustain my life.
2. My physician has explained the different treatment options that may be available to me:
  - In-center hemodialysis
  - Home hemodialysis
  - Peritoneal dialysis (continuous ambulatory or automated)
  - Kidney transplant
3. The potential benefits of hemodialysis have been explained to me by my physician, and may include:
  - Lengthened span of life
  - Improved quality of life
  - Improved cardiac function and better control of blood pressure
  - More liberal diet/fluid intake
4. The potential risks associated with hemo dialysis have been explained to me by my physician, and may include but are not limited to:
  - Altered fluid and electrolyte balance leading to seizures, cramps, irregular heart rhythms, low blood pressure, difficulty breathing, heart failure.
  - Risk of infection
  - Treatment-related problems such as blood loss, damage to red blood cells, air embolism, dialyzer reaction.
  - Access problems such as clotting, aneurysm/pseudoaneurysm formation, air embolism, blood loss, inadequate blood flow to the limb.
5. I understand my responsibilities as a home hemodialysis patient and the rules of the center and agree to abide by both. I also understand that:
  - Home treatment may be discontinued and return to in-center hemodialysis may occur if I do not follow requirements for home hemodialysis as outlined in the RAI Patient Rights and Responsibilities.
  - Treatment may be discontinued and return to the center denied if my conduct endangers the center or the welfare of other patients or staff.
  - If for any reason, my participation in the program ends, I will promptly return the home hemodialysis machine and any unused supplies to the Center responsible for my care based on instructions given to me by the Center. My failure to comply with this return policy will result in making me financially responsible for the home hemodialysis machine and supplies.
  - I am responsible for having homeowners or rental insurance that covers the value of the hemodialysis machine while it is in my possession.





Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

- 6. I understand the information in this consent. I have had the opportunity to ask questions about the proposed hemodialysis treatments and they have been answered to my satisfaction.
- 7. I consent to hemodialysis treatments provided by this RAI Care Center. This consent includes acceptance of all treatment orders by my physician, including drugs, blood testing, administration of blood and/or blood products, vaccines and skin testing as needed. I also consent to the administration to me of quality of life and patient satisfaction surveys, as required by federal regulations and by policies and procedures applicable to my center.
- 8. I further consent to any care or treatment ordered by my physician due to complications which could develop during or after the hemodialysis treatment.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**CONSENT FOR TREATMENT: REUSE OF HEMODIALYZER**

1. My physician or a licensed nurse with the RAI Care Center (RAI) has explained the process of reusing dialyzers practiced in this center.
2. I understand that reuse of dialyzers means that the dialyzer is assigned to me specifically and will not be used by any other patient. I agree to participate with identification of my dialyzer before each hemodialysis treatment which includes identifying my name on the dialyzer and verifying the number of times the dialyzer has been reprocessed before each hemodialysis treatment.
3. I understand that the benefits of reprocessing of dialyzers may include, but not be limited to:
  - Decreased risk of being dialyzed on a dialyzer with leaks.
  - Decreased incidence of first use syndrome, a reaction with symptoms usually caused by use of a new, non-reprocessed dialyzer in hypersensitive patients. Symptoms may include a lower incidence of back and chest pain, cramps, fever, sweating, blood pressure problems, nausea and/or vomiting.
4. I understand that the risks of reprocessing of dialyzers may include, but not be limited to:
  - Exposure to a residual amount of \_\_\_\_\_ (list chemical used in this center to reprocess dialyzers). Long-term effects of this exposure are unknown at present.
  - Increased risk of infections and/or fever producing (pyrogenic) reactions.
  - Potential for being treated using someone else's dialyzer.
5. I may ask questions at any time about dialyzer reuse and the reprocessing procedures used in this center. I have the right to receive complete, fair and understandable answers to my questions. I may arrange to tour the reuse area, but I understand that I cannot enter the reuse room without a licensed nurse in attendance.
6. I understand that:
  - I may review the center's written reuse policies and procedures.
  - Single-use dialyzers are recommended by the dialyzer manufacturer for one-time use only.
  - I have the right to verbally withdraw my consent for dialyzer reuse for any reason, followed by a written notice to the supervising practitioner.
  - I have the right to file a written complaint with the dialysis center and the applicable local authorities with oversight of dialysis centers, and expect a resolution of that complaint by the dialysis center.



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

- I have the right to expect safe and effective reprocessing of dialyzers.
- I have the right not to participate in the reprocessing of dialyzers without the loss of any services of the dialysis center.

7. I understand the information in this consent. I have had the opportunity to ask questions about the reuse of dialyzers and they have been answered to my satisfaction.

\_\_\_\_\_ I give consent to allow hemodialysis treatments with reprocessed dialyzers.

\_\_\_\_\_ I do **NOT** give consent to allow hemodialysis treatments with reprocessed dialyzers.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**ASSIGNMENT OF BENEFITS**

I acknowledge that the information given by me in applying for payment under title XVIII of the Social Security Act is correct.

I acknowledge that entities owned by RA Group Holdings, Inc. (including Renal Advantage Inc. and RAI II, LLC, as applicable) and agents, have my permission to submit medical claims on my behalf for all payers, including, but not limited to, Medicare, Medicaid, Commercial and/or HMO/PPO products.

I authorize any holder of medical or other information about \_\_\_\_\_ (enter patient's name) to release to the Social Security Administration or its intermediaries or carriers or the Professional Standard Review Organization any information needed for this or a related Medicare claim.

I request that payments of authorized benefits for services rendered be paid to the applicable owned entity and/or agents of my RAI Care Center. This assignment of benefits shall apply until such time that written notification from me, or my authorized legal representative (if any), states otherwise.

I understand and agree that any deductibles, co-insurance, and uninsured amounts are my responsibility and must be paid in full within 30 days of receipt of the billing statement. I further acknowledge that I have entered into a Financial Responsibility Agreement which further describes my responsibilities.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date

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Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**FINANCIAL RESPONSIBILITY AGREEMENT**

I understand that I am personally responsible for the payment for my dialysis treatments and other services I receive at RAI Care Centers. This financial responsibility continues until my applicable insurance carriers (whether through commercial payors or government payors) reimburse RAI Care Centers in full for all such treatments and services, or I am released from responsibility for such payments. Should my account be referred to an attorney or collection agency for collection, I agree to pay interest, attorney's fees and costs of collection in addition to the unpaid charges.

I hereby agree that I will assist RAI Care Centers in obtaining authorization and payment and maintaining eligibility for the treatments and services provided to me from my insurance carrier or government program. I will apply for benefits under any state or federal programs and secondary insurance programs for which I am eligible to participate. In connection with the foregoing, I will provide medical records and personal financial information as RAI Care Centers may need for such insurance plans and government programs. I hereby agree to assist and cooperate with RAI Care Centers in obtaining payment from any plan or program responsible for paying for my treatment and services, appeals or hearings, at RAI Care Center's expense, if there is any dispute relating to payment for my treatment or services.

If I receive payment directly from any such plan or fund for services, treatments, drugs or supplies provided by RAI Care Centers, I hereby agree to immediately endorse and/or forward such payments to RAI Care Centers. I understand and agree that I am responsible for any co-payment or deductible which I am required to pay under any commercial payor or government program in which I am participating and which is responsible for paying for my treatment and services.

I also hereby authorize RAI Care Centers to act on my behalf in appealing or pursuing any claims against a plan or fund if there are payment disputes.

If my information changes concerning my status (i.e., insurance coverage, information about my address, employment or financial situation), I shall promptly provide that new information to the Center Director of my RAI Care Center.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of patient or personal representative

\_\_\_\_\_  
If personal representative, personal representative's authority to act

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# Assignment of Benefits

## I CONSENT TO RELEASE MEDICAL INFORMATION FOR PAYMENT

I authorize RenaLab, Inc., to release information about my medical condition and medical treatment as necessary to receive payment from any health insurance company or other entity responsible for paying medical expenses incurred by me. Such entities include, but are not limited to, government health insurance programs such as Medicare, Medicaid and worker's compensation; Blue Cross Blue Shield plans and other commercial health insurance companies; and liability insurance companies such as automobile, homeowners and commercial liability carriers. This authorization specifically includes the release of medical information concerning drug- or alcohol-related conditions, psychological or psychiatric conditions, and/or infectious or communicable diseases, including without limitation AIDS/HIV. I authorize a copy of this Authorization to be used in place of the original.

CONSENT: \_\_\_\_\_ (INITIAL)

## II. ASSIGNMENT OF INSURANCE BENEFITS

I assign RenaLab, Inc. any and all insurance benefits that may be payable to me under any insurance policy for treatment services. I direct that the payment of any such benefits be made directly to the billing entity. This Assignment is intended by me to confer on the billing entity an independent right of recovery against any such insurance company, but shall not be construed as an obligation of the billing entity to pursue any such right of recovery. I authorize a copy of this Assignment to be used in place of the original.

CONSENT: \_\_\_\_\_ (INITIAL)

## III. FINANCIAL AGREEMENT

I agree to be financially responsible for any and all charges by RenaLab, Inc. for laboratory services provided to me or another person for whom I am financially responsible, including charges not covered by insurance and for which my insurance program advises I am financially responsible. Should the account be referred to an attorney or collection agency for collection, I agree to pay interest, actual attorney's fees and costs of collection in addition to the unpaid charges.

