

Original

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

12-082

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

SEP 20 2012

This Section must be completed for all projects.HEALTH FACILITIES &
SERVICES REVIEW BOARD**Facility/Project Identification**

Facility Name: <i>Fresenius Medical Care Galesburg*</i>			
Street Address: <i>695 N. Kellogg</i>			
City and Zip Code: <i>Galesburg 61401</i>			
County: <i>Knox</i>	Health Service Area: <i>2</i>	Health Planning Area:	

**Facility currently operates as Western Illinois Kidney Center and will be renamed Fresenius Medical Care Galesburg after change of ownership.*

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

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

Type of Ownership of Applicant

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

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

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

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

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154</i>
Telephone Number: <i>708-498-9121</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>708-498-9334</i>

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

Name: <i>Richard Stotz</i>
Title: <i>Regional Vice President</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154</i>
Telephone Number: <i>708-498-9165</i>
E-mail Address: <i>richard.stotz@fmc-na.com</i>
Fax Number: <i>708-498-9283</i>

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

Exact Legal Name: <i>Fresenius Medical Care Holdings, Inc.</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Rice Powell</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number: <i>800-662-1237</i>

Type of Ownership of Co-Applicant

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

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

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Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154</i>
Telephone Number: <i>708-498-9121</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>708-498-9334</i>

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

Name: <i>Richard Stotz</i>
Title: <i>Regional Vice President</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154</i>
Telephone Number: <i>708-498-9165</i>
E-mail Address: <i>richard.stotz@fmc-na.com</i>
Fax Number: <i>708-498-9283</i>

CO-Applicant Identification

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

Exact Legal Name: <i>Western Illinois Kidney Center, LLC d/b/a Western Illinois Kidney Center</i>
Address: <i>765 N. Kellogg Street, Suite 101, Galesburg, IL 61401</i>
Name of Registered Agent: <i>Pathasara Srinivasan, M.D.</i>
Name of Chief Executive Officer: <i>Earl Tamar</i>
CEO Address: <i>695 N. Kellogg Street, Galesburg, IL 61401</i>
Telephone Number: <i>309-343-8131</i>

Type of Ownership of Co-Applicant

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

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

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

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

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154</i>
Telephone Number: <i>708-498-9121</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>708-498-9334</i>

Additional Contact

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

Name: <i>Clare Ranalli</i>
Title: <i>Attorney</i>
Company Name: <i>Holland & Knight, LLP</i>
Address: <i>131 S. Dearborn, 30th Floor, Chicago, IL 60603</i>
Telephone Number: <i>312-578-6567</i>
E-mail Address: <i>clare.ranalli@hklaw.com</i>
Fax Number: <i>312-578-6666</i>

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *Galesburg Cottage Hospital*Address of Site Owner: *695 Kellogg Street, Galesburg, IL 61401*Street Address or Legal Description of Site: *695 Kellogg Street, Suite 101, Galesburg, IL 61401*

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: *Fresenius Medical Care Galesburg, LLC d/b/a Fresenius Medical Care Galesburg*Address: *920 Winter Street, Waltham, MA 02451*

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

- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

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

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.] **NOT APPLICABLE/ CHANGE OF OWNERSHIP**

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.] **NOT APPLICABLE/CHANGE OF OWNERSHIP**

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:

- ☐ Substantive
☒ Non-substantive

Part 1120 Applicability or Classification:
[Check one only.]

- ☐ Part 1120 Not Applicable
☐ Category A Project
☒ Category B Project
☐ DHS or DVA Project

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.

Western Illinois Kidney Center (an 11 station ESRD facility) is currently operated by Western Illinois Kidney Center, LLC a joint venture between Galesburg Cottage Hospital (50% ownership) and Pathasara Srinivana, M.D. (50% ownership). Western Illinois Kidney Center, LLC is qualified to do business in Illinois. The facility is located at 695 Kellogg Street, Suite 101, Galesburg

Upon approval of the change of ownership by the Illinois Health Facilities and Services Review Board, Fresenius Medical Care Galesburg, LLC will purchase Western Illinois Kidney Center, LLC for an amount not to exceed \$7,300,000. (The actual purchase price is \$6,570,000, but as of the closing date, it will be adjusted for inventory/equipment value and any pre-paid expenses). The facility will then be renamed Fresenius Medical Care Galesburg.

This project is "non-substantive" under Planning Board rule 1110.10(b) as it entails the change of ownership of an existing in-center hemodialysis facility.

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	N/A	N/A	N/A
Contingencies	N/A	N/A	N/A
Architectural/Engineering Fees	N/A	N/A	N/A
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	N/A	N/A	N/A
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	N/A	N/A	N/A
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	7,300,000*	N/A	7,300,000*
TOTAL USES OF FUNDS	7,300,000	N/A	7,300,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	7,300,000	N/A	7,300,000
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	N/A	N/A	N/A
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	7,300,000	N/A	7,300,000
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

*The actual purchase price is \$6,570,000 but as of the closing date, it will be adjusted for inventory/equipment value and any pre-paid expenses.

Related Project Costs

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

Land acquisition is related to project	☐ Yes	☒ No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service ☐ Yes ☒ No		
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ _____.		

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings: ☒ None or not applicable ☐ Schematics ☐ Preliminary ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2013</u>
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140): ☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies ☒ Project obligation will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable: ☐ Cancer Registry ☐ APORS ☐ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted ☒ All reports regarding outstanding permits Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.
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Cost Space Requirements NOT APPLICABLE – CHANGE OF OWNERSHIP

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
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

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

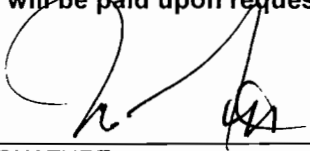
CERTIFICATION

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

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

This Application for Permit is filed on the behalf of Fresenius Medical Care Galesburg, 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

PRINTED NAME Mark Fawcett
Vice President & Treasurer

PRINTED TITLE



SIGNATURE

PRINTED NAME Bryan Mello
Assistant Treasurer

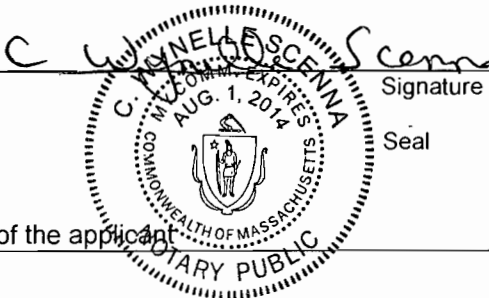
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____ 2012

Notarization:
Subscribed and sworn to before me
this 14 day of June 2012

Signature of Notary

Seal



Signature of Notary

Seal

*Insert EXACT legal name of the applicant

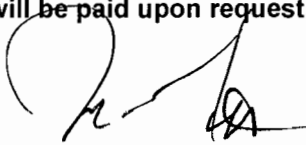
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- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Fresenius Medical Care 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

Mark Fawcett
Vice President & Asst. Treasurer

PRINTED TITLE



SIGNATURE

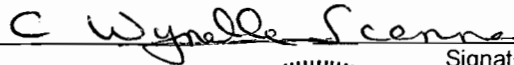
Bryan Mello
Assistant Treasurer

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____ 2012

Notarization:
Subscribed and sworn to before me
this 14 day of June 2012

Signature of Notary

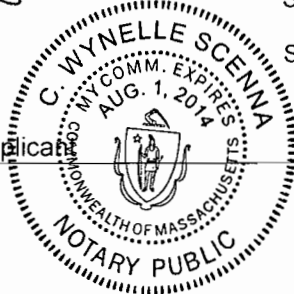


Signature of Notary

Seal

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:

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

This Application for Permit is filed on the behalf of Western Illinois Kidney Center, 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.

Earl Tamal
SIGNATURE

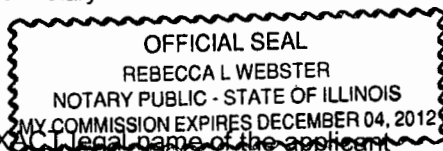
EARL TAMAL
PRINTED NAME

VICE-PRESIDENT
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of June 2012

Rebecca L. Webster
Signature of Notary

Seal



*Insert EXACT legal name of the applicant

Partita Srivivasan
SIGNATURE

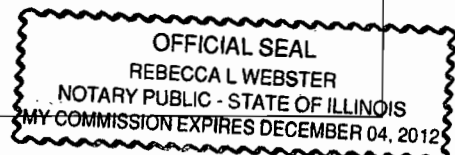
PARTITA SRIVIVASAN
PRINTED NAME

PRESIDENT + CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of June 2012

Rebecca L. Webster
Signature of Notary

Seal



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 *NOT APPLICABLE – THE PROJECT WILL NOT IMPACT PATIENT CARE, QUALITY OR ACCESS TO SERVICES OFFERED BY THE CLINIC. IT IS SIMPLY A CHANGE TO THE BUSINESS STRUCTURE/OWNERSHIP OF THE ENTITY THAT OWNS/OPERATES THE DIALYSIS FACILITY.*

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 NOT APPLICABLE – APPLICANT IS NOT A 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.

G.

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:**

\$7,300,000	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;
N/A	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.
N/A	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
N/A	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.
N/A	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;
N/A	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
N/A	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
7,300,000*	TOTAL FUNDS AVAILABLE

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

*The actual purchase price is \$6,570,000 but as of the closing date, it will be adjusted for inventory/equipment value and any pre-paid expenses.

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.

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

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

2. Variance **NOT APPLICABLE**

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

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

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs NOT APPLICABLE

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

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

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

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

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

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

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

	Total			
	Medicaid (revenue)			
	Inpatient			
	Outpatient			
	Total			

APPEND DOCUMENTATION AS **ATTACHMENT-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.

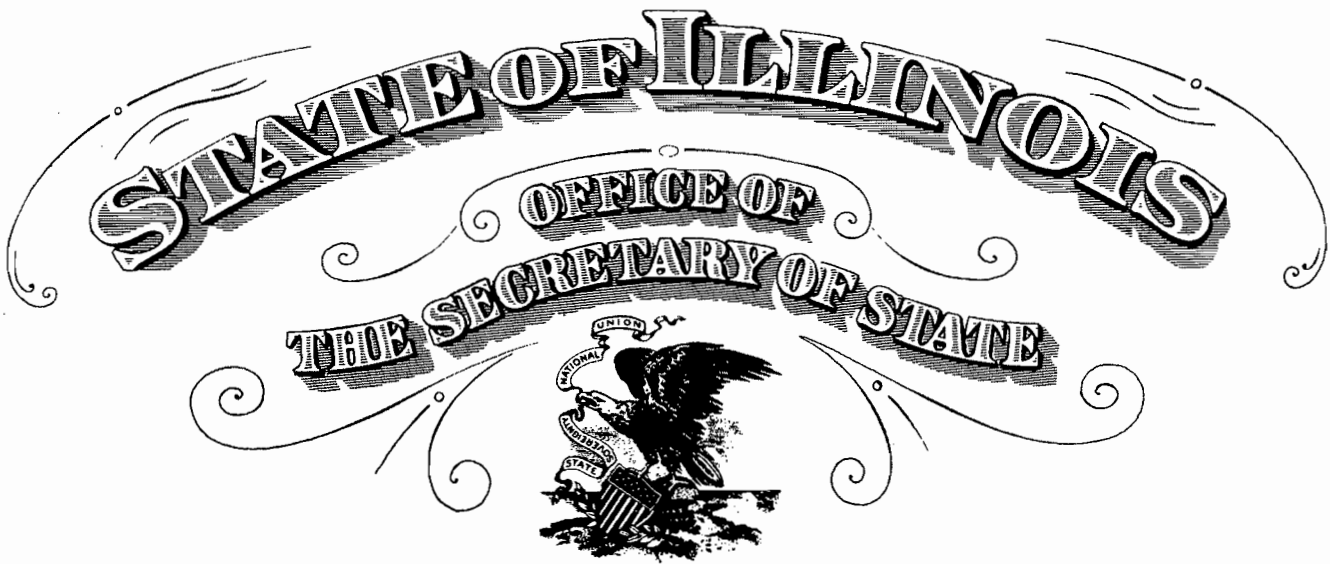
A table in the following format must be provided for all facilities as part of Attachment 44.

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

APPEND DOCUMENTATION AS **ATTACHMENT-44**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Co-applicant Identification including Certificate of Good Standing	22-24
2	Site Ownership	25-36
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	37
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	38
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	
7	Project and Sources of Funds Itemization	39
8	Obligation Document if required	
9	Cost Space Requirements	
10	Discontinuation	
11	Background of the Applicant	40-46
12	Purpose of the Project	47-48
13	Alternatives to the Project	49-50
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	51-180
	Service Specific:	
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	
	Financial and Economic Feasibility:	
39	Availability of Funds	181-192
40	Financial Waiver	193-194
41	Financial Viability	
42	Economic Feasibility	195-199
43	Safety Net Impact Statement	200-201
44	Charity Care Information	202-209



To all to whom these Presents Shall Come, Greeting:

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

FRESENIUS MEDICAL CARE GALESBURG, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JUNE 12, 2012, 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.



Authentication #: 1220200740

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

*In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 20TH
day of JULY A.D. 2012 .*

Jesse White

SECRETARY OF STATE

Certificate of Good Standing - Applicant

ATTACHMENT - 1

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

Exact Legal Name: <i>Western Illinois Kidney Center, LLC* d/b/a Western Illinois Kidney Center</i>
Address: <i>765 N. Kellogg Street, Suite 101, Galesburg, IL 61401</i>
Name of Registered Agent: <i>Pathasara Srinivasan, M.D.</i>
Name of Chief Executive Officer: <i>Earl Tamar</i>
CEO Address: <i>695 N. Kellogg Street, Galesburg, IL 61401</i>
Telephone Number: <i>309-343-8131</i>

Type of Ownership of Co-Applicant

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

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

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

***Western Illinois Kidney Center, LLC is currently a joint venture.**
Galesburg Cottage Hospital – 50% ownership
Pathasara Srinivana, M.D. – 50% ownership

Co-Applicant Identification

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

Exact Legal Name: <i>Fresenius Medical Care Holdings, Inc.</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Rice Powell</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number: <i>800-662-1237</i>

Type of Ownership of Co-Applicant

- | | | |
|--|--|--------------------------------|
| ☐ Non-profit Corporation | ☐ Partnership | |
| ☒ For-profit Corporation | ☐ Governmental | |
| ☐ Limited Liability Company | ☐ Sole Proprietorship | ☐ Other |
- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
 - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

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

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>Galesburg Cottage Hospital</i>
Address of Site Owner: <i>695 Kellogg Street, Galesburg, IL 61401</i>
Street Address or Legal Description of Site: <i>695 Kellogg Street, Suite 101, Galesburg, IL 61401</i>
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.

Copy of lease on following page.

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this Lease.

Hospital is Landlord

MEDICAL OFFICE SPACE LEASE

This lease document is not effective or binding unless approved by the parties listed below.