CONSENT: \_\_\_\_\_ (INITIAL)

I hereby certify that I have read the above acknowledgements, assignments of benefits, and financial agreement; that I fully and completely understand the information contained herein; and that I knowingly, freely, and voluntarily sign this document.

\_\_\_\_\_  
Patient/Parent/Guardian/Conservative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Witness (if signs with mark instead of signature)

\_\_\_\_\_  
Date

ATTACHMENT 19B

Patient Name: \_\_\_\_\_ RAI Care Center: \_\_\_\_\_

**Statement of Responsibility and Equipment Usage Agreement (the  
"Agreement") for Home Therapy**

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I, \_\_\_\_\_ (insert either name of patient or name of patient's legal guardian or representative) understand that equipment prescribed for \_\_\_\_\_ (the "Patient") by the Patient's physician to perform dialysis in the patient's home (the "Equipment") is rented/provided on behalf of the Patient by RAI Care Centers ("RAI"). The Equipment is the responsibility of RAI and is made available to the Patient for the sole purpose of performance of dialysis in the Patient's home. The Equipment is not owned by any party other than RAI. Neither the Patient nor any one else on behalf of the Patient has any ownership interest in or rights to the Equipment except for the rights expressly provided for herein.

The Equipment is provided to the Patient for performance of dialysis treatments at the home address location that is documented in the Patient's medical record with RAI as the Patient's residence. At no time may anyone transport the Equipment from the Patient's resident location without notifying RAI in advance of such transportation.

**Patient or Patient's Legal Guardian or Representative agrees to be responsible for:**

- Properly caring for the equipment as instructed to do so by RAI
- Maintaining the Equipment at the Patient's resident location unless advance permission to relocate the Equipment is given by RAI
- Immediately notifying RAI of a transplantation, recovery of renal function, cessation of dialysis, transfer to hemodialysis, death, transfer to another home training center or moving from the Patient's resident location.

**Patient or Patient's Legal Guardian or Representative agrees to return the Equipment immediately to RAI if:**

- The Patient is no longer using the Equipment for home dialysis
- The Patient is planning to move or leave the area
- The Patient transfers to another dialysis center
- The Patient dies

I further agree that should I fail to return the Equipment as described hereinabove, or otherwise breach the terms of this Agreement in any material respect, I will be solely and individually liable for the full replacement cost of the Equipment, plus interest. I agree to contact my homeowner's insurance company, if applicable, and include the Equipment on a rider to my policy with RAI as the additional insured. I further agree that if RAI is forced to pursue legal action to recover the Equipment or monetary damages from me, I will be liable for all of RAI's attorney's fees, court costs and all other costs associated with any such legal action. I also agree that the validity,



Patient Name: \_\_\_\_\_ RAI Care Center: \_\_\_\_\_

Interpretation and enforceability of the Agreement and the capacity of the parties hereto shall be determined and governed by the substantive laws of the state in which the RAI center is located, without regard to such state's conflicts of laws provisions.

\_\_\_\_\_  
Patient

\_\_\_\_\_  
Date

\_\_\_\_\_  
Patient's Legal Guardian or Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

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## PATIENT RIGHTS AND RESPONSIBILITIES

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### PATIENT RIGHTS

As an RAI Care Center (RAI) patient, you have the right to:

1. Be informed about options for treatment (including the right to refuse or discontinue treatment) and treatment modalities and settings for treatment, including
  - Home hemodialysis
  - CAPD or CCPD
  - Transplant
  - In-center hemodialysis
2. Receive resource information about the following:
  - modalities not offered by this dialysis center,
  - options for scheduling treatment for patients who wish to work or go to school (in this center and at other centers if necessary to accommodate work hours)
3. Be fully informed regarding services available in the center, and the responsibilities of staff who will deliver those services.
4. Be accepted for treatment without regard to age, race, sex, religion, ethnic origin, disability or other factors unrelated to the provision of appropriate medical care.
5. Be treated with courtesy, dignity, consideration and respect as a unique individual with personal needs, including the need for reasonable privacy and sensitivity to your psychological needs and ability to cope with chronic kidney disease.
6. Privacy and confidentiality in all aspects of treatment.
7. Be informed regarding center policies and rules that apply to patient care.
8. Be aware that if you have or contract hepatitis B you will receive treatment using specific isolation measures, and if you have an infection spread by airborne means (such as TB) you will require treatment in a hospital with respiratory isolation equipment.
9. Be informed of any changes in the center's operations or policies that relate to patient care in a timely manner.



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

10. Know the process for filing a complaint or grievance verbally or in writing to center staff, administration, the ESRD network organization and regulatory agencies without fear of reprisal, discrimination or retaliation.
11. Be fully informed of your medical status by your physician (or physician extender) and suitability for transplant and all other treatment options, including the necessity for the treatment(s) and expected benefits and possible risks and/or side effects of treatment.
12. Change the type of treatment you receive unless you are not medically suitable for that type of treatment.
13. Be informed about and participate, if desired, in all aspects of your care including development of your treatment plan.
14. Receive services as outlined in your plan of care.
15. Refuse or discontinue treatment/appointments to the extent permitted by law and to be informed of the medical consequences of refusing treatment/appointment.
16. Obtain and review your medical records per the process defined by center policy.
17. Know that your medical records and all personal information will be considered confidential.
18. Know the costs of services, and possible sources of payment.
19. Interpreter services if you do not speak English, or other assistance if you have communication difficulties.
20. Have an Advance Medical Directive and to have it honored by your physician and treatment center, and review RAI's policy for Advance Medical Directives
21. Request a transfer to another center.
22. Be fully informed of reasons for discharge or transfer from the center (for medical reasons or non-payment of funds) and to be given 30 days' written advance notice at minimum unless the reason involves issues of immediate safety to other patients or staff.
23. Request a change in physician.
24. Agree to or refuse permission to participate in the reuse program as applicable.

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Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

- 25. Have questions regarding reuse answered completely and in understandable terms.
- 26. Refuse to participate in experimental research without fear of reprisal.
- 27. Bring a clean blanket or other covering from home. Staff will make every reasonable attempt to ensure a comfortable temperature but a blanket may help if you feel chilled.

### PATIENT RESPONSIBILITIES

It is RAI's policy to promote a safe environment for its employees, patients and visitors. RAI is committed to maintaining an environment free from violence, threats of violence, harassment, intimidation, and other disruptive behavior. If you do not adhere to stated responsibilities be aware that there may be consequences, which may include, but are not limited to, physical side effects, loss of privileges and temporary or permanent dismissal from the center. As an RAI patient, you have the following responsibilities to yourself, the center staff and your fellow patients.

You have the responsibility to:

- 28. Understand and follow the center's rules regarding security and safety of patients and staff.
- 29. Keep your access site uncovered and visible to staff during the dialysis treatment to ensure safety.
- 30. Treat members of the health care team and other patients with consideration and respect, and agree to stop use of any behavior, language or actions that staff or other patients find offensive, degrading or threatening.
- 31. Avoid behaviors that may make others in the center uncomfortable or fearful of their personal safety (such as acting aggressively toward others, screaming, yelling or throwing objects).
- 32. Not bring to the center any weapons or items that could be used as a weapon.
- 33. Not bring alcohol or illegal drugs to the dialysis center.
- 34. Allow searches of personal belongings if there is reason to believe that you have brought prohibited items to the center, and permit removal of such items if found while you are in the dialysis center.

Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

35. Assure that you and your visitors act reasonably and do not interfere with the center's operations.
36. Learn as much as possible about your illness, treatment choices and rights and responsibilities.
37. Actively participate in planning of your health care.
38. Inform health care team members of your complete medical history.
39. Inform health care team members of any signs or symptoms of problems related to your illness or treatment.
40. Adhere to your treatment plan, including arriving on time to receive your full treatment as prescribed and to inform center staff if you will miss a treatment.
41. Follow the prescribed diet and notify health care team members of problems related to following your diet so further education or other assistance can be provided.
42. Take medications as prescribed and inform health care team members of problems related to your medication plan so further education or other assistance can be provided.
43. Inform the health care team members as soon as possible if you have any infectious disease.
44. Know and follow the center's procedures for controlling infectious diseases. This includes (as applicable):
  - washing your access before coming to your treatment chair
  - wearing gloves when holding pressure to your access site
  - washing your hands before leaving the treatment area
  - notifying center staff if you have any signs or symptoms of a communicable illness
  - being treated in a designated isolation room/area and not participating in dialyzer reuse if you have Hepatitis B
45. Notify health care team members if you have an Advance Medical Directive and provide a copy to be placed in your medical record.
46. Inform center staff promptly of any changes in your address, phone number, contacts or other personal information.



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**PATIENT FINANCIAL RESPONSIBILITIES**

As an RAI Care Center patient, you have the following financial responsibilities:

- 47. Be responsible for the payment of your dialysis treatments and other services received at RAI Care Centers.
- 48. Provide health care team members with current insurance and financial information, apply for any coverage for which you are eligible and notify the center about possible problems with full payment for treatment.
- 49. Assist and cooperate with RAI Care Centers to obtain payment from any plan or program responsible for paying for your treatment and services.
- 50. Promptly inform the Center Director of your RAI Care Center of any changes in your status (i.e., insurance coverage, address, employment or financial information).
- 51. Immediately endorse and/or forward payments that you may receive directly from your insurance carrier or government program for services, treatments, drugs or supplies provided by your RAI Care Center.
- 52. Be responsible for payment of any co-payment or deductible required by my insurance carrier or government program that pays for my dialysis treatment and services.
- 53. Authorize RAI Care Center to act on your behalf in appealing or pursuing any claims against your insurance plan or fund if there are payment disputes.

I acknowledge that I have read or have had the RAI Patient Rights and Responsibilities read and/or explained to me. I understand that failure to adhere to the Responsibilities may result in the consequences outlined in this document.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date



CARE CENTERS

Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

### CENTER RULES

RAI Care Centers (RAI) patients shall agree to abide by the rules of the RAI Care Center. These rules shall include, but not be limited to the following:

1. No weapons, alcohol or illegal drugs of any type are allowed in the dialysis center.
2. No smoking is allowed in the dialysis center.
3. No routine oral medications will be provided. You may bring these from home; however, be sure to tell the healthcare staff when you take any medications in the dialysis center because some medications can cause complications during dialysis.
4. Visitors are allowed in the treatment area only by permission of the nurse in charge. Visitors will be offered use of appropriate personal protective equipment (PPE) as appropriate.
5. Young children will not be allowed in the treatment/appointment area except under special circumstances as determined by the nurse in charge. Children cannot be left in the waiting area without adult supervision.
6. RAI is not responsible for lost or stolen articles.
7. To ensure patient and staff safety, patients are not allowed inside the RAI care center until at least two employees are present. Patients are not allowed in the treatment area until a Registered Nurse is present.
8. For safety reasons, patients must remain in view of staff during in-center hemodialysis treatments. In addition, the vascular access site must remain in view of the dialysis staff during the hemodialysis treatment.
9. For safety reasons, patients are not allowed to bring any plug-in electrical items (such as electric blankets, radios, etc).
10. For safety and infection control reasons, staff cannot provide heated items to patients who are chilled, or allow use of electric blankets. If patients become chilled they may:
  - bring clean blankets or other coverings from home, or
  - obtain and bring adhesive heating strips/pads to warm body areas



CARE CENTERS

Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

I acknowledge that I have read or have had the RAI Care Center rules read and/or explained to me. I understand that failure to adhere to these rules may result in consequences outlined in the Patient Rights and Responsibilities.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date

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Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**PATIENT RIGHTS AND RESPONSIBILITIES: HOME THERAPIES**

**PATIENT RIGHTS**

As an RAI Care Center (RAI) patient, you have the right to:

1. Be informed about options for treatment (including the right to refuse or discontinue treatment) and treatment modalities and settings for treatment, including
  - a. Home hemodialysis
  - b. CAPD or CCPD
  - c. Transplant
  - d. In-center hemodialysis
  
2. Receive resource information about the following:
  - a. modalities not offered by this dialysis center,
  - b. options for scheduling treatment for patients who wish to work or go to school (in this center and at other centers if necessary to accommodate work hours)
  
3. Be fully informed regarding services available in the center, and the responsibilities of staff who will deliver those services.
  
4. Be accepted for treatment without regard to age, race, sex, religion, ethnic origin, disability or other factors unrelated to the provision of appropriate medical care.
  
5. Be treated with courtesy, dignity, consideration and respect as a unique individual with personal needs, including the need for reasonable privacy and sensitivity to your psychological needs and ability to cope with chronic kidney disease.
  
6. Privacy and confidentiality in all aspects of treatment.
  
7. Be informed regarding center policies and rules that apply to patient care.
  
8. Be aware that if you have or contract hepatitis B you will receive treatment using specific isolation measures, and if you have an infection spread by airborne means (such as TB) you will require treatment in a hospital with respiratory isolation equipment.
  
9. Be informed of any changes in the center's operations or policies that relate to patient care in a timely manner.





Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

10. Know the process for filing a complaint or grievance verbally or in writing to center staff, administration, the ESRD network organization and regulatory agencies without fear of reprisal, discrimination or retaliation.
11. Be fully informed of your medical status by your physician (or physician extender) and suitability for transplant and all other treatment options, including the necessity for the treatment(s) and expected benefits and possible risks and/or side effects of treatment.
12. Change the type of treatment you receive unless you are not medically suitable for that type of treatment.
13. Be informed about and participate, if desired, in all aspects of your care including development of your treatment plan.
14. Receive services as outlined in your plan of care.
15. Refuse or discontinue treatment/appointment to the extent permitted by law and to be informed of the medical consequences of refusing treatment/appointment.
16. Obtain and review your medical records per the process defined by center policy.
17. Know that your medical records and all personal information will be considered confidential.
18. Know the costs of services, and possible sources of payment.
19. Interpreter services if you do not speak English, or other assistance if you have communication difficulties.
20. Have an Advance Medical Directive and to have it honored by your physician and treatment center.
21. Request a transfer to another center.
22. Be fully informed of reasons for discharge or transfer from the center (for medical reasons or non-payment of funds) and to be given 30 days' written advance notice at minimum unless the reason involves issues of immediate safety to other patients or staff.
23. Request a change in physician.



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

- 24. Agree to or refuse permission to participate in the reuse program as applicable.
- 25. Have questions regarding reuse answered completely and in understandable terms (if in-center hemodialysis is ever necessary).
- 26. Refuse to participate in experimental research without fear of reprisal.
- 27. Bring a clean blanket or other covering from home. Staff will make every reasonable attempt to ensure a comfortable temperature but a blanket may help if you feel chilled.

**PATIENT RESPONSIBILITIES**

It is RAI's policy to promote a safe environment for its employees, patients and visitors. RAI is committed to maintaining an environment free from violence, threats of violence, harassment, intimidation, and other disruptive behavior. If you do not adhere to stated responsibilities be aware that there may be consequences, which may include, but are not limited to, physical side effects, loss of privileges and temporary or permanent dismissal from the center. As an RAI patient, you have the following responsibilities to yourself, the center staff and your fellow patients.

You have the responsibility to:

- 28. Understand and follow the center's rules regarding security and safety of patients and staff.
- 29. Treat members of the health care team and other patients with consideration and respect, and agree to stop use of any behavior, language or actions that staff or other patients find offensive, degrading or threatening.
- 30. Avoid behaviors that may make others in the center uncomfortable or fearful of their personal safety (such as acting aggressively toward others, screaming, yelling or throwing objects).
- 31. Not bring to the center any weapons or items that could be used as a weapon.
- 32. Not bring alcohol or illegal drugs to the dialysis center.
- 33. Allow searches of personal belongings if there is reason to believe that you have brought prohibited items to the center, and permit removal of such items if found while you are in the dialysis center.



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

- 34. Assure that you and your visitors act reasonably and do not interfere with the center's operations.
- 35. Learn as much as possible about your illness, treatment choices and rights and responsibilities.
- 36. Actively participate in planning of your health care.
- 37. Attend, participate in and complete home training per current RAI home training processes.
- 38. Perform and document dialysis/equipment procedures as taught and provide treatment records and equipment maintenance records (if applicable) to the center.
- 39. Order your own dialysis supplies as taught.
- 40. Administer medications at home and complete all documentation of medication administration as instructed.
- 41. Dispose of used dialysis supplies as instructed.
- 42. Return all home dialysis equipment and unused supplies to the vendor upon cessation of home dialysis as directed by my RAI Care Center staff.
- 43. Have or obtain homeowners or rental insurance that covers the value of the dialysis equipment.
- 44. Ensuring that only persons who have been trained by designated RAI Care Center personnel will use/maintain dialysis equipment and perform dialysis treatments.
- 45. Inform health care team members of your complete medical history.
- 46. Inform health care team members of any signs or symptoms of problems related to your illness or treatment.
- 47. Adhere to your treatment plan, and to inform center staff if you will miss an appointment or clinic visit.
- 48. Follow the prescribed diet and notify health care team members of problems related to following your diet so further education or other assistance can be provided.



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

- 49. Take medications as prescribed and inform health care team members of problems related to your medication plan so further education or other assistance can be provided.
- 50. Inform the health care team members as soon as possible if you have any infectious disease.
- 51. Know and follow the center's procedures for controlling infectious diseases. This includes (as applicable):
  - washing your access before coming to your treatment chair
  - wearing gloves when holding pressure to your access site
  - washing your hands before leaving the treatment area
  - notifying center staff if you have any signs or symptoms of a communicable illness
  - being treated in a designated isolation room/area and not participating in dialyzer reuse if you have Hepatitis B
- 52. Notify health care team members if you have an Advance Medical Directive and provide a copy to be placed in your medical record.
- 53. Inform center staff promptly of any changes in your address, phone number, contacts or other personal information.

Home Hemodialysis Specific Patient Responsibilities:

- 54. Keep your vascular access site uncovered and visible to staff during the hemodialysis treatment to ensure safety.
- 55. Have at least one partner who is trained to perform all applicable hemodialysis procedures and who is readily available to the patient during all home hemodialysis treatments.
- 56. Providing and paying for home alterations, if the home environment does not meet the requirements for home hemodialysis as required by the home hemodialysis machine manufacturer.