Date of this Lease: March 11, 2010

Name and Address of Building:
Cottage Medical Plaza - Kellogg Building
765 North Kellogg Street, First Floor
Galesburg, IL 61401

Landlord: Galesburg Hospital Corporation d/b/a Galesburg Cottage Hospital

Address:
695 North Kellogg Street
Galesburg IL 61401

Tenant: Western Illinois Kidney Center, LLC
Suite Number: 1st Floor

Leased Premises: space in the Building as identified herein and more particularly described on Exhibit B attached hereto.

Number of Rentable Square Feet: 6,190
Number of Usable Square Feet: 6,190

Tenant's Proportionate Share of the Building's Rentable Square Footage: unknown%

Term of Lease: 10 year(s) and 0 month(s)
Commencement Date of Term of Lease
(and of the obligations hereunder): 10/12/2009
Expiration Date of Lease Term: 10/31/2019

Annual Rent: \$83,565.00 (based on \$13.50/r.s.f./year)

Rent Increase: 3.0% per year Security Deposit: \$0.00

Monthly Rental Installments Table

Lease Year	Annual Rate per sf	Monthly Rental Installments	Additional Rent:
10/12/09 - 10/31/10	\$13.50	\$6,963.75	\$0.00
11/1/10 - 10/31/11	\$13.91	\$7,175.24	\$0.00
11/1/11 - 10/31/12	\$14.33	\$7,391.89	\$0.00
11/1/12 - 10/31/13	\$14.76	\$7,613.70	\$0.00
11/1/13 - 10/31/14	\$15.20	\$7,840.67	\$0.00
11/1/14 - 10/31/15	\$15.66	\$8,077.95	\$0.00
11/1/15 - 10/31/16	\$16.13	\$8,320.39	\$0.00
11/1/16 - 10/31/17	\$16.61	\$8,567.99	\$0.00
11/1/17 - 10/31/18	\$17.11	\$8,825.91	\$0.00
11/1/18 - 10/31/19	\$17.62	\$9,088.98	\$0.00

Utilities: Utility Base Rate (if applicable): \$n/a/r.s.f./year

☒ Utilities are included in the Monthly Rental Installments, including Janitorial

☐ The following utilities are not included in the Monthly Rental Installments:

☐ Tenant is solely responsible for payment of the following separately metered utilities: ☐ electric ☐ gas ☐ water/sewer

☐ Tenant shall pay a pro-rata share of the following utilities: ☐ electric ☐ gas ☐ water/sewer based on Tenant's Proportionate Share of the Rentable Square Footage of the building.

Improvements (check any that apply): Leasehold Improvement Allowance: \$0.00 per Useable Square Foot

☐ A. First time Standard Build Out ☐ B. Existing Space (New Tenant or Renewal) ☐ C. Landlord to build out space pursuant to Exhibit C

☐ This Medical Office Space Lease is a sublease pursuant to that certain Master Lease dated _____, by and between _____, as landlord, and Landlord, as tenant, and is subject and subordinate to the Master Lease in all respects. (If not checked, this paragraph is not applicable.)

Attached hereto and incorporated herein for all purposes are the following additional exhibits:

Exhibit A - Medical Office Space Lease Standard Terms and Conditions; Exhibit B - Floor Plan;

☐ Exhibit C - Leasehold Improvements Agreement ☒ Exhibit D - Option to Renew ☐ Other - _____

TENANT: Western Illinois Kidney Center, LLC

By: Partha Srinivasan

Name: _____

Title: Render/CEO

Guarantors: By their execution hereof, each of the individuals listed below has agreed to guaranty the payment and performance of Tenant's obligations under this Lease pursuant to Section 42 of Exhibit A attached hereto.

By: _____

Name: _____

By: _____

Name: _____

LANDLORD: Galesburg Hospital Corporation d/b/a Galesburg Cottage Hospital

By: _____

Facility Chief Executive Officer

REVIEWED AND APPROVED:

By: _____

Real Estate, CHSPSC

Date 3-15-10

**EXHIBIT A
MEDICAL OFFICE SPACE LEASE STANDARD TERMS AND CONDITIONS**

In consideration of the mutual covenants and representations set forth in the Medical Office Space Lease (herein so called) and this Exhibit A (collectively, this "Lease") and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows. The capitalized terms used in this Exhibit A shall have the meaning assigned to such terms in the Medical Office Space Lease, unless another meaning is assigned to such terms in this Exhibit A.

1. **DEMISE.** Upon the terms and conditions hereinafter set forth, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Leased Premises for the Term of this Lease.

2. **RENT.** The Monthly Rental Installments for this Lease of the Leased Premises shall be due and payable in advance on the first day of each and every month during the Term hereof; provided, that in the event the Term of this Lease commences on a day other than the first (1st) day of a calendar month, then upon the Commencement Date, Tenant shall pay to Landlord a pro rata portion of the Monthly Rental Installment for that portion of the calendar month remaining from the Commencement Date to the first (1st) day of the next calendar month. During the Term of this Lease, the Monthly Rental Installments shall be increased at the commencement of each Lease Year (hereinafter defined) following the first (1st) Lease Year, by the percentage amount set forth in the Medical Office Space Lease and as more particularly set forth in the Monthly Rental Installments Table set forth in the Medical Office Space Lease. It is expressly understood and agreed that Landlord shall apply all payments from Tenant hereunder first to the amounts due by Tenant which have been outstanding for the longest period of time. Each twelve (12) month period commencing on the Commencement Date or any anniversary thereof is referred to herein as a "Lease Year"; provided, however, that if the Commencement Date is any day other than the first (1st) day of a month, then the Lease Years shall each be a twelve (12) month period commencing on the first (1st) day of the following month and each anniversary thereof, and the first (1st) Lease Year shall include the remainder of the month in which the Commencement Date occurs. Tenant agrees to pay all Monthly Rental Installments and sums provided to be paid by Tenant pursuant to this Lease at the times and in the manner herein provided, without any setoff, deduction or counterclaim whatsoever except as otherwise provided in this Lease. Time is of the essence in the performance of all of Tenant's obligations hereunder. If any Monthly Rental Installment or any other amounts owed by Tenant to Landlord hereunder is not paid within ten (10) days following the due date, Tenant shall pay Landlord a late charge equal to One Hundred Fifty and No/100 Dollars (\$150.00). Such late charge is to defray the administrative costs and inconvenience and other expenses which Landlord may incur on account of such delinquency.

3. **LANDLORD'S OBLIGATIONS.**

A. Utilities:

If utilities are included in the Monthly Rental Installments, then Landlord shall, at Landlord's expense, furnish utilities to the Leased Premises, including electrical, water and sewer, heat, ventilation, and air conditioning, however, Tenant shall be responsible for the payment of telephone and data services.

B. Maintenance

Landlord shall maintain, repair and replace all exterior walls and other features of the exterior including but not limited to the roof and all mechanical systems, including but not limited to air conditioning, heating, plumbing, wiring and piping.

C. Insurance

Landlord shall maintain fire and extended coverage insurance on the building in which the Leased Premises are located, in an amount not less than the full replacement cost of the Building.

D. Taxes

Landlord shall be responsible for payment of all real estate taxes assessed against the building or property, as well as all applicable local, state and federal income taxes which are or may be payable by Landlord.

E. Build Out By Landlord

If subpart C under "Improvements" on the Medical Office Space Lease has been checked, Landlord will be responsible for standard build out for office space pursuant to the Leasehold Improvements Agreement attached hereto as Exhibit C (attached hereto and incorporated herein by reference).

4. **TENANT'S OBLIGATIONS.** In addition to the Monthly Rental Installments to be paid, Tenant also agrees to pay directly during the term of this Lease, commencing on the Commencement Date, the following items of expense as the same become due and payable:

A. Taxes.

All ad valorem or other property taxes, personal and intangible taxes payable in connection with the use, occupancy or conduct of business on any part of the Leased Premises, including but not limited to personal property, business, privilege, license, excise, sales, use and occupation taxes (but excluding local, state and federal income taxes payable by Landlord). Tenant shall be responsible for all taxes which are assessed against their stock and inventory, tangible personal property or their business and/or business operations.

B. Maintenance and Modifications.

The following charges for maintaining and operating the Leased Premises in good repair and operating condition:

- 1) Tenant shall, at its own cost and expense, keep the interior clean, maintaining suitable receptacles for trash and refuse, and removing from the interior all accumulations of trash and refuse.
- 2) Tenant shall service, keep and maintain the interior, including fixtures, doors, interior walls and appurtenances in good condition, repair and working order.
- 3) Tenant agrees to deliver to Landlord, upon the Expiration Date or upon earlier termination of this Lease in accordance with the provisions hereof, physical possession of the Leased Premises in good condition, reasonable wear and tear and damage by fire or other casualty excepted.
- 4) If utilities are not included in the Monthly Rental Installments, and if the Leased Premises is separately metered for certain utilities, such as electricity, gas, water, and sewer, Tenant shall be responsible for the payment of all such separately metered utilities provided to the Leased Premises.
- 5) If utilities are not included in the Monthly Rental Installments, and if utilities are not separately metered, Tenant shall be responsible for Tenant's Proportionate Share of Building utility expense, which shall initially be based on the Utility Base Rate for the Building and which shall be payable by Tenant monthly together with the Monthly Rental Installments. Landlord shall notify Tenant of any increase in the Utility Base Rate which may be adjusted by Landlord from time to time throughout the Term of this Lease. If the actual cost of utilities for the Building over any period during the Term of this Lease (i) exceeds the amount previously paid by Tenant during such period, Tenant shall pay Landlord the amount of such excess, which payment shall be due within thirty (30) days of Tenant's receipt of a written request therefor, or (ii) is less than the amount previously paid by Tenant during such period, Tenant shall be credited the amount of such excess against the next succeeding monthly payment(s) of Tenant's Proportionate Share of the then current Utility Base Rate.
- 6) Tenant shall be responsible for all service costs and installations of all telephone or data services and Landlord shall have no responsibility or liability with respect thereto or the failure of operation of any such services.

5. **IMPROVEMENTS.** Tenant shall not make any structural changes, alterations, additions or improvements to the Leased Premises without the written consent of Landlord, which shall not be unreasonably withheld. Except as otherwise required pursuant to Section 3.E hereof, Landlord shall not be responsible for, either in the performance or payment, any improvements to the Leased Premises.

6. USE OF LEASED PREMISES.

- A. Tenant shall use the Leased Premises for the purpose of the licensed practice of medicine and the medical treatment of Tenant's patients and business purposes ancillary thereto and for no other purpose. Without limiting the foregoing, unless approved by Landlord in advance and in writing, Tenant shall not use the Leased Premises for the operation of a "commercial ancillary medical care facility" which shall include, without limitation, a clinical or pathological laboratory, pharmacy, ambulatory surgery center, birthing center, a diagnostic imaging facility (which shall include, without limitation, the following testing facilities: fluoroscopy, x-ray, plain film radiography, computerized tomography (CT), ultrasound, radiation therapy, mammography and breast diagnostics, nuclear medicine testing and magnetic resonance imaging), an acute care general hospital, a specialty hospital, a pain clinic, a rehabilitation center, an extended care facility or nursing home, an inpatient clinic, an emergency center, a home health service, a health maintenance organization or similar direct care provider, an ambulance service, a kidney dialysis center, a respiratory, physical, speech, or occupational therapy services and the provision of any medical or related service to or for any person that is in addition to the examination and diagnosis of patients performed directly by a licensed physician or by other health care professionals under the direct supervision of a licensed physician, or a facility operated for the provision of any such service. In no event shall the Leased Premises or any part thereof be used for the following activities without the prior written consent of Landlord, which consent may be granted or denied in its sole and absolute discretion: (i) any purpose that is in violation of any law, code, ordinance, zoning ordinance or condition or governmental rule or regulation, (ii) any purpose deemed by Landlord or its insurer to be extrahazardous on account of fire risk, (iii) any purpose that would reasonably cause a

cancellation of any insurance policy covering the Building, or (iv) any operation which creates a nuisance. Tenant will conduct its business, and control its agents, employees, and invitees in such a manner as not to create any nuisance or interfere with, annoy or disturb other tenants or Landlord in the management of the Building.

- B. The use of certain diagnostic equipment (including x-ray, but specifically excluding magnetic resonance imaging, nuclear medicine testing and computerized tomography (CT)) and the performance of minor outpatient surgical procedures which do not require general anesthesia or intravenous sedation shall not be considered to violate the terms of this Section 6 so long as the use of such equipment and such surgical procedures are merely ancillary and incidental to the primary medical practice conducted by Tenant in the Leased Premises and do not constitute the primary medical practice or specialty of Tenant nor the predominant services rendered by Tenant to the Tenant's patients.
- C. All licensed physicians who conduct a medical practice and related activities (a "Practice") at the Leased Premises must be and remain members and associates in good standing of the medical staff of Landlord. Each Practice conducted within the Leased Premises shall at all times be conducted under the supervision and authority of a licensed physician meeting the qualifications set forth in this Section 6.C and, except with Landlord's prior written consent, which may be withheld in Landlord's sole and absolute discretion, no such licensed physician shall (i) allow any other person or entity other than another licensed Physician meeting the qualifications described in this Section 6.C to purchase, manage, or operate its Practice, or (ii) conduct the Practice while serving as an agent or employee of any person or entity other than another licensed physician meeting the qualifications described in this Section 6.C.

7. **ASSIGNMENT; SUBLETTING.** Tenant shall not, without the prior consent of Landlord, which consent may be withheld in Landlord's sole discretion, sublease, license or assign its interest under this Lease to any other person or entity. Assignment or subletting without the prior consent of Landlord, including assignment by operation of the law, shall constitute an event of default. In no event, whether with or without consent of Landlord, shall an assignment or lease relieve Tenant of liability under the terms, conditions and provisions of this Lease.

8. **INSURANCE.**

- A. Tenant shall keep and maintain at all times during the Term the following insurance coverage on the Demised Premises: (a) comprehensive general liability insurance coverage on the Demised Premises in the sum of One Million Dollars (\$1,000,000) for any single claim and Three Million Dollars (\$3,000,000) for annual aggregate claims for bodily injury and death resulting therefrom, (b) insurance coverage in the sum of One Hundred Thousand Dollars (\$100,000.00) per occurrence against liability for damage to property, arising out of the maintenance or use of the Demised Premises by the Tenant, and (c) casualty insurance insuring Tenant against loss or damage to its equipment and other personal property in the Demised Premises by fire and all other casualties usually covered under an "all risk" policy of casualty insurance. The policies described in this Section 8 shall name both Tenant and Landlord as named insureds. Annually, Tenant shall furnish Landlord with a certificate of such coverage which shall provide that thirty (30) days' advance written notice be given to Landlord in the event of cancellation or material change in the insurance policy.
- B. Tenant shall not do or permit any act which will increase premiums for any casualty, fire, liability or other insurance maintained by Landlord on the Building or any other property therein or which shall render such insurance void or voidable.

9. **DAMAGE TO PROPERTY/INJURY TO PERSON.** Tenant shall and hereby does indemnify and hold Landlord harmless from and against any and all claims to the extent they arise from (i) Tenant's use of the Leased Premises or the conduct of its business, (ii) any activity, work or thing done, permitted or suffered by the Tenant in or about the Leased Premises, (iii) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or (iv) any act of negligence of Tenant or his agents or employees.