**PATIENT FINANCIAL RESPONSIBILITIES**

As an RAI Care Center patient, you have the following financial responsibilities:

- 57. Be responsible for the payment of your dialysis treatments and other services received at RAI Care Centers.



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

- 58. Provide health care team members with current insurance and financial information, apply for any coverage for which you are eligible and notify the center about possible problems with full payment for treatment.
- 59. Assist and cooperate with RAI Care Centers to obtain payment from any plan or program responsible for paying for your treatment and services.
- 60. Promptly inform the Center Director of your RAI Care Center of any changes in your status (i.e., insurance coverage, address, employment or financial information).
- 61. Immediately endorse and/or forward payments that you may receive directly from your insurance carrier or government program for services, treatments, drugs or supplies provided by your RAI Care Center.
- 62. Be responsible for payment of any co-payment or deductible required by my insurance carrier or government program that pays for my dialysis treatment and services.
- 63. Authorize RAI Care Center to act on your behalf in appealing or pursuing any claims against your insurance plan or fund if there are payment disputes.

I acknowledge that I have read or have had the RAI Patient Rights and Responsibilities read and/or explained to me. I understand that failure to adhere to the Responsibilities may result in the consequences outlined in this document.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

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**CENTER RULES: HOME THERAPY**

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RAI Care Centers (RAI) patients shall agree to abide by the rules of the RAI Care Center. These rules shall include, but not be limited to the following:

1. No weapons, alcohol or illegal drugs of any type are allowed in the dialysis center.
2. No smoking is allowed in the dialysis center.
3. No routine oral medications will be provided. You may bring these from home; however, be sure to tell the healthcare staff when you take any medications in the dialysis center because some medications can cause complications during dialysis.
4. Visitors are allowed in the treatment area only by permission of the nurse in charge. Visitors will be offered use of appropriate personal protective equipment (PPE) as appropriate.
5. Young children will not be allowed in the treatment/appointment area except under special circumstances as determined by the nurse in charge. Children cannot be left in the waiting area without adult supervision.
6. RAI is not responsible for lost or stolen articles.
7. To ensure patient and staff safety, patients are not allowed inside the RAI care center until at least two employees are present. Patients are not allowed in the treatment area until a Registered Nurse is present.
8. For safety reasons, patients must remain in view of staff or the patient's care partner during hemodialysis treatments. In addition, the vascular access site must remain in view of the dialysis staff or care partner during the hemodialysis treatment.
9. For safety reasons, patients are not allowed to bring any plug-in electrical items (such as electric blankets, radios, etc).
10. For safety and infection control reasons, staff cannot provide heated items to patients who are chilled, or allow use of electric blankets. If patients become chilled they may:
  - bring clean blankets or other coverings from home, or
  - obtain and bring adhesive heating strips/pads to warm body areas



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

I acknowledge that I have read or have had the RAI Care Center Rules read and/or explained to me. I understand that failure to adhere to these rules may result in consequences outlined in the Patient Rights and Responsibilities.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date

Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

## **GRIEVANCE PROCESS: PATIENTS**

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### **PURPOSE:**

To provide prompt and equitable resolution of patient complaints or issues affecting past, current or potential patient(s) in an RAI Care Center.

### **POLICY:**

RAI patients and/or their family members have the right to address problems they identify in the treatment received without fear of discrimination, denial of services or reprisal. They also have the responsibility to be familiar with their rights and responsibilities, as well as the center's rules. Patients and families should also be aware of the center's internal grievance process and the means to file an external grievance if desired.

1. Patients using the grievance process will not be intimidated, threatened, coerced or retaliated against for use of the grievance process.
2. The grievance process applies to all RAI patients, including transient patients.
3. Each center shall post the following in an area that is readily visible to patients and families for reading:
  - a copy of the RAI policy and procedure for the grievance process currently in effect
  - the full contact information (including mailing address and complaint phone number) for the center's Network, State survey agency and other agencies (such as the Department of Public Health) as applicable for filing of external grievances.
4. Patients may file internal or external grievances personally, anonymously or through a representative of the patient's choosing.
5. Filing of an internal RAI grievance is not required to file an external grievance.
6. Upon admission to the RAI Care Center, each patient will receive:
  - a copy of the internal RAI policy and procedure for the grievance process.
  - detailed contact information for the applicable Network, State survey agency or other agency (such as the Department of Public Health) as applicable
7. Patients may express their grievance through verbal or written means, although it is requested that grievances be provided in written form whenever possible.
8. Copies of written grievances submitted by patients and/or family members will be maintained in a separate file that is kept in a secure, locked location in the center and retained for the length of time as medical records





CARE CENTERS

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Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

9. The Center Director shall keep a log of all grievances that notes the date the grievance was initiated and the ongoing status of the grievance.

A copy of this policy was given to:

Patient Name: \_\_\_\_\_, at  
RAI Care Center: \_\_\_\_\_, on Date: \_\_\_\_\_  
(file original signed document in designated section of patient's medical record)

Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

## GRIEVANCE PROCESS: PATIENTS

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RAI Care Center (RAI) patients and/or their family members who feel they have a grievance should follow the steps outlined in the RAI policy for the grievance process. This includes past, current or potential patients, as well as transient patients. Patients who require assistance with initiating the grievance process may request the aid of the center's Social Worker.

1. Patients are not required to use the internal RAI grievance process and may elect to file a grievance using the external grievance process at any time.
2. At any time during the grievance process patients and/or families who are not satisfied with the process and/or any decisions reached may submit their grievances to the appropriate regulatory agency, such as the ESRD Network Agency, the Office of Civil Rights, the Department of Public Health or the Department of Health and Human Services for their area. Contact information for these agencies will be provided by your RAI Care Center or Social Worker.
3. It is requested that grievances be presented in written form if possible. If this is not possible, the grievance may be presented verbally. Grievances should be initially presented to the nurse in charge or designee of the concerned center.
4. The Center Director shall keep a copy of the grievance in a secure and locked file.
5. If the grievance involves the Center Director, the patient and/or family may proceed to Step Seven.
6. The Center Director will investigate the grievance and make every attempt possible to resolve the issue and communicate the resolution in writing to the patient and/or family within 10 working days. The Center Director or designee will then develop a written and dated summary of the grievance and the proposed attempt to resolve the problem.
7. If the patient and/or family are not satisfied with the decision reached by the Center Director, the patient and/or family should forward the written decision from the nurse in charge or designee and a copy of the original grievance to the Regional Director, and should request to have the decision reviewed. The patient and/or family may also request a personal meeting with the Regional Director instead of submitting written materials. The Regional Director will confer with the patient, the Center Director or designee and any other persons as appropriate, investigate the problem and communicate a decision in writing to all involved parties within 15 working days of being made aware of the problem.
8. If the patient and/or family are still not satisfied with the decision reached, the decision may be appealed to the Chief Operating Officer by submitting all documentation and the wish to appeal the decision to the Chief Operating Officer. The Chief Operating Officer will review and investigate the grievance and will then issue a final, written decision within 15 working days of receiving the request from the patient and/or family. Final decisions on grievances will not be precedent setting or binding on future grievances unless they specifically state they are being adopted as a company policy.



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**LOCAL REGULATORY AGENCIES**

Below find detailed contact information for local regulatory agencies that may be contacted by the patient or patient's representative to file an external grievance.

**NETWORK Name and #:** \_\_\_\_\_

Full Mailing Address: \_\_\_\_\_

Complaint Phone #: \_\_\_\_\_

Internet/web contact information: \_\_\_\_\_

**State Survey Agency:** \_\_\_\_\_

Full Mailing Address: \_\_\_\_\_

Complaint Phone #: \_\_\_\_\_

Internet/web contact information: \_\_\_\_\_

**Other Agencies (if applicable):**

**Agency Name:** \_\_\_\_\_

Full Mailing Address: \_\_\_\_\_

Complaint Phone #: \_\_\_\_\_

Internet/web contact information: \_\_\_\_\_

**Agency Name:** \_\_\_\_\_

Full Mailing Address: \_\_\_\_\_

Complaint Phone #: \_\_\_\_\_

Internet/web contact information: \_\_\_\_\_

(note any additional agencies on the back of this page)

I acknowledge that I have:

- read or have had the RAI Center policy and procedure for the grievance process read and/or explained to me, and
- received a copy of the full contact information for local regulatory agencies

I understand that failure to adhere to these rules may result in consequences outlined in the Patient Rights and Responsibilities.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date

(file original signed document in designated section of patient's medical record)



Patient Name: \_\_\_\_\_ ID #: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**EMERGENCY EVACUATION ACKNOWLEDGEMENT**

During an emergency situation, when electrical power is not available, the hemodialysis machine will not function. Blood will be returned to you as soon as possible, if time permits, by hand-turning the blood pump. If the emergency requires immediate evacuation of the center, the emergency disconnect procedure will be used. After the blood lines have been clamped and disconnected, you will be moved to a designated safe area under the direction of the nurse in charge or other designated responsible employee of the dialysis center. Once the nurse in charge or designee has determined it is safe to do so, your access needles will be removed (if applicable) and other appropriate safety measures will be taken.