10. **EARLY TERMINATION AS A RESULT OF THE DEATH OR DISABILITY OF A SOLE PRACTITIONER; OTHER VACATION OR ABANDONMENT.** If Tenant is a sole practitioner and dies or becomes disabled (defined for purposes of this Lease as any physical or mental condition that prevents or is reasonably expected to prevent such physician from practicing medicine for more than ninety (90) days), then either party shall have the right to terminate this Lease prior to the expiration date by giving the other party not less than thirty (30) days prior written notice. Except as expressly provided in the preceding sentence, any other vacation of the Leased Premises for more than thirty (30) days or any abandonment of the Leased Premises by Tenant will be considered a material default under this Lease.

11. **LAWS AND REGULATIONS; RULES OF THE BUILDING.** Tenant at its sole cost and expense will maintain the Leased Premises in a clean and healthful condition and will comply with all laws, ordinances, orders, rules and regulations of any governmental authority having jurisdiction over the use, condition or occupancy of the Leased Premises. Tenant, at Tenant's sole cost and expense, shall be responsible for medical, special and infectious waste removal for the Leased Premises in accordance with all applicable laws, regulations and orders. Tenant shall not permit the mixing or disposal of any hazardous

substances, wastes or materials or any medical, special or infectious waste with the general office refuse and Landlord shall have no duty or obligation to remove any hazardous substances, wastes or materials or any medical, special or infectious waste from the Leased Premises. Without limiting the generality of the foregoing, Tenant shall comply strictly and in all respects with the requirements of all Hazardous Waste Laws (hereinafter defined) and shall indemnify Landlord and hold Landlord harmless from and against any liabilities, costs or expenses that may arise on account of the release, discharge, storage, disposal, treatment, processing or other handling or discovery of any Hazardous Substance (hereinafter defined) within the Leased Premises, or the discharge, release, disposal, storage, treatment, processing or other handling of any Hazardous Substance by Tenant, its employees, agents, contractors, or invitees anywhere on the Land or within the Building, or off site. As used herein, "Hazardous Substance" means any substance, material or matter that may give rise to liability under any Hazardous Waste Laws, including (but not limited to) medical waste and petroleum products or petroleum wastes. "Hazardous Waste Laws" shall mean any local, state or federal laws, rules, ordinances, regulations, and policy and guidance statements by any environmental agencies, either in existence as of the date hereof, or enacted, promulgated or issued after the date of this Lease, that concern the management, control, discharge, treatment, containment or removal of substances or materials that are or may become a threat to public health or the environment, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

12. **DEFAULT.** Tenant shall be in default of the terms of this Lease if (i) Tenant shall fail to make a payment of any rent or additional rent, and such rent or additional rent is not paid within ten (10) days following receipt of written notice by Landlord to Tenant of non-payment of same; provided, that Landlord shall not be obligated to send more than two (2) such notices during any twelve (12) month period, (ii) Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty (30) days following receipt of written notice by Landlord to Tenant of such default, (iii) any petition shall be filed by or against Tenant pursuant to any section or chapter of the Bankruptcy Code of the United States, as amended (the "Bankruptcy Code") or under any similar law or statute of the United States or any state thereof, or Tenant shall be adjudged bankrupt or insolvent in proceedings filed under any section or chapter of the Bankruptcy Code or under any similar law or statute of the United States or any state thereof; (iv) Tenant shall become insolvent or make a transfer in fraud of creditors; (v) Tenant shall make a general assignment for the benefit of its creditors; (vi) a receiver or trustee shall be appointed for Tenant or any of the assets of Tenant, or (vii) the vacation of the Leased Premises for more than thirty (30) days or any abandonment of the Leased Premises by Tenant.

In the event of default:

- A. Landlord may continue this Lease in full force and effect and shall have the right to collect rent when due. During the term Tenant is in default, Landlord may re-enter the Leased Premises with legal process and relet same, or any part thereof, to third parties for Tenant's account. Tenant shall be liable for all reasonable costs Landlord incurred for reletting the Leased Premises, including without limitation broker's commissions, expenses associated with repairing and / or remodeling the Leased Premises in order to return the Leased Premises to the same condition as when received by Tenant from Landlord and similar costs. Reletting can be done for a period shorter or longer than the remaining term of this Lease. Tenant shall pay to Landlord the rent due under this Lease on the date such rent is due, less the rent Landlord receives from any reletting. Landlord shall use commercially reasonable efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total rent due for the remainder of the Term.
- B. Landlord may terminate this Lease pursuant to the terms of this Section 12. Upon termination, Landlord shall have the right to collect an amount equal to all expenses, if any, including reasonable attorneys' fees, incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated by Tenant.
- C. Landlord may enter upon the Premises and change, alter, or modify the door locks on all entry doors of the Premises, and permanently or temporarily exclude Tenant, and its agents, employees, representatives and invitees, from the Premises, but only to the extent permitted by, and subject to the requirements of, applicable state statutory law in effect at the time of the event of default.
- D. Should any of these remedies or any portion thereof not be permitted by the laws of the state where the Building is located, then such remedy or portion thereof shall be considered deleted and unenforceable, and the remaining remedies or portions thereof shall be and remain in full force and effect, and Landlord may avail itself of these as well as any other remedies or damages allowed by law.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity. Any entry by Landlord upon the Premises may be by use of a master or duplicate key or electronic pass card or any locksmith's entry procedure or other peaceable means. No entry or taking possession of the Leased Premises by Landlord shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention is given to Tenant. In the event it is necessary for Landlord to institute suit against Tenant in order to collect the rental or any other sum due hereunder or any deficiency between the rental and any other sum provided for by this Lease for a calendar month and the rental and any other sum actually collected by Landlord for such calendar month, Landlord shall have the right to allow such deficiency to accumulate and to bring an action upon several or all of such rental deficiencies at one time. Any suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent rental deficiency.

or deficiencies. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants contained herein shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants of this Lease. Forbearance by Landlord to enforce one or more of the remedies provided herein upon the occurrence of an event of default shall not be deemed or construed to constitute a waiver of any other violation or event of default.

13. **RIGHT OF ACCESS.** Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required to make hereunder.

14. **END OF TERM.** At the termination of this Lease, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any equipment, furniture, trade fixtures or other personal property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal. In the event of holding over by Tenant after the expiration or termination of the Term of this Lease, Tenant shall pay rent at the then-current rate for Monthly Rental Installments escalated by the percentage Rent Increase as set forth in the Medical Office Space Lease, on a monthly basis and the Term of this Lease shall be automatically extended for successive periods of one (1) year each; provided that during any automatically extended period following the expiration of the Term of this Lease, Landlord and Tenant shall each have the right to terminate this Lease by delivering written notice to the other at least ninety (90) days prior to the desired expiration date.

15. **ATTORNEYS' FEES.** In the event that suit is brought by either party against the other for breach or default under the terms of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees, expenses (including expert witness fees) and court costs equal to the sum established by the court.

16. **HEADINGS.** The article captions contained in this Lease are for the convenience of the parties only and shall not be considered in the construction or interpretation of any provision hereof.

17. **ENTIRE AGREEMENT.** The Lease contains the entire agreement between the parties and supersedes any and all other prior oral and written agreements between the parties regarding the subject matter contained herein and may not be changed or terminated orally but only by agreement in writing and signed by all parties.

18. **DAMAGE OR DESTRUCTION.** If the Leased Premises are damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any equipment which is owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty (60) days after the occurrence of such damage. Landlord shall notify Tenant within fifteen (15) days of the event of casualty of its determination. Until such repairs are completed, the rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty (60) days and Landlord nonetheless chooses to repair, then Tenant may, at its option, continue as Tenant under this Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate this Lease. A total destruction of the Building in which the Leased Premises are located shall automatically terminate this Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

19. **EMINENT DOMAIN.** If the whole of the Leased Premises or so much thereof as to render the balance unusable by Tenant shall be taken under power of eminent domain, this Lease shall automatically terminate as of the effective date of the taking. In the event of a partial taking which does not result in a termination of this Lease, the rent reserved hereunder shall remain unaffected. Landlord may, without any obligation or liability to Tenant, stipulate with any condemning authority for a judgment of condemnation without the necessity of a formal suit or judgment of condemnation, and the date of taking under this clause shall then be deemed the date agreed to under the terms of said agreement for stipulation and this Lease shall terminate as of the stipulated date.

20. **WAIVER.** No waiver by either party shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved.

21. **NOTICES.** Any notice required or permitted to be given hereunder may be given by mail and shall be sufficiently given if personally served or sent by certified mail or by special or overnight courier, addressed to the relevant party at the addresses specified in this Lease (notice to Tenant shall be given at the Leased Premises). For any notice given to Landlord, a copy shall be provided to the Landlord's counsel as follows: General Counsel, Legal Department, 4000 Meridian Blvd., Franklin, TN 37087.

22. **BINDING EFFECT.** The Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators. Nothing in this article shall be deemed to amend the provisions herein concerning assignment and subletting.

23. **APPLICABLE LAW.** The laws of the state where the Building is located shall be employed in and govern the interpretation of all of the covenants, terms and conditions of this Lease.

24. **NO PARTNERSHIP RELATIONSHIP.** Notwithstanding any agreement herein contained, Landlord shall not be construed or held to be a partner or associate of Tenant in the conduct of its business, it being expressly understood and agreed that the relationship between the parties is and at all times shall remain that of Landlord and Tenant.

25. **NO REQUIREMENT TO REFER.** The parties expressly agree that nothing contained in this Lease shall require Tenant or any physician or other referral source to refer or admit any patients to, or order any goods or services from Landlord or any affiliate. Notwithstanding any unanticipated effect of any provision of this Agreement, neither party will knowingly or intentionally conduct himself in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs (42 USC Section 1320a-7b). Both parties represent to the other that the Annual Rental Rate provided for in this Lease are at fair market value rates and do not take into account the value or volume of any referrals or other business generated between the parties. Both as a material condition to this Lease and as a continuing representation and warranty for the duration of this Lease, Tenant represents and warrants that neither it nor any of its owners, officers, directors, employees, agents, subcontractors etc have been suspended, excluded, or debarred from any government payor program.

26. **QUIET ENJOYMENT.** Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof.

27. **SUBORDINATION, ATTORNMEN AND NON-DISTURBANCE.**

A. Tenant agrees that this Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage. The terms of this provision shall be self-operative and no further instrument of subordination shall be required. Tenant, however, upon request of any party in interest, shall execute promptly such instrument or certificates as may be reasonably required to carry out the intent of this provision.

B. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any mortgage covering the Leased Premises or the Building, or in the event of termination of any Lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as the Landlord under this Lease. Tenant agrees to execute any attornment agreement not in conflict with this provision.

C. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of Rentals or other charges, or in the performance of any of the other terms, covenants or conditions of this Lease, mortgagee or such person shall not disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of this Lease notwithstanding any event or proceedings described in this section.

28. **ESTOPPEL CERTIFICATE.** Within thirty (30) days after written request from Landlord, Tenant shall deliver an executed statement addressed to Landlord certifying (if such be the case) that this Lease is in full force and effect, that Tenant has commenced the payment of rent, and that there are no defenses or offsets to this Lease claimed by Tenant, as well as any other information reasonably requested. If Tenant fails or refuses to give a certificate hereunder within the required time frame, then the information on such certificate as submitted by Landlord shall be deemed correct for all purposes and Landlord shall have the right to treat such failure or refusal as a default by Tenant.

29. **FORCE MAJEURE.** With the exception of the obligation of Tenant to pay Rent and all other amounts that may be due from time to time under this Lease, if either party shall be delayed or hindered in or prevented from doing or performing any act or thing required hereunder by reason of any matters beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act or thing shall be extended for a period equivalent to the period of such delay. In such event, this Lease and the obligations of both parties to perform and comply with all of the other terms and provisions of this Lease shall in no way be affected, impaired, or excused.

30. **WAIVER OF JURY TRIAL**

LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION, ACTION, PROCEEDING OR COUNTERCLAIM BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR THE OBLIGATIONS EVIDENCED HEREBY, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OF OR OCCUPANCY OF THE PREMISES, ANY CLAIM OF INJURY OR DAMAGE, OR ANY EMERGENCY OR OTHER STATUTORY REMEDY OR ANY OTHER

DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF LANDLORD AND TENANT IN ENTERING INTO THIS LEASE.

31. **SUBLEASE.** In the event this Lease is a sublease to an underlying lease agreement, as described in this Lease, then with respect to the Leased Premises, except for the Term of this Lease and the Rental Rate/Installment, Tenant shall perform all of the obligations of tenant/lessee under such underlying lease agreement.

32. **LIMITATION OF LANDLORD LIABILITY.** The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord in the Building and the Land, and Landlord shall not be personally liable for any deficiency. Notwithstanding anything to the contrary contained in this Lease, in the event Landlord sells, assigns, transfers or conveys its interest in the Land, Landlord shall have no liability for any acts or omissions that occur after the date of said sale, assignment, transfer or conveyance, provided that any such grantee, assignee or transferee assumes all of Landlord's obligations under this Lease.

33. **BROKERAGE.** Tenant represents and warrants to Landlord that it has not had any dealings with any broker or agent in connection with the negotiation or execution of this Lease; and Tenant agrees to indemnify Landlord and hold Landlord harmless from and against any and all costs, expenses or liability for commissions or other compensation or charges claimed by any other broker or agent, through commitments of Tenant with respect to this Lease. In the event Landlord elects to engage a broker or agent in connection with the negotiation or execution of this Lease, Landlord shall be solely responsible to pay any commissions or fees due and payable to such broker or agent.

34. **NO THIRD PARTY BENEFICIARY.** This Lease is for the sole benefit of Landlord, its successors and assigns, and Tenant, its permitted successors and assigns, and it is not for the benefit of any third party.

35. **SEVERABILITY.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

36. **SECURITY DEPOSIT.** Tenant shall deposit with Landlord a Security Deposit in the total amount set forth on the Medical Office Space Lease to be paid on the date Tenant executes this Lease. The Security Deposit shall be held by Landlord without liability for interest and with the understanding that: (i) the Security Deposit or any portion thereof may be applied to the curing of any default, without prejudice to any other remedy or remedies which Landlord may have on account thereof, and upon such application, Tenant shall pay Landlord on demand the amount so applied which, when paid, shall be added to the Security Deposit so the same will be restored to its original amount; (ii) Landlord shall not be obligated to hold the Security Deposit as a separate fund, but may commingle it with other funds; and (iii) if Tenant is not in default, the remaining balance of the Security Deposit shall be returned to Tenant, without interest, within thirty (30) days after the expiration of the Term or other termination of this Lease; provided, however, Landlord shall have the right to retain and expend such remaining balance for cleaning and repairing the Premises if Tenant shall fail to deliver the Premises at the termination of this Lease in a neat and clean condition and in as good a condition as existed at the date of possession of same by Tenant, except for ordinary wear and tear. Landlord shall have the right to use the Security Deposit to offset any Rent Increase which is either not collected by Landlord or not paid by Tenant pursuant to the terms of this Lease.