Upon admission to the RAI Care Center, and thereafter on a quarterly basis, the center's emergency evacuation plan will be explained to you. The quarterly emergency evacuation review will be documented in your medical record each time it is done.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date

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Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**ADVANCE DIRECTIVE ACKNOWLEDGEMENT**

I acknowledge that I have been informed of RAI's policies for Advance Directives as follows:

- 1. I have the right to execute an Advance Directive.
- 2. Before my physician and RAI clinical staff can honor my Advance Directive I must provide a properly executed copy of the Advance Directive that will be placed in my medical record.

**Please read and sign the form at the bottom as requested.**

- 1. I have been given written materials on my rights to accept or refuse medical and surgical treatment and my rights to formulate Advance Directives.
- 2. I understand that I am not required to have an Advance Directive in order to receive dialysis treatment at RAI \_\_\_\_\_  
*Center Name*
- 3. I understand that if I have given an Advance Directive to RAI and change all or any portion of that directive, I must inform my doctor, Center Director or designee, or Social Worker immediately and submit that change in writing.

**Please check and initial only ONE of the following statements:**

\_\_\_\_\_ I have executed an Advance Directive and have provided a copy to RAI  
 \_\_\_\_\_  
*Center Name*

\_\_\_\_\_ I have executed an Advance Directive and will provide a copy to the center at a later time. I understand that the staff and physician of RAI may not be able to follow the terms of my Advance Directive until I provide a copy.

\_\_\_\_\_ I have not executed an Advance Directive and do not wish to discuss Advance Directives further at this time.

\_\_\_\_\_ I have not executed an Advance Directive but would like to obtain additional information about Advance Directives.

I acknowledge that I have read or had the policy for Advance Directives read and/or explained to me and that I understand my rights under state law to make my own healthcare decisions.

\_\_\_\_\_ *Patient Signature* \_\_\_\_\_ *Date*

\_\_\_\_\_ *Patient ID #*

\_\_\_\_\_ *Witness Signature* \_\_\_\_\_ *Date*



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**REFUSAL OF BLOOD PRODUCTS**

1. I wish to express my formal desire to refuse administration of blood products in accordance with my personal beliefs.
2. I am stating that I wish no blood products (i.e., whole blood, red cells, white cells, platelets, blood plasma, or any other blood components) to be administered to me under any circumstances, even if my physician advises that such treatment is necessary to preserve my life or health.
3. I will accept administration of non-blood volume expanders (i.e., saline, Dextran, Ringer's solution) and other non-blood treatment. This directive is an exercise of my legal right to accept or refuse medical treatment.
4. I understand that my refusal to accept blood or blood products and use only non-blood treatments may have specific risks and result in certain consequences that I am willing to accept. Consequences associated with refusal of medically recommended blood or blood products may include, but are not limited to, prolonged weakness, low blood pressure, irregular heart rhythm and/or death.
5. On my behalf and on behalf of my heirs and assigns, I release my physician and any corporation or facility that is owned, operated or managed by Renal Advantage, Inc. (RAI) or any subsidiary or affiliate thereof and the staff of any such facility from liability for any damages that might be caused by my refusal of blood or blood products, despite receiving information regarding the risks of refusal of administration of blood or blood products. I have discussed my beliefs and views with the RAI Care Center staff and have had my questions answered satisfactorily.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attending Physician Signature



## APPENDIX I NOTICE OF PRIVACY PRACTICES

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED. THIS NOTICE ALSO DESCRIBES HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

This Notice of Privacy Practices is being provided to you as a requirement of the Health Insurance and Portability Act (HIPAA). This Notice describes how entities that own or are affiliated with your RAI Care Center (RAI) may use and disclose your health information, including your protected health information (PHI). Your "protected health information" means any of your written or oral health information that can be used to identify you. This Notice also describes your rights to access and control your health information.

Federal law requires RAI to:

- Provide you with this Notice of Privacy Practices
- Maintain the privacy of your protected health information. This requirement is subject to some limitations and exceptions.
- Follow the terms of the Notice of Privacy Practices

### PERSONS WHO MUST FOLLOW OUR PRIVACY PRACTICES

- All employees, staff and other personnel of RAI
- Medical, nursing and other health care students
- Medical staff and other medical professionals involved in your care, performing quality improvement activities, medical education, auditing and other services for the Center.
- Persons or companies performing services for RAI under agreements containing privacy protections or to whom disclosure of medical information is permitted by law.
- Persons or companies with whom RAI participates in managed care arrangements.



## YOUR PRIVACY RIGHTS

You have the right to request restrictions on certain uses and disclosures of your protected health information (PHI). The request for restrictions must be in writing and presented to the Center Director. RAI is not required to agree to a requested restriction. You will be notified in writing of RAI's decision regarding your request.

You have the right to receive confidential communication of PHI. The request for confidential communications must be in writing and presented to the Center Director. RAI will attempt to comply with reasonable requests. You will be notified in writing of the decision regarding your request.

You have the right to inspect and copy your PHI. There are exceptions to this general rule and you may be denied access to certain records. The request for access to your PHI must be in writing and presented to the Center Director. The Center will notify you in writing of the decision regarding your request. If your request is denied, you have the right to have the denial reviewed. A copying fee will be charged.

You have the right to request an accounting of certain disclosures of your PHI. The request for an accounting must be in writing and presented to the Center Director. One accounting of disclosures will be provided free of charge during any 12-month period. There will be a reasonable, cost-based fee for additional requests within the same 12-month period.

### PERMITTED USES AND DISCLOSURES OF HEALTH INFORMATION ABOUT YOU

RAI may use your PHI for the purposes of providing treatment, obtaining payment for treatment and conducting health care operations.

**Treatment:** RAI will use and/or disclose your PHI to provide, coordinate, or manage your health care and any related services. This includes the coordination or management of your health care with a third party for treatment purposes. An example would be if you need to transfer to another health care provider for treatment, RAI will disclose PHI necessary for the other health care provider to continue your care.

**Payment:** Your PHI will be used, as needed, to obtain payment for the services that RAI provides. For example, RAI may give your insurance company information about your dialysis treatment so that they will pay for services provided to you.

**Healthcare Operations:** RAI may use and/or disclose your PHI for our own day-to-day operations in order to facilitate the functions of the Center and to provide quality care to all patients. Health care operations include such activities as quality improvement, licensing or credentialing, compliance reviews, business management and general administrative activities.





Federal privacy rules allow RAI to use and/or disclose your PHI without authorization for a number of reasons other than treatment, payment and healthcare operations, including the following:

- When RAI is required to do so by any Federal, State or local law
- For public health activities such as to prevent or report a communicable disease
- To report abuse, neglect or domestic violence
- To conduct health oversight activities such as audits, investigations or licensure actions
- In connection with judicial and administrative proceedings
- For law enforcement purposes
- To coroners, funeral directors and for organ donation
- For research purposes
- In the event of a serious threat to health or safety
- For specified government functions
- For workers' compensation

#### **USES AND DISCLOSURES PERMITTED WITHOUT AUTHORIZATION BUT WITH OPPORTUNITY TO OBJECT**

RAI may disclose your PHI for its Center Directory, to individuals involved in your care or payment for treatment such as family members or a close personal friend. RAI may also disclose your PHI for disaster relief purposes. You will be given the opportunity to object to such disclosures.

#### **CHANGES TO THIS NOTICE**

RAI reserves the right to change the terms of this Notice and to make the new Notice provisions effective for all health information RAI maintains. Any changes to this Notice will be posted in the Center and copies will be available upon request.

#### **COMPLAINTS**

If you believe your privacy rights have been violated, you may file a written complaint with the RAI Privacy Officer or with the Secretary of the Department of Health and Human Services (HHS). The RAI Privacy Officer may be reached at (615)661-1100. The HHS website at [www.hhs.gov/ocr/hipaa](http://www.hhs.gov/ocr/hipaa) describes how you may submit complaints.



APPENDIX II

ACKNOWLEDGMENT OF RECEIPT OF NOTICE OF PRIVACY PRACTICES

PATIENT NAME: \_\_\_\_\_

CENTER NAME: \_\_\_\_\_

I acknowledge that I have been provided a copy of the RAI Notice of Privacy Practices. I have had the opportunity to ask questions regarding the Notice of Privacy Practices and its contents.

\_\_\_\_\_  
Patient's Name (Printed)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Patient or Personal Representative

\_\_\_\_\_  
If personal representative, indicate relationship

**For Use by Center Staff Only:** [Complete if patient acknowledgment is not obtained.]

The patient was provided a copy of the Notice of Privacy Practices and a good faith attempt was made to obtain the patient's signature acknowledging receipt of the Notice. An acknowledgment was not obtained because

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Center Representative: \_\_\_\_\_ Date: \_\_\_\_\_

2021



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**CONSENT FOR USE AND DISCLOSURE OF MEDICAL INFORMATION**

This document is used to obtain an individual's consent to use and disclosure of the individual's protected health information (PHI) to provide treatment, obtain payment and for healthcare operations and other functions.

By signing this form, you are consenting to Renal Advantage Inc.'s use and disclosure of your PHI as follows:

1. For RAI Care Center's (RAI's) treatment activities, payment activities and health care operations as permitted by the HIPAA privacy rule.
2. For the treatment activities, payment activities and health care operations of another health care provider or covered entity as permitted by the HIPAA privacy rule.
3. For the health care operations of the Organized Health Care Arrangement in which the owner of your RAI Care Center participates.
4. To your family members, friends and others involved in your health care and the payment for your health care services including picking up medical equipment, supplies or pharmaceuticals on your behalf.
5. To disaster relief organizations, as may be necessary to assist them in identifying or locating your family members and others responsible for your health care.
6. In furtherance of the public interest and public benefit activities permitted by the HIPAA privacy rule, 45 C.F.R. §164.512.

**Effect of Declining Consent:** This consent is a condition of treatment by RAI Care Centers. If you decide not to sign this consent, RAI may decline to treat you.

**Notice of Privacy Practices:** A copy of RAI's Notice of Privacy Practices accompanies this consent.

**Right to Revoke:** You will have the right to revoke this consent at any time by completing a revocation. Revocation of this consent will not affect any action we took in reliance on this consent before we received your written notice of revocation. RAI may decline to treat you or to continue treating you if you revoke this consent.



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

I have had full opportunity to read and consider the contents of this consent form and the Notice of Privacy Practices. I understand that by signing this consent form, I am giving my consent to RAI's use and disclosure of my PHI to carry out treatment activities, payment activities, health care operations and the other functions and activities described in this document.

I attest that the above information is correct.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**TRANSPORTATION CHOICE ACKNOWLEDGEMENT**

In the event that I have need of a transportation service/company to transport me to and from dialysis, I affirm that the following statements have been explained to me and that I understand the statements as written.

1. The choice of a transportation service/company is made voluntarily without influence on the part of this RAI Care Center or its owner.
2. I understand that Renal Advantage Inc. does not own or represent any individual transportation service or company and furthermore does not recommend any of the available transportation service or companies.
3. I understand that I have the right to choose any transportation service/company at this time and to change services/companies at any time in the future.
4. I understand that the RAI Care Center's role in assisting me with my transportation is limited, upon my direction, to making a phone call to the transportation company/service of my choice to request transport.

I attest that the above information is correct.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**DISCLOSURE TO CARETAKER/PERSONAL REPRESENTATIVE**

This document is used to authorize use or disclosure of the patient's protected health information (PHI) for the purpose of assisting in the patient's healthcare. A separate form must be used for psychotherapy notes.

**To the Patient or the Patient's Personal Representative:** Please read the following and complete the information requested.

**No Conditions:** This authorization is voluntary. RAI Care Centers (RAI) will not require this consent to be signed in order to provide treatment to you.

**Effect of Granting this Authorization:** The persons or organizations to which you are requesting disclosure of your PHI may not be subject to federal health information privacy laws. These persons or organizations may further disclose the PHI, and it may no longer be protected by federal health information privacy laws.

**PHI to be Used and/or Disclosed:** Unless limitations to disclosure are listed below, all information related to the patient's care and treatment will be disclosed (except for psychotherapy notes).

**Entities Authorized to Receive and Use:** Name or specifically identify the persons or organizations that this authorization will allow to receive and use your PHI.

\_\_\_\_\_  
\_\_\_\_\_

**Limitations to PHI to be Disclosed:** Note any limits to the information to be disclosed.

\_\_\_\_\_  
\_\_\_\_\_



Patient Name: \_\_\_\_\_ ID#: \_\_\_\_\_

RAI Care Center: \_\_\_\_\_

**Expiration of Authorization:** This authorization will expire (complete one):

On \_\_\_\_/\_\_\_\_/\_\_\_\_ or Event \_\_\_\_\_  
(Date) or (e.g., until such time as I cease being a patient)

**Right to Revoke:** You may revoke this authorization at any time by making the request in writing. Revocation of this authorization will not affect any action RAI took in based on this authorization before RAI received your written request for revocation.

I have had full opportunity to read and consider the contents of this authorization. I understand that by signing this form I am confirming my authorization for the use and/or disclosure of my PHI to the persons or organizations as noted above in this form.

\_\_\_\_\_  
Patient Name (printed)

\_\_\_\_\_  
Patient/Legal Representative Signature

\_\_\_\_\_  
Patient ID Number

\_\_\_\_\_  
Witness to Signature

\_\_\_\_\_  
Date



# ESRD Medicare Secondary Payer Questionnaire

Patient Name: \_\_\_\_\_ Patient ID: \_\_\_\_\_ Center #: \_\_\_\_\_ First Treatment at Center: \_\_\_\_\_

				Please Circle The Response	
1	Has <b>Veteran Affairs (VA)</b> authorized treatment and agreed to pay for care at this facility?	Yes ▶ D1	No ▶ A2		
2	Is this patient covered by the <b>Federal Black Lung</b> program? Effective date:	Yes ▶ D1	No ▶ A3		
3	Is this ESRD due to a <b>work-related accident or condition (Workers Compensation)</b> ?	Yes ▶ A4	No ▶ A6		
4	Employer Name	5	WC Insurer		
	Address		Address		
	City, State, Zip		City, State, Zip		
	Contact, Phone		Contact, Phone		
Go to Section D					

6	Is this ESRD covered by a <b>Public Health Service, research grant or non-work related accident</b> ?	Yes ▶ A7	No ▶ B1		
7	Responsible Party	8	Liability Insurer		
	Address		Address		
	City, State, Zip		City, State, Zip		
	Contact, Phone		Contact, Phone		
	Accident Cause:				
Go to Section D					

1	Is the patient actively employed or on medical leave from a place of employment?	Yes ▶ B2	No ▶ B3		
2	How many employees does the employer have? (Please check one): <input type="checkbox"/> < 20 <input type="checkbox"/> 20 to 99 <input type="checkbox"/> > 99				▶ B5
3	Is the patient retired?	Yes ▶ B4	No ▶ B5		
4	Enter the retirement date:				▶ B5
5	Does the patient have employer group health insurance?	Yes ▶ B6	No ▶ B8		
6	Employer	7	Health Insurer		
	Address		Policy Number		
	City, State, Zip		Address		
	Contact, Phone		City, State, Zip		
			Contact, Phone		

8	Does the patient have non-group health coverage purchased privately?	Yes ▶ B9	No ▶ B10		
9	Enter the Insurance/Policy/Phone Number:				▶ B10
10	Does the patient have a spouse?	Yes ▶ C1	No ▶ D1		

1	Is the patient currently covered through the spouse's employer group health plan?	Yes ▶ C2	No ▶ C7		
2	Employer	3	Health Insurer		
	Address		Policy Number		
	City, State, Zip		Address		
	Contact, Phone		City, State, Zip		
			Contact, Phone		

4	How many employees does the employer have? (Please check one): <input type="checkbox"/> < 20 <input type="checkbox"/> 20 to 99 <input type="checkbox"/> > 99				▶ C5
5	Is the spouse retired?	Yes ▶ C6	No ▶ C7		
6	Enter the retirement date:				▶ C7
7	Does the spouse have Medicare?	Yes ▶ C8	No ▶ C8		
8	Enter the spouse's Medicare HIC number or SSN:				▶ C9
9	Does the spouse have non-group health coverage purchased privately?	Yes ▶ C10	No ▶ D1		
10	Enter the Insurance/Policy/Phone Number:				▶ D1

1	Is this patient entitled to Medicare based on (please check all that apply): <input type="checkbox"/> End Stage Renal Disease (ESRD) <input type="checkbox"/> Disability <input type="checkbox"/> Age	Yes ▶ D2	No ▶ E1		
2	How does the patient qualify for Medicare? (please check one): <input type="checkbox"/> Self <input type="checkbox"/> Spousal Eligibility <input type="checkbox"/> Parental Eligibility	Yes ▶ E1	No ▶ E1		

1	Enter Date of First Dialysis Ever (DOFDE):				▶ E2
2	Has the patient ever had a kidney transplant?	Yes ▶ E3	No ▶ E6		
3	Enter the transplant date:				▶ E4
4	Has the patient returned to dialysis after a transplant or regaining function?	Yes ▶ E5	No ▶ E6		
5	Enter the return to dialysis or maintenance start date:				▶ E6
6	Did the patient ever have PD, home dialysis or self in-center training during the first 3 months of dialysis?	Yes ▶ E7	No ▶ E7		
7	Is the patient the party supplying these answers?	Yes ▶ F1	No ▶ F2		

1	Patient Signature	Date	
2	Patient Representative	Date	
3	RAI Representative	Date	





## Proof of Citizenship & Identity Form

<b>Section 1: Patient Information and Verification.</b> To be completed and signed by patient at the time of admission.	
Patient's Full Name: _____	Chart ID #: _____
Patient's DOB: _____	Home Facility #: _____
Patient's SSN: _____	Home Facility Name: _____
I attest that I am (check one of the following):	
<input type="checkbox"/> A citizen or national of the United States	
<input type="checkbox"/> A Lawful Permanent Resident (Alien #) _____	
Patient's Signature: _____	Date: _____