37. **MECHANICS' LIENS.** Nothing contained in this Lease shall authorize Tenant to do any act which shall in any way encumber the title of Landlord in and to the Leased Premises or the Building or any part thereof; and if any mechanic's or materialman's lien is filed or claimed against the Leased Premises or Building or any part thereof in connection with any work performed, materials furnished or obligation incurred by or at the request of Tenant, Tenant will promptly either (x) pay same and cause it to be released of record or (y) contest same in good faith and, if it has not been removed within thirty (30) days, bond around it. If the lien is not released of record (or bonded around) and default in payment thereof shall continue for thirty (30) days after written notice thereof from Landlord to Tenant, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be repaid to Landlord immediately by Tenant on demand therefor.

38. **ABANDONED PROPERTY.** All personal property of Tenant remaining in the Leased Premises after the expiration or earlier termination of the Term may be treated by Landlord as having been abandoned by Tenant, and Landlord shall have the right to remove such personal property from the Leased Premises without any obligation to deliver such personal property to Tenant and without any liability to Tenant whatsoever, it being agreed that Tenant shall have no right to reclaim such property. Provided, however, that in no event whatsoever shall Landlord have any access or rights to the confidential and proprietary information of Tenant, specifically including, without limitation, patient medical charts, records or other information. Landlord shall have no duty to notify Tenant that Landlord may dispose of Tenant's property.

39. **TRANSFER OF LANDLORD'S RIGHTS.** In the event Landlord transfers its interest in the Building, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to the successor in interest of the Landlord for the performance of such obligations, provided however, that any assignee or transferee of Landlord shall assume by written agreement all of Landlord's obligation under this Lease.

40. **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply strictly with the following rules and regulations, adopted for the safety, care and cleanliness of the Building or the preservation of good order therein. Landlord shall not be liable to Tenant for a violation of such rules and regulations, or for the breach of any covenant or condition in a lease by any other tenant in the Building. Landlord may, from time to time and upon notice to Tenant, adopt additional or substitute rules and regulations of the Building.

- A. **Conduct.** Tenant shall not conduct its practice or business, or advertise such business, profession or activities of Tenant conducted in the Premises in any manner which violates local, state or federal laws or regulations.
- B. **Hallways and Stairways.** Tenant shall not obstruct or use for storage, or for any purpose other than ingress and egress, the sidewalks, entrance, passages, courts, corridors, vestibules, halls, elevators and stairways of the Building.
- C. **Nuisances.** Tenant shall not make or permit any noise, odor or act that is objectionable to other occupants of the Building to emanate from the Premises, and shall not create or maintain a nuisance thereon.
- D. **Musical Instruments, Etc.** Tenant shall not install or operate any phonograph, musical instrument, radio receiver or similar device in the Building in such manner as to disturb or annoy other tenants of the Building or the neighborhood. Tenant shall not install any antennae, aerial wires or other equipment outside the Building without the prior written approval of Landlord.
- E. **Locks.** No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof. Tenant must upon the termination of its tenancy restore to Landlord all keys to the Premises and toilet rooms either furnished to or otherwise produced by Tenant, and in the event of loss of any keys so furnished, Tenant shall pay to Lessor the cost thereof.
- F. **Obstructing Light, Damage.** The doors, window glass, lights and skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. The toilets and urinals shall not be used for any purpose other than those for which they were intended and constructed, and no rubbish, newspapers or other substance of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed. Tenant shall not mark, drive nails, screw or drill into, paint, nor in any way deface the walls, ceilings, partitions, floors, wood, stone or iron work. The expense of any breakage, stoppage or damage resulting from a violation of this rule by Tenant shall be borne by Tenant. Tenant shall be permitted to hang pictures on office walls, but it must be done in a workmanlike manner and in such a way as not to damage or deface such walls.
- G. **Wiring.** Electrical wiring of every kind shall be introduced and connected only as directed by Landlord, and no boring nor cutting of wires will be allowed except with the consent of Landlord. The location of the telephone, call boxes, etc., shall be subject to the approval of Landlord.
- H. **Equipment, Moving, Furniture, Etc.** Landlord shall approve the weight, size and position of all fixtures, equipment and other property brought into the Building, and the times of moving which must be done under the supervision of Landlord. Landlord will not be responsible for any loss of or damage to any such equipment or property from any cause, and all damage done in the Building by moving or maintaining any such property shall be repaired at the expense of Tenant. All equipment shall be installed as required by law.
- I. **Requirements of Tenant.** The requirements of Tenant will be attended to only upon application at the office of Landlord. Employees shall not perform any work nor do anything outside their regular duties unless under special instructions from Landlord. No employees shall admit any person, Tenant or otherwise, to any other office without instruction from the office of Landlord. All janitorial services personnel, guards or any outside contractors employed by Tenant shall be subject to the regulations and control of Landlord, but shall not act as an agent or servant of Landlord.
- J. **Medical and Hazardous Wastes.** Tenant shall comply with all policies established from time to time by Landlord regarding the storage and disposal of hazardous substances, wastes and materials, and medical, special or infectious wastes.
- K. **Access to Building.** Any person entering or leaving the Building may be questioned by Building security regarding his/her business in the Building and may be required to sign in and out. Anyone who fails to provide a satisfactory reason for being in the Building may be excluded.

- L. Vehicles, Animals, Refuse. Tenant shall not allow anything to be placed on the outside window ledges of the Premises or to be thrown out of the windows of the Building. No bicycle or other vehicle, and no animal, except for service animal, shall be brought into the offices, halls, corridors, elevators or any other parts of the Building by Tenant or the agents, employees or invitees of Tenant, and Tenant shall not place or permit to be placed any obstruction or refuse in any public part of the Building.
- M. Equipment Defects. Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.
- N. Parking. Unless otherwise specified by Landlord, Tenant and its employees may park automobiles only in spaces designated by Landlord for such purpose and shall in no event park in spaces reserved for public parking. Tenant agrees that Landlord assumes no responsibility of any kind whatsoever in reference to such automobile parking area or the use thereof by Tenant or its agents or employees.
- O. Conservation and Security. Tenant will see that all windows and doors are securely locked, and that all faucets and electric light switches are turned off before leaving the Building.
- P. Signage. Tenant shall not place any sign upon the Leased Premises or the Building without Landlord's prior written consent.
- Q. Smoking. The use of all tobacco products, including without limitation, cigarettes, cigars, pipe tobacco, and smokeless tobacco of any kind, is prohibited in all portions of the Building.

41. GUARANTY. The Guarantor(s) identified in the Medical Office Space Lease hereby jointly and severally covenant and agree to and with Landlord that if default shall at any time be made by Tenant in the payment or performance of any obligations set forth herein, when due, Guarantor(s) will forthwith pay or perform such obligation on behalf of Tenant to or for the benefit of Landlord. The guaranty provisions of this Section 41 constitute an absolute, unconditional and irrevocable guaranty of payment (and not of collection) and performance and are a surety agreement. Guarantor(s)' liability hereunder is primary and direct and may be enforced without Landlord being required to resort to any other right, remedy or security and the terms of this Section 41 shall be enforceable against Guarantor(s) jointly and severally, without the necessity for any suit or proceedings on Landlord's part of any kind or nature whatsoever against Tenant or any other guarantor, and without the necessity of any notice of non-payment, non-performance or non-observance or the continuance of any such default or of any notice of acceptance, protest, dishonor or presentment of the terms hereof or of Landlord's intention to act in reliance hereon or of any other notice or demand to which Guarantor(s) might otherwise be entitled, all of which Guarantor(s) hereby expressly waive. The terms of this Section 41 shall be a continuing guaranty, and (whether or not Guarantor(s) shall have notice or knowledge of any of the following) the liability and obligation of Guarantor(s) hereunder shall not be released, discharged or in any way impaired by (a) any amendment or modification of, or supplement to, or extension or renewal of, this Lease; (b) any exercise or non-exercise of any right or remedy under this Lease; (c) any bankruptcy, insolvency, reorganization, liquidation or similar proceeding relating to Tenant (including without limitation any rejection or disaffirmance of this Lease in any such proceedings); (d) any limitation on the liability or obligation of Tenant under this Lease or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the federal bankruptcy law or any other statute or from the decision of any court; (e) any transfer by Tenant or any assignment, mortgage or pledge of its interest under this Lease; (f) any agreement entered into between Landlord and an assignee of Tenant or any agreement entered into between Landlord and the holder of any leasehold mortgage (or between Landlord and the nominee of any such holder of a leasehold mortgage); or (g) any other thing which might otherwise operate to exonerate, discharge, or reduce the liability of Guarantor(s) for the payment of any sums or the performance of any other obligations becoming due from the Tenant under this Lease.

42. FINAL LEASE VERSION. The Lease is collectively comprised of the Medical Office Space Lease to which this Exhibit A is attached, and all Exhibits attached hereto. Notwithstanding any provision contained herein to the contrary, no handwritten or interlineated changes to this Lease will override the printed text of this Lease unless those changes are included in the final fully executed counterpart of this Lease which is scanned and electronically stored in Landlord's corporate Selectica database.

43. APPROVALS. Neither this Lease nor any amendment or modification hereto shall be effective or legally binding upon Landlord, or any officer, director, employee or agent thereof, unless and until it has been reviewed and approved electronically (or in writing) by a Division President and the Real Estate Department of Community Health Systems Professional Services Corporation, Landlord's Management Company.

EXHIBIT D

RENEWAL OPTIONS

Provided that Tenant, both at the time of giving the applicable renewal notice set forth herein and at the time of the commencement of the Renewal Term (hereinafter defined) in question, is not in default under any term or provision contained in the Medical Office Space Lease to which this Exhibit D is attached (the "Lease"), and no condition exists which with the passage of time or the giving of notice or both would constitute an Event of Default pursuant to the Lease, Tenant (including any assignee or subtenant of Tenant who has been approved by Landlord) shall have, and is hereby given (subject to the requirements set forth herein), two (2) option(s) (each, a "Renewal Option") to renew and to extend the Term of the Lease for a period of five (5) year(s) (each a "Renewal Term"), each Renewal Option to follow consecutively upon the expiration of the initial Term of the Lease or the then current Renewal Term, if applicable. Each Renewal Option shall be exercised, if at all, by Tenant giving written notice thereof to Landlord (each, a "Renewal Notice") at least six (6) months prior to (but not more than twelve (12) months prior to) the Expiration Date of the initial Term or the then current Renewal Term, as the case may be. The renewal and extension of the Lease for any Renewal Term shall be under the same terms, conditions and covenants contained in the Lease, except that (a) no abatements or other concessions, if any, applicable to the initial Term or any Renewal Term, as applicable, shall apply to any subsequent Renewal Term; and (b) the Monthly Rental Installments shall be as set forth herein.

Within thirty (30) days following receipt by Landlord of a Renewal Notice from Tenant, Landlord shall notify Tenant whether the then current Monthly Rental Installments when increased by the Rent Increase percentage set forth in the Lease is within the fair market value range as determined by Landlord's outside MAI certified real estate consultant. In the event that Landlord does not have a current study of the fair market value for rentals in the market in which Leased Premises is located, Landlord shall have a study of the fair market value for rentals in the market where the Leased Premises is located performed (the "Study") by Landlord's MAI certified real estate consultant and shall notify Tenant in writing (the "Renewal Rental Notice") within ninety (90) days following Landlord's receipt of a Renewal Notice, with the Monthly Rental Installments that will be required by Landlord during the Renewal Term (the FMV Monthly Rental Installments). In the event that (i) the FMV Monthly Rental Installments are greater than the then current Monthly Rental Installments in effect at the time the Renewal Notice was delivered to Landlord, escalated by the Rent Increase percentage (as escalated the "Escalated Monthly Rental Installments"), Tenant shall have the option to terminate its exercise of such Renewal Option by delivering written notice (the "Renewal Notice Termination") thereof to Landlord within ten (10) days following receipt of the Renewal Rental Notice from Landlord, (ii) the FMV Monthly Rental Installments are less than the Escalated Monthly Rental Installments, Tenant shall have the option to terminate its exercise of such Renewal Option by delivering written notice (the "Renewal Notice Termination") thereof to Landlord within ten (10) days following receipt of the Renewal Rental Notice from Landlord, or (iii) the Escalated Monthly Rental Installments are within the range for the FMV Monthly Rental Installments, the Lease shall be extended for the Renewal Term without the requirement of any further action on the part of Landlord or Tenant.

In the event that Tenant fails to timely deliver a Renewal Notice Termination as provided herein, Tenant shall be presumed to have accepted the FMV Monthly Rental Installments as set forth in the Renewal Rental Notice and shall execute a new lease agreement with Landlord in form and substance substantially similar to the Lease with respect to the Leased Premises except that the Monthly Rental Installments due under the new lease shall be equal to the FMV Monthly Rental Installments, on or before the earlier of the (i) the Expiration Date of the Term, or Renewal Term as applicable, or (ii) thirty (30) days following receipt of the Renewal Rental Notice.

Failure by Tenant to notify Landlord in writing of Tenant's election to exercise the Renewal Options herein granted within the time limits set forth for such exercise shall constitute a waiver and termination of such Renewal Option and any and all subsequent Renewal Options. Upon exercise of a Renewal Option by Tenant and subject to the conditions set forth hereinabove, the Lease shall be extended for the period of such applicable Renewal Term without the necessity of the execution of any further instrument or document, although if requested by either party, Landlord and Tenant shall enter into a written agreement modifying and supplementing the Lease in accordance with the provisions hereof. Any termination of the Lease during the Initial Term shall terminate all renewal rights hereunder and any termination of the Lease during any Renewal Term shall terminate all rights to any subsequent Renewal Option. The renewal rights of Tenant hereunder shall not be assigned or otherwise conveyed in connection with any permitted assignment or sublease of the Lease.