<b>Section 2: Patient Review and Verification.</b> To be completed and signed by a member of the RAI Center Staff. Examine one document from List A OR examine one document from List B and one from List C, as listed on page 2 of this form and record the title, number and expiration date, if any, on the document(s).					
	<b>List A</b>	<b>OR</b>	<b>List B</b>	<b>AND</b>	<b>List C</b>
Document Title:	_____		_____		_____
Issuing Authority:	_____		_____		_____
Document #:	_____		_____		_____
Expiration Date:	_____		_____		_____
Document #:	_____		_____		_____
Expiration Date:	_____		_____		_____
<b>Certification:</b> I attest, under penalty of perjury, that I have examined the documents presented by the above-named patient, that the above-listed document(s) appear to be genuine, and to relate to the patient named.					
RAI Employee Signature and Position: _____				RAI Employee Printed Name: _____	



# Proof of Citizenship & Identity Form

## Lists of Acceptable Documents

### List A

### List B

### List C

#### Documents that Establish Identity

OR

#### Documents that Establish Identity

AND

#### Documents that Establish Identity

- |   |   |  |
|---|---|--|
| <ol style="list-style-type: none"><li>1. U.S. Passport (expired or unexpired)</li><li>2. Certificate of U.S. Citizenship (Form N-560 or N-561)</li><li>3. Certificate of Naturalization (Form N-550 or N-570)</li><li>4. Unexpired foreign passport, with I-551 stamp</li><li>5. Permanent Resident Card or Alien Registration Receipt Card with photograph (Form I-151 or I-551)</li><li>6. Unexpired Temporary Resident Card</li><li>7. Unexpired Employment Authorization Card (Form I-688A)</li><li>8. Unexpired Reentry Permit (Form I-327)</li><li>9. Unexpired Refugee Travel Document (Form I-571)</li><li>10. Unexpired Employment Authorization Document issued by DHS that contains a photograph (Form I-688B)</li></ol> | <ol style="list-style-type: none"><li>1. Driver's license or ID card issued by a state or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address</li><li>2. ID card issued by federal, state, or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address</li><li>3. School ID card with a photograph</li><li>4. Voter's registration card</li><li>5. U.S. Military Card or draft record</li><li>6. Military dependent's ID card</li><li>7. U.S. Coast Guard Merchant Mariner Card</li><li>8. Native American tribal document</li><li>9. Driver's license issued by a Canadian government authority<br/><b>For persons under age 18 who are unable to present a document listed above:</b></li><li>10. School record or report card</li><li>11. Clinic, doctor or hospital record</li><li>12. Day-care or nursery school record</li></ol> | <ol style="list-style-type: none"><li>1. U.S. social security card issued by the Social Security Administration</li><li>2. Certificate of Birth Abroad issued by the Department of State (Form FS-545 or Form DS-1350)</li><li>3. Original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal</li><li>4. Native American tribal document</li><li>5. U.S. Citizen ID Card (Form I-197)</li><li>6. ID Card for use of Resident Citizenship in the United States (Form I-179)</li><li>7. Unexpired employment authorization document issued by DHS (other than those listed under List A)</li></ol> |
|---|---|--|



PATIENT PHOTO  
CONSENT/DECLINATION FORM

PATIENT PHOTO CONSENT

I am a patient at an RAI Care Center. Renal Advantage Inc./RAI Care Centers ("RAI") desires to take my digital photograph so that my photograph will be included in my electronic medical record in RAI's clinical system. By signing below, I give permission to RAI to take my photograph and grant the right to RAI to full use of my digital photograph as part of my electronic Medical record. The rights to such use are granted with the understanding that it is without the promise of payment. I hereby release RAI and its affiliated entities as well as its employees, contractors and agents from any claim or cause of action which might be asserted by me or on my behalf as a result of the taking of or use of my photograph by RAI as described above.

PATIENT'S NAME (PLEASE PRINT)

PATIENT'S SIGNATURE

DATE

PARENT or GUARDIAN SIGNATURE

DATE

ADDRESS CITY, STATE, ZIP

WITNESSED BY:

DATE

PATIENT PHOTO DECLINATION

I understand that I have been given the opportunity to have my digital photograph taken by RAI for use as part of my electronic Medical record. By declining this opportunity, a standard "declined image" will be placed into RAI's clinical system instead of a photograph.

PATIENT'S NAME (PLEASE PRINT)

PATIENT'S SIGNATURE

DATE

PARENT or GUARDIAN SIGNATURE

DATE

WITNESSED BY:

DATE

## PATIENT TRANSFER AGREEMENT

**THIS PATIENT TRANSFER AGREEMENT ("Agreement")** is entered into as of the 20<sup>th</sup> day of December 2010, by and between **RAI CARE CENTERS OF ILLINOIS I, LLC**, a Delaware limited liability company ("**RAI**") for the benefit of its outpatient dialysis center located at 821 Lincoln Highway, Fairview Heights, IL 62208 (the "**Center**"), and **PMMCI d/b/a MH and MEMORIAL CARE CENTER** ("**Hospital**").

### WITNESSETH:

**WHEREAS**, **RAI** recognizes that medical services may not always be adequate to provide necessary care for some of its patients at the Center and, therefore, **RAI** desires to enter into an agreement to facilitate the transfer of those patients to a facility that offers specialized care;

**WHEREAS**, the Hospital is a medical center that has the capability to provide general and specialized medical care to patients, and desires to enter into agreements with healthcare providers within the region for accepting the transfer of patients to the Hospital;

**WHEREAS**, the Hospital and **RAI** desire that the transfer of patients from the Center to the Hospital be in a coordinated and cooperative manner for the benefit of **RAI**'s patients at the Center; and

**WHEREAS**, the parties to this Agreement desire to provide a full statement of their respective covenants, agreements and responsibilities in connection with the foregoing during the term of this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual covenants and agreements set forth herein, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **RAI** hereby agrees that prior to the transfer of any patient from the Center to the Hospital, the Center will first determine that the Center does not have the appropriate medical resources or personnel to adequately care for the patient. If the care needed by the patient requires life saving measures, unless the patient has a "do not resuscitate" or similar order or written instruction, the Center will implement such life saving measures in an effort to stabilize the patient's emergency medical condition before the transfer, if possible, unless immediate transfer is required as determined by the patient, a person legally responsible for the patient, or the patient's attending physician. Except in the case of an emergency, the Center shall provide the Hospital with sufficient notice of its desire to transfer the Center's patient to the Hospital and obtain acceptance by a physician at the Hospital for the transfer. The Center shall use reasonable efforts to include information concerning the patient's medical condition together with a request that the Hospital physician arrange for the admission of the Center's patient.

2. The Center, where possible, shall obtain the request or consent to transfer from the patient or the person legally responsible for the patient. A transfer may be affected without consent if the patient is not able to provide the consent or the persons legally responsible for the

patient cannot be reached.

3. The Center shall send with the patient pertinent medical information and shall make reasonable efforts to communicate medical information to the Hospital's physician. If there is an emergency situation, the Center will make reasonable efforts to provide the patient's medical information promptly.

4. The Center shall utilize the most appropriate means of transport available to timely and safely transfer the patient to the Hospital.

5. If the Center is unable to provide adequate medical care on a temporary basis (as a result of, for example, natural disaster, power outage or loss of water), the Center will attempt to transfer its patients to another dialysis center. The attending physicians for the patients will decide if a transfer to another dialysis center is appropriate or whether their patients should receive dialysis services at the Hospital on an emergency basis.

6. Nothing contained in this Agreement shall limit either party from contracting with any other hospital or health care facility on a limited or general basis while this Agreement is in effect. Either party may terminate this Agreement at any time and for any reason by providing to the other party no less than thirty (30) days' written notice of such party's intention to terminate this Agreement.

7. When the patient is determined to be in a condition which would permit less intensive or less specialized care and treatment, and such care and treatment is available at the Center, the Center agrees to accept the transfer of the patient back from the Hospital. The Center will arrange for a physician who is a member of the Center's medical staff to accept the patient upon transfer back to the Center once the transfer is deemed appropriate by the patient's attending physician. Upon the transfer back to the Center, the Hospital agrees to provide to the Center all necessary medical information, including medical records, so that the Center may provide care upon the patient's transfer back to the Center.

8. The Hospital is responsible for the costs to transfer the patient to the Hospital only if the Hospital's transport services are used or the Hospital elects to assume such responsibility.

9. When the patient arrives at the Hospital (or when the Hospital's transport services has responsibility for the patient), the Hospital shall assume responsibility for the patient's medical care and treatment.

10. Nothing in this Agreement shall be construed as allowing the Center to transfer a patient to the Hospital for economic reasons, including the patient's ability to pay for services. This Agreement shall remain in effect beginning upon the execution of this Agreement by both parties and shall remain in effect until either party to this Agreement gives no less than thirty (30) days' prior written notice to the other party of its intention to terminate this Agreement. In addition, either party may terminate this Agreement for cause by providing to the other party written notice of the breach of this Agreement and upon failure of that party to cure the breach within ten (10) days thereafter. This Agreement shall automatically terminate if either party has its facility license revoked or suspended, or if either party is excluded from participation in a government payor program, including Medicare or Medicaid.

12. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may only be amended in a writing signed by both parties to this Agreement.

13. The laws of the state in which the Hospital is located shall govern the terms and provisions of this Agreement without regard to its conflicts of laws provisions.

14. All notices, requests, and other communication to any party hereto shall be in writing and shall be addressed to the receiving party's address set forth below or to any other address as a party may designate by notice hereunder, and shall either be (i) delivered by hand, (ii) sent by recognized overnight courier, or (iii) by certified overnight mail, return receipt requested, postage prepaid.

If to RAI: RAI Care Centers of Illinois I, LLC  
1550 W. McEwen Drive, Suite 500  
Franklin, Tennessee 37067  
Attention: Chief Operating Officer

With copies to: Renal Advantage Inc.  
1550 W. McEwen Drive, Suite 500  
Franklin, Tennessee 37067  
Attention: VP & General Counsel

If to Hospital: Memorial Hospital & Memorial Care Center  
4500 Memorial Drive  
Belleville, IL 62226  
Attention: Vice President of Nursing

With copies to: Office of the General Counsel  
4500 Memorial Drive  
Belleville, IL 62226

All notices, requests, and other communication hereunder shall be deemed effective (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iii) if sent by certified mail, five (5) business days following the day such mailing is made.

***[Signatures Appear on the Following Page]***

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above written.

**RAI CARE CENTERS OF ILLINOIS I, LLC:**


By: \_\_\_\_\_  
Name: Beverly Meyer  
Title: Center Director

**PMMCI d/b/a MH and MEMORIAL CARE CENTER:**

By: Nancy Weston  
Name: Nancy Weston  
Title: Vice President of Nursing

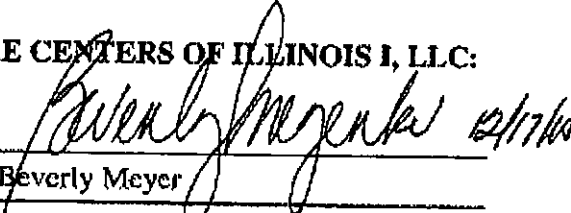
**APPROVED AS TO FORM ONLY:**

By: \_\_\_\_\_  
Name: Jon Sundock  
Title: General Counsel

By:   
Name: Margaret J. Lowery  
Title: General Counsel, PMMCI

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above written.

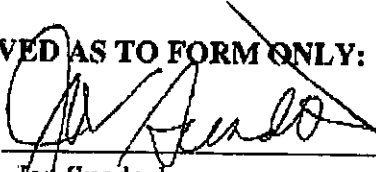
**RAI CARE CENTERS OF ILLINOIS I, LLC:**

By:   
Name: Beverly Meyer  
Title: Center Director

**PMMCI d/b/a MH and MEMORIAL CARE CENTER:**

By: \_\_\_\_\_  
Name: Mark Turner  
Title: President

**APPROVED AS TO FORM ONLY:**

By:   
Name: Jon Sundock  
Title: General Counsel

By: \_\_\_\_\_  
Name: Margaret J. Lowery  
Title: General Counsel, PMMCI



BARCLAYS BANK PLC  
745 Seventh Avenue  
New York, New York 10019

December 17, 2010

Illinois Health Facilities and Services Review Board Springfield, IL

To Whom It May Concern:

It is our understanding that Liberty Dialysis Holdings, Inc., RA Acquisition Co., LLC, and Renal Advantage Holdings, Inc. are submitting a Certificate of Need Change of Ownership application for outpatient dialysis facilities operated in Illinois. This letter will confirm that Barclays Bank PLC is serving as administrative agent to a group of senior lenders of Renal Advantage Holdings, Inc. who are lending funds to Renal Advantage Holdings, Inc. that will be used for the acquisition of RAI Care Centers of Illinois I, LLC and RAI Care Centers of Illinois II, LLC.

BARCLAYS BANK PLC, as  
Administrative Agent

  
By: **Diane Rolfe**  
Title: **Director**

ATTACHMENT 39

# State of IL CON Financial Viability Standards

Current Ratio = Current Assets/Current Liabilities

	2008	2009	2010 Est	2011 FCSI
1.5 or more				
Current Assets	376,131,905	262,853,031	258,934,558	312,803,419
Current Liabilities	257,402,719	148,969,069	130,612,536	132,617,400
Ratio	1.46	1.76	1.98	2.36

Percentage = (Net Income/Net Operating Revenues) X 100

	2008	2009	2010 Est	2011 FCSI
3.5% or more				
Net Income	10,090,244	4,386,203	-573,051	45,947,214
Net Oper Revenue	546,980,499	712,713,060	773,928,049	957,857,928
Ratio	1.8%	0.6%	-0.1%	4.8%

Long-Term Debt to Capitalization = (Long-Term Debt/Long-Term Debt plus Net Assets) X 100

	2008	2009	2010 Est	2011 FCSI
80% or less				
Long Term Debt	477,354,017	451,008,060	797,601,150	776,203,967
Total Assets	1,113,554,960	1,022,589,419	1,669,241,404	1,726,309,405
Total Liabilities	766,273,836	646,991,785	987,614,662	974,742,552
Net Assets	347,281,124	375,597,634	681,626,742	751,566,853
Ratio	58%	55%	54%	51%

Projected Debt Service Coverage = Net Income plus (Depreciation plus Interest plus Amortization)/Principal Payments plus Interest Expense for the Year of Maximum Debt Service after Project Completion

	2011 FCSI
1.75 or more	
Net Income	45,947,214
Depreciation	40,716,857
Amortization	4,944,167
Principal Payments	16,000,000
Interest Expense	55,920,629
Ratio	2.05

Days Cash on Hand = (Cash plus Investments plus Board Designated Funds)/((Operating Expense less Depreciation Expense)/365 days)

	2008	2009	2010 Est	2011 FCSI
45 or more days				
Cash	190,459,346	89,436,098	77,500,000	95,794,367
Operating Expense	493,028,141	656,651,654	652,279,568	818,261,881
Depreciation	32,725,634	28,558,484	42,195,504	45,661,023
Ratio	151.03	51.97	46.37	45.26

Cash Ratio = (Cash plus Investments plus Board Designated Funds)/(Principal Payments plus Interest Expense) for the year of maximum debt service after project completion

	2011 FCSI
3.0 or more	
Cash	95,794,367
Principal Payments	16,000,000
Interest Expense	55,920,629
Ratio	1.33

December , 2010

Illinois Health Facilities  
and Services Review Board  
Springfield, IL

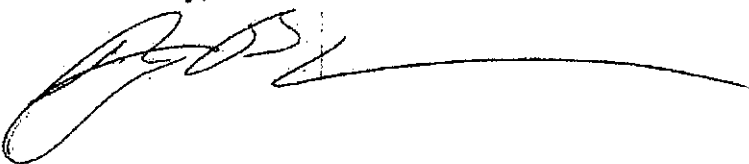
To Whom It May Concern:

Liberty Dialysis acquired Renal Advantage through a stock option transaction in December 2010. The three Illinois dialysis facilities owned by Renal Advantage were carved out from the acquisition in order to comply with Illinois Certificate of Need requirements. This letter is being provided as part of the Certificate of Need applications being filed with the Illinois Health Facilities and Services Review Board in conjunction with the proposed change of ownership of the three Illinois facilities.

As indicated in the Certificate of Need applications, the acquisition transaction is being funded by debt. Debt is being used because sufficient liquid assets are not available to Liberty Dialysis Holdings, Inc., and that the use of cash available to Liberty would result in a negative impact on Liberty's current ratio.

It is believed by Liberty that the proposed form of debt to be used will result in the lowest net cost available to Liberty.

Sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

PROJECTED OPERATING and  
CAPITAL COSTS

RAI-LINCOLN HIGHWAY  
2012

Projected ESRD Treatments: 15,000

Operating Costs:

salaries	\$ 998,361
benefits	\$ 229,313
med. supplies	\$ 737,692
	\$ 1,965,366

Projected Operating Costs per ESRD treatment:	\$ 131.02
--	-----------

Capital Costs:

depreciation, interest, and amortization	\$ 115,023
--	------------

Projected Capital Costs per ESRD treatment:	\$ 7.67
--	---------

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

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant/Coapplicant Identification including Certificate of Good Standing	113-120
2	Site Ownership	121-137
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	138
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	
7	Project and Sources of Funds Itemization	139
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10	Discontinuation	
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13	Alternatives to the Project	156-157
14	Size of the Project	
15	Project Service Utilization	
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	158-214
	<b>Service Specific:</b>	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	
27	Non-Hospital Based Ambulatory Surgery	
28	General Long Term Care	
29	Specialized Long Term Care	
30	Selected Organ Transplantation	
31	Kidney Transplantation	
32	Subacute Care Hospital Model	
33	Post Surgical Recovery Care Center	
34	Children's Community-Based Health Care Center	
35	Community-Based Residential Rehabilitation Center	
36	Long Term Acute Care Hospital	
37	Clinical Service Areas Other than Categories of Service	
38	Freestanding Emergency Center Medical Services	
	<b>Financial and Economic Feasibility:</b>	
39	Availability of Funds	215
40	Financial Waiver	
41	Financial Viability	216
42	Economic Feasibility	217-218
43	Safety Net Impact Statement	
44	Charity Care Information	112