Operating Identity/Licensee

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

Exact Legal Name: *Fresenius Medical Care Galesburg, LLC d/b/a Fresenius Medical Care Galesburg*

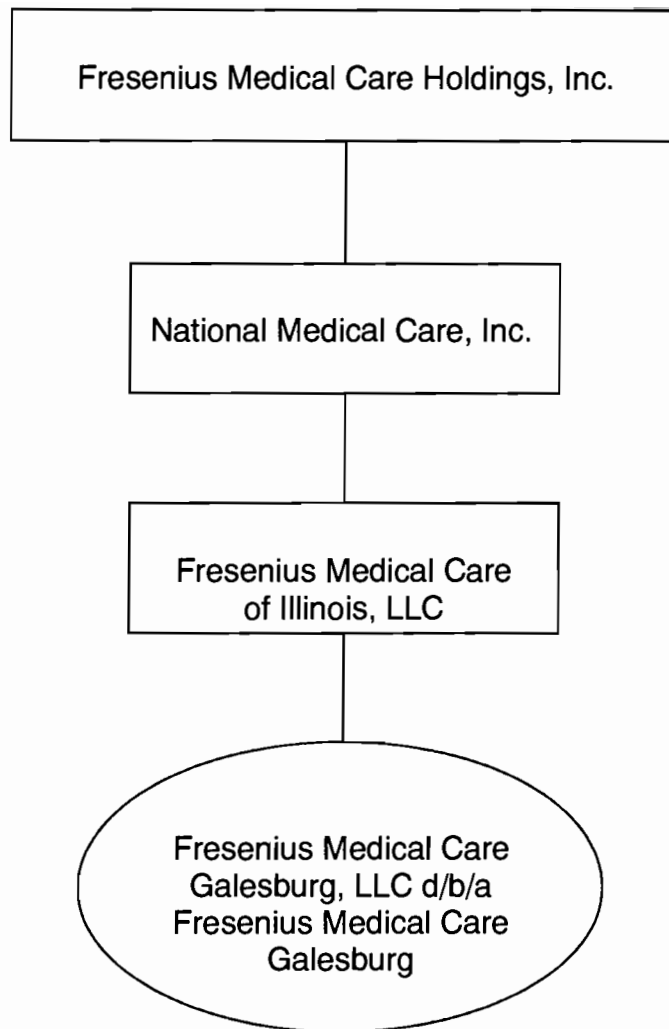
Address: *920 Winter Street, Waltham, MA 02451*

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

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

Certificate of Good Standing at Attachment – 1.



SUMMARY OF PROJECT COSTS

Actual project costs are \$6,570,000, but as of the closing date, it will be adjusted for inventory/equipment value and any pre-paid expenses. The final amount will not exceed \$7,300,000.

See Contribution Agreement and Schedules for itemizations.

Fresenius Medical Care

Fresenius Medical Care is the leading provider of dialysis products and services in the world and as such has a long-standing commitment to adhere to quality standards that are higher than required by regulatory bodies, to provide compassionate patient centered care, educate patients to become in charge of their health decisions, implement programs to improve clinical outcomes while reducing mortality & hospitalizations and to stay on the cutting edge of technology in development of dialysis related products.

The size of the company and range of services provides healthcare partners/employees and patients with an expansive range of resources from which to draw experience, knowledge and best practices.

Quality Measures – Fresenius Medical Care continually tracks five quality measures on all patients. These are:

- eKdrt/V – tells us if the patient is getting an adequate treatment
- Hemoglobin – monitors patients for anemia
- Albumin – monitors the patient's nutrition intake
- Phosphorus – monitors patient's bone health and mineral metabolism
- Catheters – tracks patients access for treatment, the goal is no catheters which leads to better outcomes

The above measures as well as other clinic operations are discussed each month with the Medical Directors, Clinic Managers, Social Workers, Dietitians, Area Managers and referring nephrologists at each clinic's Quality Assessment Performance Improvement (QAI) meeting to ensure the provision of high quality care, patient safety, and regulatory compliance.

Some of the initiatives that Fresenius has implemented to bring about better outcomes and increase the patient's quality of life are the TOPS program, Right Start Program and The Catheter Reduction Program.

TOPs Program (Treatment Options) – This is a company-wide program designed to reach the pre-ESRD patient (also known as CKD – Chronic Kidney Disease) to educate them about available treatment options when they enter end stage renal disease. TOPs programs are held routinely at local hospitals and physician offices. Treatment options include transplantation, in-center hemodialysis, home hemodialysis, peritoneal dialysis and nocturnal dialysis.

Right Start Program – This is an intensive 90-day intervention program for the new dialysis patient centering on education, anemia management, adequate dialysis dose, nutrition, reduction of catheter use, review of medications and logistical and psychosocial support. The Right Start Program results in improved morbidity and mortality in the long term but also notably in the first 90 days of the start of dialysis.

Catheter Reduction Program – This is a key strategic clinical initiative to support nephrologists and clinical staff with increasing the number of patients dialyzed with a permanent access, preferably a venous fistula (AVF) versus a central venous catheter (CVC) venous fistula). Starting dialysis with or converting patients to an AVF can significantly lower serious complications, hospitalizations and mortality rates. Overall adequacy of dialysis treatment also increases with the use of the AVF.



Fresenius Medical Care

September 18, 2012

Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

I am the Regional Vice President at Fresenius Medical Care who will be responsible for the Fresenius Medical Care Galesburg dialysis facility after the change of ownership. It is Fresenius Medical Care's policy to accept all patients regardless of their ability to pay for services and this policy will be in effect at the Galesburg facility. Also, Fresenius Medical Care's Medical Staff Bylaws, which pertain to all staff including Medical Directors and referring physicians, state that all physicians must agree to treat every patient regardless of their ability to pay.

Sincerely,

Richard Stotz
Regional Vice President

Notarization:

Subscribed and sworn to before me
this 18th day of Sept., 2012

Signature of Notary

Seal



Fresenius Medical Care Holdings, Inc. In-center Clinics in Illinois

Clinic	Provider #	Address	City	Zip	Fac >10% Medicaid Treatments*
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803	
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002	10.2%
Aurora	14-2515	455 Mercy Lane	Aurora	60506	
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651	26.5%
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402	16.7%
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406	11.6%
Bolingbrook	14-2605	538 E. Boughton Road	Bolingbrook	60440	
Breese		160 N. Main Street	Breese	62230	
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609	30.4%
Burbank	14-2641	4811 W. 77th Street	Burbank	60459	13.3%
Carbondale	14-2514	725 South Lewis Lane	Carbondale	62901	
Champaign	14-2588	1405 W. Park Street	Champaign	61801	
Chatham		333 W. 87th Street	Chicago	60620	
Chicago Dialysis	14-2506	820 West Jackson Blvd.	Chicago	60607	45.2%
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608	45.1%
Cicero		3030 S. Cicero	Chicago	60804	
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624	29.9%
Crestwood	14-2538	4861 W. Cal Sag Road	Crestwood	60445	
Decatur East	14-2503	1830 S. 44th St.	Decatur	62521	
Deerfield	14-2710	405 Lake Cook Road	Deerfield	60015	
Des Plaines		1625 Oakton Place	Des Plaines	60018	
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515	
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185	17.4%
DuQuoin	14-2595	100-200 E. Grantway Avenue	DuQuoin	62832	
East Peoria	14-2562	3300 North Main Street	East Peoria	61611	
Elgin	14-2726	2130 Point Boulevard	Elgin	60123	
Elk Grove	14-2507	901 Biesterfeld Road, Ste. 400	Elk Grove	60007	10.4%
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126	
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201	16.4%
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805	
Fairview Heights		821 Lincoln Highway	Fairview Heights	62208	
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609	20.8%
Glendale Heights	14-2617	520 E. North Avenue	Glendale Heights	60139	17.6%
Glenview	14-2551	4248 Commercial Way	Glenview	60025	
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619	16.7%
Gurnee	14-2549	101 Greenleaf	Gurnee	60031	20.9%
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429	
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195	18.8%
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649	29.8%
Joliet		721 E. Jackson Street	Joliet	60432	
Kewanee	14-2578	230 W. South Street	Kewanee	61443	
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044	11.6%
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613	22.0%
Lincolnland		1112 Centre West Drive	Springfield	62704	
Logan Square		2734 N. Milwaukee Avenue	Chicago	60647	
Lombard	14-2722	1940 Springer Drive	Lombard	60148	
Macomb	14-2591	523 E. Grant Street	Macomb	61455	
Marquette Park	14-2566	6515 S. Western	Chicago	60636	18.1%
McHenry	14-2672	4312 W. Elm St.	McHenry	60050	
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704	
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160	16.7%
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803	
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960	
Midway	14-2713	6201 W. 63rd Street	Chicago	60638	
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448	
Morris	14-2596	1401 Lakewood Dr., Ste. B	Morris	60450	
Mundelein	14-2731	1400 Townline Road	Mundelein	60060	
Naperbrook		2451 S Washington	Naperville	60565	
Naperville	14-2543	100 Spalding Drive Ste. 108	Naperville	60566	
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563	
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714	10.8%
Norridge	14-2521	4701 N. Cumberland	Norridge	60656	

Facility List

ATTACHMENT - 11

North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160	
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630	20.8%
Northcenter	14-2531	2620 W. Addison	Chicago	60618	19.6%
Northfield		480 Central Avenue	Northfield	60093	
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611	11.6%
Oak Forest		5340A West 159th Street	Oak Forest	60452	
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302	
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462	
Oswego	14-2677	1051 Station Drive	Oswego	60543	
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350	
Palatine	14-2723	691 E. Dundee Road	Palatine	60074	
Pekin	14-2571	600 S. 13th Street	Pekin	61554	
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605	
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615	
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544	
Polk	14-2502	557 W. Polk St.	Chicago	60607	19.9%
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764	
Prairie	14-2569	1717 S. Wabash	Chicago	60616	13.1%
Randolph County	14-2589	102 Memorial Drive	Chester	62233	
River Forest	14-2735	103 Forest Avenue	River Forest	60305	
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645	19.2%
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008	11.3%
Roseland	14-2690	135 W. 111th Street	Chicago	60628	19.1%
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621	17.6%
Round Lake	14-2616	401 Nippersink	Round Lake	60073	16.8%
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946	
Sandwich	14-2700	1310 Main Street	Sandwich	60548	
Skokie	14-2618	9801 Wood Dr.	Skokie	60077	
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617	20.4%
South Deering		10559 S. Torrence Ave.	Chicago	60617	
South Holland	14-2542	17225 S. Paxton	South Holland	60473	12.2%
South Shore	14-2572	2420 E. 79th Street	Chicago	60649	16.8%
South Side	14-2508	3134 W. 76th St.	Chicago	60652	21.8%
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461	
Southwestern Illinois	14-2535	5-9 Professional Drive	Alton	62002	
Spoon River	14-2565	340 S. Avenue B	Canton	61520	
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362	
Steger	14-2725	219 E. 34th Street	Steger	60475	
Streator	14-2695	2356 N. Bloomington Street	Streator	61364	
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640	16.9%
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085	
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510	
West Belmont	14-2523	4943 W. Belmont	Chicago	60641	42.3%
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185	13.1%
West Metro	14-2536	1044 North Mozart Street	Chicago	60622	24.6%
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302	15.6%
West Willow	14-2730	1444 W. Willow	Chicago	60620	
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154	
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959	

*Medicaid percentages are reflected in treatments, not patients. Any patient can have more than one type of coverage in any given year, therefore treatment numbers reflects more accurately the clinic's % of coverage. Only clinics above 10% Medicaid are reported here to show those facilities with significant Medicaid numbers.

All Illinois Clinics are Medicare certified, and do not discriminate against patients based on their ability to pay or payor source.

All clinics are open to all physicians who meet credentialing requirements.

Certification & Authorization

Fresenius Medical Care Galesburg, LLC

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Galesburg, LLC. by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: [Signature]
ITS: Mark Fawcett
Vice President & Treasurer

By: [Signature]
ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2012

Notarization:
Subscribed and sworn to before me
this 14 day of June 2012

Signature of Notary C Wynelle Scenna Signature of Notary

Seal



Seal

Certification & Authorization

Fresenius Medical Care Holdings, Inc.

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Holdings, Inc. by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: [Signature]
ITS: _____
Mark Fawcett
Vice President & Asst. Treasurer

By: [Signature]
ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2012

Notarization:
Subscribed and sworn to before me
this 14 day of June, 2012

Signature of Notary C Wynelle Scenna Signature of Notary

Seal



Seal

Certification & Authorization

Western Illinois Kidney Center, LLC

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Western Illinois Kidney Center, LLC. by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: Paul Janner

ITS: VICE-PRESIDENT

By: PARTHA SRIVIVASAN

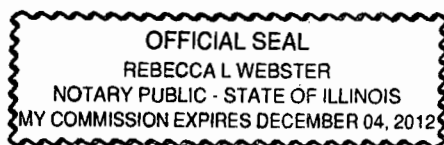
ITS: PRESIDENT

Notarization:

Subscribed and sworn to before me
this 13th day of June, 2012

Rebecca L. Webster
Signature of Notary

Seal

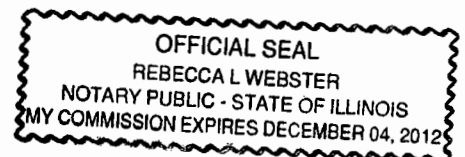


Notarization:

Subscribed and sworn to before me
this 13th day of June, 2012

Rebecca L. Webster
Signature of Notary

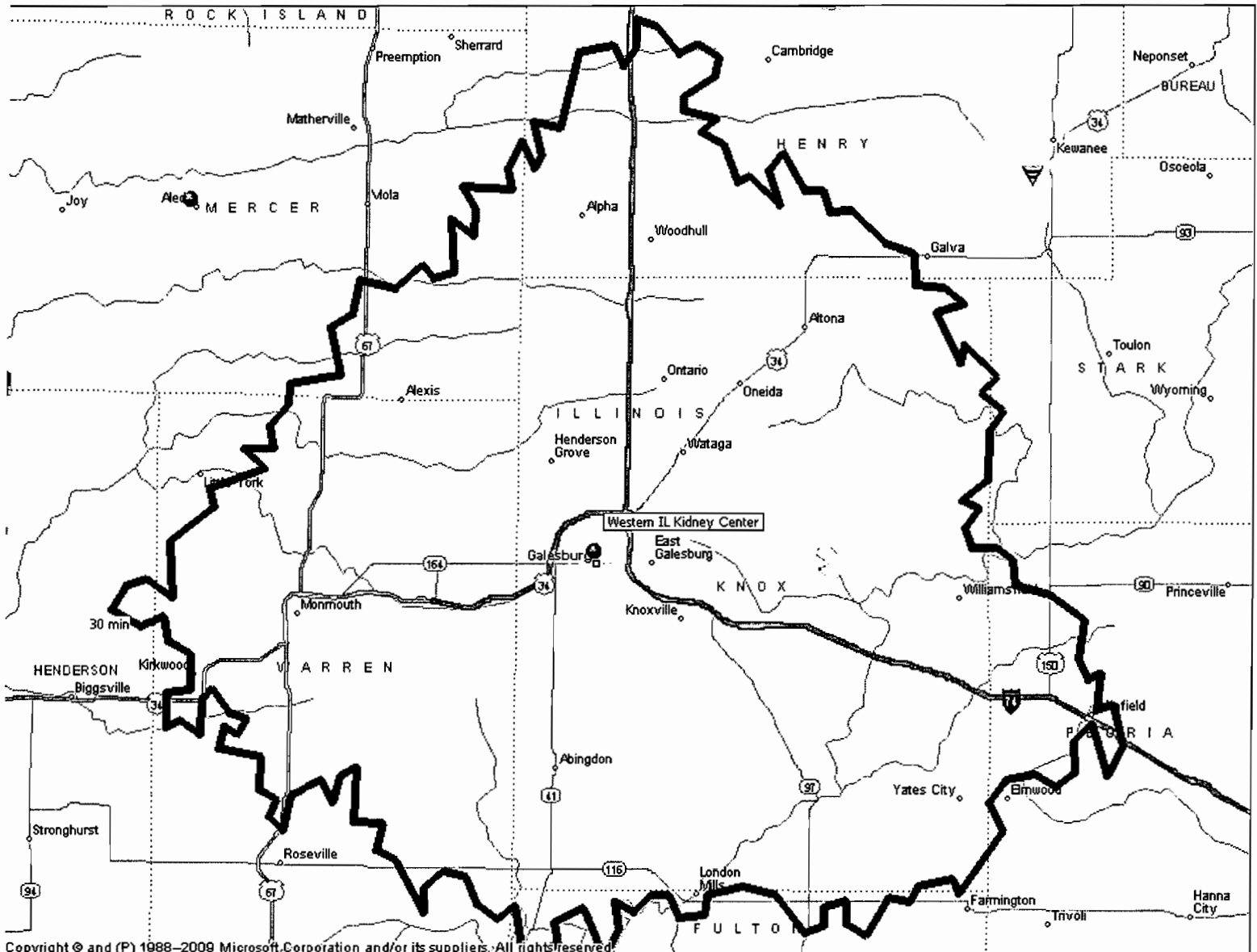
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Criterion 1110.230 – Purpose of Project

1. The purpose of this project is to keep dialysis services accessible to rural Knox County in western Illinois in the Galesburg area. Partnering with a large company like Fresenius Medical Care offers Galesburg area physicians and patients a nationwide network of experience, best practices, above standard quality and quality initiatives, clinical and administrative support, patient education programs and the ability to provide these services most cost effectively given the current reimbursement environment, thus keeping these services available in small rural markets.
2. The market area that Fresenius Medical Care Galesburg will serve is primarily the Galesburg area and all of Knox County and also including parts of Warren, Mercer and Henry counties in far west Illinois.
3. Western Illinois Kidney Center is located in HSA 2 and currently has 11 stations and is operating at 83% utilization with 55 patients. According to the August 2012 Board station inventory, there is a need for 3 additional stations in this HSA. The acquisition of the facility by Fresenius Medical Care will make certain that ongoing dialysis services will be accessible for this rural population. The proposed change of ownership will have no effect on the station inventory.
4. Clinic utilization is obtained from the Renal Network for the 2nd Quarter 2012. Station inventory is provided by the Illinois Health Facilities and Services Review Board August 2012 inventory.
5. The goal of Fresenius Medical Care is to keep dialysis access available to this patient population while bringing abundant clinical resources to the area and allowing the facility to operate more efficiently under current economic conditions. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications.
6. It is expected that this facility would have and maintain the same or better quality outcomes as the average of the other central Illinois Fresenius clinics as listed below:
 - 96% of patients had a URR $\geq$ 65%
 - 96% of patients had a Kt/V $\geq$ 1.2

30-MINUTE TRAVEL RADIUS OF WESTERN ILLINOIS KIDNEY CENTER



Alternatives

1) All Alternatives

A. Proposing a project of greater or lesser scope and cost.

Doing nothing would not best serve the needs of the patients or physicians in the Galesburg area of Knox County in HSA 2. Galesburg Cottage Hospital desired to sell its portion of the current joint venture with Dr. Srinivasan who is the medical director of Western Illinois Kidney Center. Fresenius Medical Care agreed to acquire the facility to keep access to dialysis services in Knox County. There is no monetary cost associated with this alternative.

B. Pursuing a joint venture or similar arrangement with one or more providers of 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.

The typical Fresenius model of ownership is for our facilities to be wholly owned, however we do enter into joint ventures on occasion. Fresenius Medical Care always maintains control of the governance, assets and operations of a facility it enters into a joint venture agreement with. Our healthy financial position and abundant liquidity indicate that that we have the ability to support the development of additional dialysis expected financial obligations and does not require any additional funds to meet expected project costs. While this project has the potential to be a joint venture at some point in the future, it will not be upon receiving permit.

C. As discussed further in this application, the most desirable alternative is to acquire Western Illinois Kidney Center thereby expanding the additional services and expertise that Fresenius has to offer to the physicians and citizens of rural Knox County. This will also ensure that dialysis services will continue indefinitely with the highest quality standards and most cost effectively. The cost of this project is \$7,300,000.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Do Nothing	\$0	Access could potentially be lost due to higher cost of operating dialysis centers for independent providers.	Patient quality would decline if access were lost.	Fresenius Medical Care's size better allows it to absorb costs under the new reimbursement.
Pursue Joint Venture	\$7,300,000	No difference on patient access.	Patient clinical quality would remain above standards	No effect on patients Fresenius Medical Care is capable of meeting its financial obligations and does not require additional funding, however Fresenius maintains control of the facility and therefore final financial responsibility.
Acquire Western Illinois Kidney Center	\$7,300,000	Continued access to dialysis services.	Patient clinical quality would remain above standards Patient satisfaction and quality would improve with access to Fresenius Medical Care quality initiatives and patient education programs.	This is an expense to Fresenius Medical Care only who is able to support additional dialysis facilities and is capable of meeting all financial obligations.

3. Empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. It is expected that the Galesburg facility would maintain the same quality outcomes the average of the other Fresenius facilities in central Illinois as listed below:

- 96% of patients had a URR $\geq$ 65%
- 96% of patients had a Kt/V $\geq$ 1.2

IMPACT AND ACCESS STATEMENT PER PART 1110.240

The proposed change of ownership will not result in the reduction or addition of stations at the existing certified dialysis facility. The current owner/operator of the facility is Western Illinois Kidney Center, LLC. After the proposed acquisition transaction is completed the facility will be owned/operated by Fresenius Medical Care Galesburg, LLC. There will be no reduction in employees at the facility for a period of two years from the date of change of ownership other than in the normal course of business. The cost associated with this transaction is \$6,570,000 and not to exceed \$7,300,000.

There will be no changes to patient admissions and no reduction in access to dialysis services as a result of the change of ownership. The admission policies of the facility involved will not become more restrictive. Facilities owned and operated by Fresenius Medical Care of Illinois, LLC accept all patients regardless of ability to pay. They are "open" facilities from the standpoint of granting privileges to any physician who wishes to admit patients to the facility. A copy of Western Illinois Kidney Center, LLC admissions policy is attached, as is a copy of Fresenius Medical Care's admissions policy.

Western Illinois Kidney Center, LLC wanted to sell their facility in Galesburg, which is operating at 83% utilization. If it were to go out of business, the 55 patients who dialyze there would have to travel long distances to other towns for dialysis, as it is the only provider in this rural area and within 45 minutes. The cost/benefit of the transaction is based on what Fresenius Medical Care believes will be the benefit of keeping this facility operating in Galesburg and providing access to dialysis in this area, versus the cost of purchasing the facility, which is reasonable given the potential benefit.

No health care system is involved in this transaction.



Signature

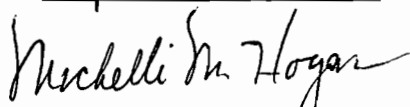
Richard Stotz, Regional Vice President

Printed Name/Title

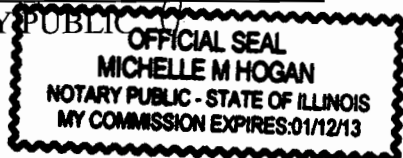
Date:

9/17/12

SUBSCRIBED AND SWORN TO
BEFORE ME THIS 17th DAY
OF September, 2012.



NOTARY PUBLIC



ADMISSION, TRANSFER, AND DISCHARGE POLICY**1. ADMISSION**

It is the policy of this dialysis facility to admit and to treat all patients referred by physician members of its Medical Staff without regard to race, creed, color, age, sex, handicap, disability, national origin or social status. All persons and organizations having the occasion to refer patients to physician members of this facility's medical staff for admission to this dialysis facility are advised to do so without regard to the patient's race, creed, color, age, sex, handicap, disability, national origin or social status.

Each patient admitted will be followed by a physician member of the facility's Medical Staff. Prior to admission to this dialysis facility, or with reasonable concurrence thereto, there shall be documented consideration of the most appropriate mode of treatment, including full-maintenance hemodialysis, self-care hemodialysis, home training and home dialysis, renal transplantation, continuous ambulatory peritoneal dialysis, continuous cycling peritoneal dialysis and intermittent peritoneal dialysis. The patient shall be made aware and afforded access to all of the above modes of treatment provided by other facilities that are not provided by this dialysis facility.

Patients shall be medically cleared for treatment in this dialysis facility when such treatment is deemed indicated and appropriate according to the clinical judgment of that patient's attending physician. No arbitrary criteria with respect to patient's age or magnitude of complicating medical problems are established. It is intended that appropriateness of dialysis shall be a decision to be made by the patient's attending physician in accordance with his or her best clinical judgment, and in compliance with the ESRD program and the facility's policies.

Prior to admission to this dialysis facility, all appropriate paperwork must be completed as outlined in section 122-040-020 of the FMCNA Financial Procedure Manual. All appropriate medical and financial records must be received prior to the patient's admission to the facility. Upon referral, the Admissions Coordinator collects all demographic and insurance information from the referral source and the prospective patient and forwards it immediately to the designated staff at the billing group office. Within two days, the billing group staff will verify the patient's insurance coverage and identify any

coverage gaps which exist. Billing office staff will then notify the Admissions Coordinator of the results of the insurance verification and will discuss with the Coordinator the facility's plans for obtaining appropriate coverage, as necessary.

Financial approval for admission is based upon the patient's insurance coverage and his/her willingness to pursue enrollment in insurance or assistance programs for which he/she qualifies.

The billing office will deny financial clearance to individuals who a) cannot obtain Medicare or other coverage or b) indicate an unwillingness to enroll in programs for which he/she is potentially eligible or c) are uncooperative and refuse to disclose insurance information.

In such an event, the billing office representative will notify the Admissions Coordinator, the Administrator and the Region Manager. The patient's physician should be contacted to obtain his/her assistance. The final decision concerning the admission will be made in such cases by the Region Manager.

Medical clearance and financial approval are required prior to admission. Once admission approval has been granted, the Admissions Coordinator must forward the following items from the Patient Admissions Checklist to the billing group office:

- Signed Admission Agreement
- Signed Release of Information/Assignment of Benefits
- Signed LifeChem Assignment of Benefits Form
- Copies of all insurance cards
- Dates of application for Medicare and/or other Insurance

For Home Patients only:

- Signed ESRD Beneficiary Selection Form
- MPD/ERIKA Assignment of Benefits Form

Medical Records, which must be sent to the facility prior to the patient's admission, will contain at least the following:

Long Term Program, Patient Care Plan, History and Physical, Discharge Summary if transferring from hospital unit, Physician's Progress Notes, Social Service Summary, Dietary History, Current Labwork including Chemistries and CBC. **HbsAg**

results within 30 days unless the patient has HBV antibodies, then an HbsAg is not needed, but a documented HbsAb within the past 12 months is required instead, EKG, Chest X-Ray reports if available or most recent, and Hemodialysis Sheets.

A Consent for Chronic Hemodialysis (or consent appropriate for modality chosen) must be signed by the patient prior to the patient's first treatment at the facility. The signed consent form is binding until the patient is discharged from the facility, withdraws consent for treatment, or his/her dialysis modality changes at which time a new consent must be signed. Consent forms from other FMCNA facilities or non-FMCNA's shall not be used as consent for treatment at this facility.

Each patient shall be evaluated annually by an interdisciplinary team as to appropriateness and effectiveness of the treatment modality received, and the need for continuation of or change in treatment. This team will consist of at least a physician, transplant surgeon or his/her designee, nurse, social worker, dietitian and patient.

Patients who exhibit inappropriate behavior such that they constitute a danger to themselves or to others, or who do not agree to follow the policies and procedures of this facility, may be denied admission to this dialysis facility or may be discharged for same, at the discretion of the Medical Director.

The Director of Nursing or designee shall be responsible for checking the patient's incoming medical records for completeness, and for opening the patient's medical record. The Director of Nursing or designee shall attempt to obtain missing information, and shall notify the patient's physician and/or the Medical Records Supervisor as to any unobtainable data.

The Director of Nursing or designee shall be responsible for scheduling the patient for dialysis treatments in a manner consistent with the attending physician's dialysis prescription, patient needs, and with regard to available time slots.

The patient and/or his or her family shall designate a person to notify in case of emergency. This dialysis facility shall make every effort to notify the appropriate person of any change in a patient's condition considered significant by the physician.

2. TRANSFER AND DISCHARGE

Patients temporarily admitted to the hospital, or in a transient

status at another out-patient hemodialysis facility, shall not be discharged from this dialysis facility. In these cases, and in the case of a patient being discharged for permanent transfer to another facility, this dialysis facility shall provide the hospital or the receiving facility with appropriate records summarizing the interim medical course and records concerning the patient's dialysis treatments. These include, but are not limited to: Long Term Program and Patient Care Plans, Hemodialysis Sheets, History and Physical, Physician Progress Notes, Social Services Summary, Dietary History, Current Labwork and Physician Order Sheets. Transfer of such records shall occur within one working day after the patient transfers. Should a patient be permanently transferred to another facility, transplanted, discontinue dialysis or expire, the patient's medical record shall be closed by the Medical Records Supervisor within 30 days from the time the patient leaves the facility. The patient's primary physician shall complete a Patient Discharge Summary within 30 days of the patient's discharge. (Exhibit-Discharge Summary). This discharge summary shall be placed at the front of the patient's closed medical record. The billing office should immediately be notified of all temporary/permanent transfers or discharges.

All patients admitted to this dialysis facility are admitted voluntarily. Any patient who insists on terminating a treatment early will be asked to sign an "Against Medical Advice" form. If a patient cancels a scheduled dialysis treatment, either by calling to inform the dialysis facility, or by not showing up for a scheduled treatment, the charge nurse or other licensed nurse shall attempt to inform the patient of the consequences of missing a scheduled treatment. The patient's physician should be notified of the cancellation, and should make the decision as to whether the treatment needs to be rescheduled. (See Early Termination or Cancellation of Treatment Policy).

If a patient chooses to withdraw from dialysis, every effort will be made to ensure the patient has been informed of his/her treatment options and understands the consequences of withdrawing from dialysis. (See Withdrawal From Dialysis Policy).

The Charge Nurse shall be responsible for immediately notifying the attending physician, the Director of Nursing and/or Administrator at any time a patient leaves the Hemodialysis Unit against medical advice.

In cases of patient emergencies occurring at this dialysis facility, the physician responsible for the patient's care at

the time of the emergency shall arrange for the transfer of the patient to the hospital. He or she shall notify the attending physician, if applicable, and this dialysis facility shall promptly provide the hospital with appropriate medical records.

When circumstances warrant, these responsibilities shall be carried out by the Charge Nurse on duty at the time of the emergency.

Personal effects of a patient who is transferred to a hospital and/or expires will be recorded on a "Patient's Personal Effects" check list, placed in an envelope or bag, and stored in a safe location in the facility. The Administrator, Director of Nursing, or Charge Nurse will contact the patient's family and request that they pick up the personal effects. (See Patient's Personal Effects Policy).

In the event of death occurring at the facility, the patient's next of kin or responsible party, as designated, shall be promptly notified. The attending physician shall sign the death certificate, as appropriate. Remains shall be released to the appropriate undertaker only after the persons responsible have signed a release form.

If required by state and/or local law, the Department of Health and/or County Coroner will be notified of a death on-site within the mandated time frame.

Request for and permission for autopsy should be referred to the Administrator. Arrangements for the examination are the responsibility of the attending physician.

FMCNA

POLICY MANUAL

07/14/04

ADMISSION, TRANSFER, AND DISCHARGE POLICY

138-020-010

EXHIBIT

"DISCHARGE SUMMARY

FMCNA

DISCHARGE SUMMARY

ADDRESSOGRAPH

Date of Discharge: _____

Discharge to:

1. Transferred to _____ Dialysis Unit
Address _____
Reason for transfer _____
Date records sent _____
2. Transplant Surgery Date _____ Hospital _____
3. Discontinued Dialysis Date _____
Reason _____
4. Expired Caused of Death: _____
Date of Death: _____
Place of Death: _____

Final Diagnosis: (includes both primary and secondary diagnoses)

1. _____
2. _____
3. _____

Prognosis: _____

Brief Summary: _____

PERSON COMPLETING SUMMARY/TITLE

DATE

ATTENDING PHYSICIAN

DATE

FMCNA CS-I-112 (1/01

EMERGENCY TRANSFER GUIDELINES

Facilities may experience emergencies caused by severe weather, fire or other serious facility operating problems such as water treatment failure or other unexpected problems. These problems may require construction or repairs that are believed to be short-lived and may necessitate closure of a facility. Inability of facilities to provide services can result in the need for subsequent temporary arrangements for patients to be dialyzed at another FMCNA "host" facility. In addition, patients may require temporary care at another FMCNA facility based on their inability to safely get to their "home" facility.

Emergency Transfer is defined as:

- Not expected to extend beyond **30 days**.
- Patients are expected to return to their "home" facility to continue their treatments when operations are able to resume.

The treating clinic or "host" facility or facilities will provide services for the "home" facility according to the company wide agreement "Dialysis Unit Emergency Back Up Agreement" (established by Corporate Law Department). A fully executed "Dialysis Unit Emergency Back Up Agreement" is included with this policy.

Following the activation of the Emergency Back Up Agreement, the "home" facility patients must be assigned to a physician with privileges at the "host" facility, unless patient's attending physician already maintains privileges at the "host" dialysis facility. Dialysis treatment orders must be obtained from the assigned physician if the patient is assigned to a physician at the "host" facility.

When possible, copies of Medical Records such as Physician Order Sheets, Hemodialysis Treatment Sheets, current Lab Work, History and Physical, Multidisciplinary Progress Notes (including physician, nursing, social worker and dietary notes), Long Term Program and Patient Care Plans, Psychosocial Assessment (most recent), and Dietary Referral Sheet, must be sent to the "host" facility.

- If patient's paper medical records are destroyed due to fire, water or other serious facility damage, information

available in the Proton Information System should be printed from Proton. When the patient returns to their "home" facility, all medical record documentation that was created at the "host" facility should be copied and transferred to the patient's "home" facility medical record.

When a patient or patients require emergency transfer to another facility, the "home" facility (facility experiencing the emergency) must notify Spectra Customer Service of the emergency transfer in order for Spectra to send any laboratory reports to the "host" facility where patient is being treated.

Under normal facility operating procedures, when new patients are initially admitted into a facility, each patient is set up in the Spectra Lab system in their "home" facility so that lab resulting data and information system notification is sent to the facility of record.

Lab tests that are ordered for the patient while they are located in the "host" facility, **should be ordered with the "home" facility number**, so the lab results will be downloaded into Proton and can be used for clinical outcome reporting.

Staff can access the "home" facility Proton information and the patient lab results from **any** Proton facility database. As long as Spectra is notified that the patient is dialyzing in the "host" facility, the printed lab results can be sent directly to the "host" facility printer.

All services performed **must be entered into Proton in the "home" facility database**, as if the "home" facility provided the services. (Application Instructors should provide direction to the facility on performing the following procedures.)

- Patient information can be accessed in Proton from any facility database.
- The treatment sheet can print to the "host" facility.
- The "host" facility name must be written on the top of the treatment sheet and all medical records created at the "host" facility.
- A daily validation must be run on the "home" facility database.

NOTE: If patients are at several different local facilities, the Clinical Manager or Area Manager must communicate with each "host" facility to ensure treatment information has been entered into the correct Proton "home"

facility information system before validating treatments.

If the facility closure/emergency transfer exceeds **30 days**, the continuation of the "Dialysis Unit Emergency Back Up Agreement" must be reviewed and approved. The Regional Vice President must contact the FMS Vice President of Operations Support and the FMS Vice President of Clinical Services and provide a report on the status of the "home" facility. The need to extend the time of the Emergency Back Up Agreement will be approved on a case-by-case basis depending on the length of time that the "home" facility can return to normal operations.

If the "Dialysis Unit Emergency Back Up Agreement" continues past thirty days, Subpart U documentation requirements (such as Short Term Care Plan, Long Term Program, Progress notes) must be completed at the "host" facility according to the usual schedule.

If it is determined that the "Dialysis Unit Emergency Back Up Agreement" must be discontinued because the "home" facility will not be operational in a reasonable period of time and therefore unable to accept patients, each patient accepted into the "host" facility because of an emergency must be formally transferred to the "host" facility and the appropriate admission, clinical and billing forms (refer to Financial Procedure Manual #122-040-020 for direction on billing forms) must be completed.

DIALYSIS UNIT EMERGENCY BACK UP AGREEMENT

This Agreement is made and entered into July 1, 2004 by and between **Fresenius Medical Care Holdings, Inc.** (hereinafter referred to as "Facility") and **Entities listed on Exhibit A** (collectively hereinafter referred to as "Alternative Dialysis Unit").

I. Duties of the Parties

Subject to available appropriate facilities, staffing and resources at Alternative Dialysis Unit, and applicable policies or procedures of the Alternative Dialysis Unit, in the event that Facility patients are transferred to Alternative Dialysis Unit for dialysis due to an emergency that renders Facility as either inoperable or inaccessible to some or all of its enrolled dialysis patients ("Facility patients"), Alternative Dialysis Unit agrees to provide dialysis treatments ("Services"). These Services would continue until Facility is back in total operation. The Services provided to these Facility patients will continue to be billed through the Facility. In order to receive services, Facility patients first must be assigned to a physician with privileges at Alternative Dialysis Unit, unless patient's attending physician already maintains privileges at Alternative Dialysis Unit. Alternative Dialysis Unit agrees to provide services by directly using its own employees, equipment and supplies or by contracting with an outside vendor to provide services.

In the event a patient is admitted to Alternative Dialysis Unit, Facility shall be responsible for arranging to have Facility patients transported to the Alternative Dialysis Unit and shall send appropriate interim medical records. The Facility will provide for the Alternative Dialysis Unit, within one working day, copies of the Facility patients' Long Term Program and Patient Care Plan, and of medical and other information necessary or useful in the care and treatment of Facility patients referred to the Alternative Dialysis Unit. In the event the Facility patients must be transferred directly from Facility to Alternative Dialysis Unit, Facility shall provide for the security of, and be accountable for, the patients' personal effects during the transfer. Services provided by Alternative Dialysis Unit shall be provided regardless of the Facility patients' race, color, creed, sex, age, disability, or national origin.

Each party agrees to develop, maintain and operate, in all aspects, an outpatient hemodialysis facility, providing all physical facilities, equipment and personnel necessary to treat patients suffering from chronic renal diseases. Each party shall conform to standards not less than those required by the applicable laws and regulations of any local, state or federal regulatory body, as the same may be amended from time to time. In the absence of applicable laws and regulations, each party shall conform to applicable standards of professional practice. Each party shall treat such commitment as its primary responsibility and shall devote such time and effort as may be necessary to attain these objectives. The cost of such facilities, equipment and personnel shall be borne by each party.

Each party shall engage a medical director who shall have the qualifications specified in 42 C.F.R. 405.2102. This individual must be a physician properly licensed in the profession by the state in which such facility is located. In accordance with 42 C.F. R. 405.2162, each party shall employ such duly qualified and licensed nurses, technicians, and other personnel as shall be

necessary to administer treatment at its facility, in accordance with applicable local, state, and federal laws and regulations.

II. Insurance

Each party shall maintain in full force and effect throughout the term of this Agreement, at its own expense, a policy of comprehensive general liability insurance and professional liability insurance covering it and its staff, respectively, each having a combined single limit of not less than \$1,000,000 per occurrence and \$3,000,000 annual aggregate for bodily injury and property damage to insure against any loss, damage or claim arising out of the performance of each party's respective obligations under this Agreement. Each will provide the other with certificates evidencing said insurance, if and as requested. Both parties further agree to maintain, for a period of not less than three (3) years following the termination of this Agreement, any insurance required hereunder if underwritten on a claims-made basis. Either party may provide for the insurance coverage set forth in this Section through self-insurance.

III. Indemnification

Each party agrees to indemnify and hold harmless the other, their officers, directors, shareholders, agents and employees against all liability, claims, damages, suits, demands, expenses and costs (including but not limited to, court costs and reasonable attorneys' fees) of every kind arising out of or in consequence of the party's breach of this Agreement, and of the negligent errors and omissions or willful misconduct of the indemnifying party, its agents, servants, employees and independent contractors (excluding the other party) in the performance of or conduct related to this Agreement.

IV. HIPAA

The Parties expressly agree to comply with all applicable patient information privacy and security regulations set for in the Health Insurance Portability and Accountability Act ("HIPAA") final regulations for Privacy of Individually Identifiable Health Information, as amended from time to time.

V. Term

Term. The term of this Agreement shall be for a period of one (1) year from the date first written above. This Agreement shall automatically renew, unless either party shall notify the other party of its intention to terminate this Agreement by written notice given at least sixty (60) days in advance of such renewal date. This Agreement may also be terminated by either party for cause by giving thirty (30) days written notice to the other party specifying default by such other party. This Agreement may also be terminated at any time upon the mutual consent of both parties.

VI. General Provisions

If any provisions of this agreement shall, at any time, conflict with any applicable state or federal law, or shall conflict with any regulation or regulatory agency having jurisdiction with respect thereto, this Agreement shall be modified in writing by the parties hereto to conform to such regulation, law, guideline, or standard established by such regulatory agency.

This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all negotiations, prior discussions, agreements or understandings, whether written or oral, with respect to the subject matter hereof, as of the date first written above. This Agreement shall bind and benefit the parties, their respective successors and assigns.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State where Alternative Dialysis Unit is located, without respect to its conflicts of law rules.

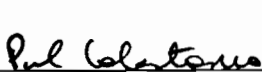
The parties agree to cooperate with each other in the fulfillment of their respective obligations under the terms of this Agreement and to comply with the requirements of the law and with all applicable ordinances, statutes, regulations, directives, orders, or other lawful enactments or pronouncements of any federal, state, municipal, local or other lawful authority.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date above written.

Fresenius Medical Care Holdings, Inc.

Entities listed on Exhibit A

By: 

By: 

Name: Marc S. Lieberman
Assistant Treasurer

Name: PAUL COUTONIDO ASST TREASURER

Date: 1-1-04

Date: 7/7/04

CONTRIBUTION AGREEMENT

between

**FRESENIUS MEDICAL CARE GALESBURG, LLC
(the Company)**

and

**WESTERN ILLINOIS KIDNEY CENTER, LLC
(the Contributor)**

and

THE MEMBERS OF THE CONTRIBUTOR

and

**FRESENIUS MANAGEMENT SERVICES, INC.
(FMS)**

Dated September 13, 2012

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CONTRIBUTION AGREEMENT

This **CONTRIBUTION AGREEMENT**, dated September 13, 2012, is between **Fresenius Medical Care Galesburg, LLC**, a Delaware limited liability company (the "**Company**"); and **Western Illinois Kidney Center, LLC**, an Illinois limited liability company (the "**Contributor**"), the Members of the Contributor, **Galesburg Hospital Corporation**, an Illinois corporation ("**GHC**"), and **Partha Srinivasan, M.D.**, an individual residing in the State of Illinois ("**Srinivasan**" and with **GHC**, each a "**Member**" and collectively, the "**Members**"), and, solely with respect to **ARTICLE IV** and **Sections 6.1, 6.9 and 7.5, Fresenius Management Services, Inc.**, a Delaware corporation ("**FMS**").

Background Statement

The Contributor owns and operates a hemodialysis center located at 765 N. Kellogg Street, Galesburg, Illinois 61401 (the "**Clinic**"). The Contributor is engaged in the business of providing chronic outpatient dialysis services at the Clinic and supporting a home dialysis program (collectively, the "**Business**").

The Contributor desires to contribute to the Company, and the Company desires to acquire and accept from the Contributor, substantially all of the assets of the Contributor used in the Business, all on the terms and conditions set forth in this Agreement.

As consideration for contribution of the assets of the Business, the Contributor will receive one hundred percent (100%) of the membership units of the Company, as set forth herein. Concurrently with the closing of the transactions contemplated herein, as described in more detail in the Limited Liability Company Agreement of the Company among the Company, Fresenius Medical Care Ventures of Illinois, LLC, a Delaware limited liability company ("**FMCIL**") and Srinivasan (the "**Operating Agreement**"), in a simultaneous series of transactions, Srinivasan shall exchange his interest in Contributor for a ten percent interest in the Company and FMCIL shall acquire from Contributor the remaining ninety percent (90%) of its interest in the Company.

Statement of Agreement

In consideration of the premises and the mutual covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their heirs, successors and assigns, agree as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

1.1 Defined Terms. Except as otherwise specifically provided herein, the following terms shall have the meanings indicated below:

"**Accounts Receivable**" means, any and all amounts due and owing to the Contributor in connection with the Business, as the term "accounts receivable" is understood under GAAP, including all such amounts described for the Contributor in the Financial Statements as accounts

receivable, notes receivable, or receivables from officers, Employees or equityholders. Further, Accounts Receivable shall include all charges for dialysis and related services performed prior to the Effective Time, but not billed as of the Effective Time and any Epogen® rebates due to the Contributor for Epogen® inventory provided to patients by the Contributor prior to the Effective Time. For the avoidance of doubt, any Epogen® rebates related to Epogen inventory acquired by Company as of the Effective Date shall not be included in accounts receivable.

“Affiliate” means, with respect to any Person, each of the Persons that directly or indirectly, through one or more intermediaries, owns or controls, or is controlled by or under common control with, such Person. For the purpose of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” means this agreement, as amended or supplemented in accordance with the terms hereof, together with all Exhibits and Schedules attached hereto or incorporated herein by reference.

“Assumed Contracts” has the meaning set forth in **Section 2.2(h)**.

“Assumed Liabilities” has the meaning set forth in **Section 2.4(a)**.

“Business” has the meaning set forth in the Background Statement to this Agreement.

“Business Day” means any day excluding Saturday, Sunday and any day that shall be a legal holiday in the state where the Clinic is located.

“Certificate of Need” means the certificate of need permit granted by the Health Facilities Planning Board and required by the State of Illinois for the operation of the Business

“Clinic” has the meaning set forth in the Background Statement to this Agreement.

“Closing” has the meaning set forth in **Section 3.1**.

“Closing Date” means the date that the Closing takes place.

“CMS” means the Centers for Medicare and Medicaid Services, a division of the United States Department of Health and Human Services.

“COBRA” has the meaning set forth in **Section 6.1(c)**.

“Code” means the Internal Revenue Code of 1986, together with the regulations thereunder, in each case as in effect from time to time.

“Company” has the meaning set forth in the introductory paragraph of this Agreement.

“Company Damages” has the meaning set forth in **Section 9.2**.

“Company Indemnified Parties” has the meaning set forth in **Section 9.2**.

“Compliance Program” means a provider compliance program of the type described in the compliance guidance published by the Office of Inspector General of the Department of Health and Human Services.

“Consideration” has the meaning set forth in **Section 3.1**.

“Contract” means any legally binding obligation or agreement that relates to the Business to which the Contributor is a party, in each case whether or not reduced to writing, and specifically including any note, bond, mortgage, lease of real or personal property, license and other instrument.

“Contributed Assets” has the meaning set forth in **Section 2.2**.

“Contributor” has the meaning set forth in the introductory paragraph of this Agreement.

“Contributor Damages” has the meaning set forth in **Section 9.3**.

“Contributor Indemnified Parties” has the meaning set forth in **Section 9.3**.

“Dispute” has the meaning set forth in **Section 10.1**.

“Effective Time” means 12:01 a.m. on December 1, 2012.

“Employee” means an individual employed by the Contributor in the operation of the Business, including any individual employed on a full time, part time or temporary basis or leased from a third party.

“Employee Consent” means a consent by an Employee to the release of such Employee’s personnel files (or a complete copy thereof) to FMS and instructions regarding such Employee’s paid time off, in substantially the form of the Consent of Employee Regarding Transfer of Personnel Records and Paid Time Off attached hereto as **Exhibit 2.4(a)(ii)**.

“Employee Transition Date” has the meaning set forth in **Section 6.1(a)**.

“Employee Transition Period” has the meaning set forth in **Section 7.5(a)**.

“Environmental Laws” means any Legal Requirement relating to the protection of safety, human health or the environment, including any requirement pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of materials that are or may constitute a threat to human health or the environment. Without limiting the foregoing, each of the following is an Environmental Law: the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 *et seq.*), the Hazardous Material Transportation Act (49 U.S.C. § 5101 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), the Safe Drinking Water Act (42 U.S.C. § 300f *et seq.*), the Occupational Safety and

Health Act (29 U.S.C. § 651 *et seq.*) and the Atomic Energy Act (42 U.S.C. § 2011 *et seq.*), and each similar federal, state or local statute, and each rule and regulation promulgated under such federal, state and local laws.

"ERISA" means the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001, *et seq.*).

"ERISA Affiliate" means any trade or business, whether or not incorporated, under common control with the Contributor within the meaning of Section 414(b), (c), (m) or (o) of the Code.

"Excluded Assets" has the meaning set forth in **Section 2.3**.

"Excluded Contracts" has the meaning set forth in **Section 2.3(b)**.

"Excluded Liabilities" has the meaning set forth in **Section 2.4(b)**.

"Family Member" means any of (i) a Person's spouse, (ii) the natural or adoptive grandparents, parents, siblings, children or grandchildren of a Person or such Person's spouse, (iii) the stepparents, stepchildren, stepbrothers or stepsisters of a Person or such Person's spouse, (iv) the nieces, nephews, first cousins, aunts or uncles of a Person or such Person's spouse or (v) the spouse of any Person described in the foregoing clauses (i) through (iv).

"Financial Statements" means the balance sheets and statements of income, retained earnings and cash flows for the Contributor for the fiscal years ended December 31, 2010 and 2011 and for the sixth-month period ending June 30, 2012.

"Fixed Assets" means all equipment (including computer hardware and data processing and telecommunications equipment), machinery, furniture and furnishings, dialysis machines, home dialysis equipment, dialysis chairs, fixtures, tools, vehicles and other tangible personal property of every type, in each case that are used or useable in the Business, whether owned or leased, all contract rights with respect thereto, and all maintenance records and other documents relating thereto.

"FMCIL" has the meaning set forth in the Background Statement of this Agreement.

"FMS" has the meaning set forth in the introductory paragraph to this Agreement.

"GAAP" means generally accepted accounting principles as recognized by the American Institute of Certified Public Accountants, as in effect from time to time, consistently applied and maintained on a consistent basis for the applicable Person (or Persons on a consolidated basis, as the case may be) throughout the period indicated and consistent with such Person's prior financial practices.

"GHC" has the meaning set forth in the introductory paragraph of this Agreement.

"GHC Transfer" has the meaning set forth in **Section 6.11(c)**.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any municipal, local, city or county government, any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled, through capital stock or otherwise, by any of the foregoing in its capacity as such.

“Hazardous Material” means any substance or material meeting any one or more of the following criteria: (i) it is or contains a substance designated as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law; (ii) it is toxic, explosive, corrosive, reactive, ignitable, infectious, radioactive, mutagenic, dangerous or otherwise hazardous; (iii) its presence at some quantity requires investigation, notification or remediation under any Environmental Law or common law; (iv) it constitutes a danger, a nuisance, a trespass or a health or safety hazard to persons or property; or (v) it is or contains, without limiting the foregoing clauses (i)-(iv), asbestos, polychlorinated biphenyls, petroleum hydrocarbons, petroleum derived substances or waste, crude oil or any fraction thereof, nuclear fuel or waste, natural gas or synthetic gas, radon, medical waste or lead-based paint.

“Healthcare Governmental Authority” means any Governmental Authority, whether created under any federal, state or local statute or regulation, which governs or has oversight over the delivery or reimbursement of healthcare services, including CMS and fiscal intermediaries and other agents acting on behalf of CMS, and the health department or health licensing department of any federal, state or local Governmental Authority.

“Home Program Epogen” means any Epogen® owned by patients that was supplied to or on behalf of the patients in connection with the Business’ home program, but not yet administered to the patient.

“Inventory” means all inventories of goods, materials and supplies (including pharmaceuticals) usable or salable in the ordinary course of the Business, but specifically excluding Home Program Epogen.

“Knowledge of the Contributor” means the actual knowledge of Partha Srinivasan, M.D. or Loren Mendrk (Clinical Nurse Manager), after reasonable investigation.

“Leases” means the real property leases between the Company as tenant and the Contributor or any Affiliate of the Contributor as landlord, pursuant to which the Company shall lease the Real Property from the Contributor or such Affiliate after the Closing.

“Legal Requirement” means any statute, law, treaty, rule, regulation, Order, decree, writ, injunction or determination of any arbitrator or court or Governmental Authority applicable or binding upon the subject Person (including its business or the ownership or use of any of its assets), property or other asset.

“Liabilities” means all liabilities or obligations of any nature whatsoever, whether absolute or contingent, due or to become due, accrued or unaccrued, known or unknown, direct or consequential or otherwise.

“Liens” means any mortgages, claims, liens, security interests, pledges, escrows, charges, options or other restrictions or encumbrances of any kind or character whatsoever.

“Material Adverse Change” means any change, including any damage, destruction or other casualty loss, that is materially adverse to the financial condition, results of operations, assets, Permits or manner of conducting the business of (i) the Clinic or (ii) the Business, but excluding the effect of (i) changes in the economy of the United States or Knox County, Illinois, (ii) changes in any government or private payor programs generally applicable to operators of dialysis centers in the State of Illinois, and (iii) changes resulting from the public announcement of this Agreement or the pendency of the transactions contemplated hereby.

“Medicaid” means that means-tested entitlement program under Title XIX of the Social Security Act that provides federal grants to states for medical assistance based on specific eligibility criteria. (Social Security Act of 1965, Title XIX, P.L. 89-87; 42 U.S.C. 1396 et seq.).

“Medicare” means that government-sponsored entitlement program under Title XVIII of the Social Security Act that provides for a health insurance system for eligible elderly and disabled individuals. (Social Security Act of 1965, Title XVIII, P.L. 89-87 as amended, 42 U.S.C. 1395 et seq.).

“Members” has the meaning set forth in the introductory paragraph of this Agreement.

“Operating Agreement” has the meaning set forth in the Background Statement.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any Governmental Authority or arbitrator.

“PBGC” means the Pension Benefits Guaranty Corporation.

“Permits” means all licenses, permits, authorizations, registrations, certifications, certificates of occupancy, franchises and approvals of any nature issued by any Governmental Authority to the Contributor or the Business, including the Certificate of Need and that are related to or otherwise required for the operation of the Business.

“Permitted Liens” means: (i) Liens for current Taxes not yet due and payable, (ii) with respect to personal property only, Liens arising in the ordinary course of business for sums not yet due and payable, but not involving any borrowed money or the deferred purchase price for property or services, and (iii) Liens set forth in **Schedule 1.1**.

“Person” means an individual, partnership, corporation, limited liability company, trust, decedent’s estate, joint venture, joint stock company, association, unincorporated organization, Governmental Authority or other entity.

“Plan” means any employee pension, retirement, profit-sharing, stock bonus, incentive, deferred compensation, stock option, employee stock ownership, hospitalization, medical, dental, vacation, insurance, sick pay, disability, severance or other plan, fund, program, policy, contract or arrangement that relates to the Business, whether arrived at through collective bargaining or otherwise, providing employee benefits, including any “employee benefit plan” as that term is

defined in Section 3(3) of ERISA, currently or expected to be maintained or previously maintained at any time in the last five years by, sponsored in whole or in part by, or contributed to by the Contributor, for the benefit of employees, retirees, dependents, spouses, directors, independent contractors or other beneficiaries, whether created in writing, through an employee manual or similar document, or orally.

"Proprietary Rights" means all of the Contributor's copyrights, trademarks, patents, trade secrets, know-how and other intellectual property rights used in connection with the Business, whether registered or unregistered, whether or not reduced to practice, and whether owned or licensed, and all rights in websites and e-mail addresses owned by the Contributor and used in connection with the Business.

"Proprietary Software" has the meaning set forth under the definition of **"Software."**

"Purchase Right" has the meaning set forth in **Section 6.11(c).**

"Qualified Beneficiaries" has the meaning set forth in **Section 6.1(c).**

"Real Property" means the land, building and premises in which the Contributor or any Affiliate of the Contributor has an ownership interest and which is used in the operation of the Business.

"Requesting Party" has the meaning set forth in **Section 6.1.**

"Restricted Area" has the meaning set forth in **Section 6.11(a).**

"Restricted Period" has the meaning set forth in **Section 6.11(a).**

"Software" means:

(a) every computer software program (including operating systems, application programs, software tools, firmware and software embedded within any telecommunications, dialysis or other equipment, including both object code and source code versions thereof) or portion thereof that the Contributor uses in connection with the operation of the Business, including computer software programs purchased or licensed from third parties; and

(b) every computer software program that the Contributor (including its Employees and independent contractors) has designed or created, is in the process of designing or creating or proposes to design or create, and that is used in connection with the operation of the Business, including any modifications, enhancements and derivative works of any of the computer software programs described above in this definition.

That portion of the Software that is owned by the Contributor is referred to herein as the **"Proprietary Software,"** and that portion of the Software that is owned by any Person other than the Contributor is referred to herein as the **"Third-Party Software."**

"Srinivasan" has the meaning set forth in the introductory paragraph of this Agreement.

“Tax Return” means, with respect to any Person, any report, return or schedule attached to a return (or any combination thereof) required to be supplied by such Person to any Governmental Authority in connection with Taxes.

“Taxes” means all taxes, charges, fees, levies or other assessments (whether federal, state, local or foreign), including income, gross receipts, excise, property, estate, sales, use, stamp, value added, transfer, license, payroll, franchise, ad valorem, withholding, Social Security and unemployment taxes; and such term shall include any interest, penalties and additions to such taxes, charges, fees, levies or other assessments.

“Third-Party Software” has the meaning set forth under the definition of the term “Software.”

“Total Cost of Payroll” means the cost of: (i) gross wages and salary; (ii) employer payroll taxes; (iii) state and local taxes, including unemployment taxes and any sales and use taxes on wages and benefits; and (iv) employee benefits. Such payroll cost shall not be reduced for any paid time off used during the payroll period by Employees who are hired by FMS, but shall be reduced for any paid time off used during the payroll period by Employees not hired by FMS to the extent that such paid time off was accrued prior to the Effective Time.

“Transaction Agreements” means this Agreement and any other ancillary agreements and other documents required to be executed pursuant to this Agreement.

“Transfer Proposal” has the meaning set forth in **Section 6.11(c)**.

“Transition Payroll” has the meaning set forth in **Section 7.5(b)(iii)**.

“Transition Services” has the meaning set forth in **Section 7.5(b)(i)**.

“Units” means units of membership interests of the Company represented by a Unit, as such term is used and defined in the Operating Agreement.

1.2 Construction.

(a) The article and section headings contained in this Agreement are solely for the purpose of reference and convenience, are not part of the agreement of the parties and shall not in any way limit, modify or otherwise affect the meaning or interpretation of this Agreement.

(b) References to “Sections” or “Articles” refer to corresponding Sections or Articles of this Agreement unless otherwise specified.

(c) Unless the context requires otherwise, (i) the words “include,” “including” and variations thereof mean without limitation; (ii) the words “hereof,” “hereby,” “herein,” “hereunder” and similar terms refer to this Agreement as a whole and not any particular section or article in which such words appear; (iii) words in the singular include the plural, words in the plural include the singular, and words importing any gender shall be applicable to all genders; (iv) a term defined as one part of speech (such as a noun) shall have a corresponding meaning

when used as another part of speech (such as a verb); and (v) currency amounts referenced herein are in U.S. Dollars.

(d) Any reference herein to a statute, regulation or law shall include any amendment thereof, any successor thereto and any rules, regulations and published interpretations promulgated thereunder by Governmental Authorities.

(e) References to a number of days refer to calendar days unless Business Days are specified. Except as otherwise specified, whenever any action must be taken on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day.

ARTICLE II

CONTEMPLATED TRANSACTIONS

2.1 Contribution of Assets. On the terms and subject to the conditions of this Agreement, on the Closing Date, effective as of the Effective Time, the Contributor shall contribute, convey, assign, and deliver the Contributed Assets to the Company, and the Company shall acquire and accept the Contributed Assets from the Contributor, free and clear of any Liens of any nature except for Permitted Liens. On the Closing Date, the Contributor shall also deliver possession of the Home Program Epogen to the Company.

2.2 Contributed Assets. For purposes of this Agreement, the term “**Contributed Assets**” shall mean all of the assets, rights and properties used or useable in connection with the Business, including the following assets, rights and properties, but excluding the Excluded Assets:

- (a) all Fixed Assets;
- (b) all contracts with respect to any such Fixed Assets, including all service and warranty rights;
- (c) all Inventory;
- (d) all Permits that are transferable by law, with or without the consent of any Person (and to the extent any such Permits are not transferable, the Contributor shall forfeit such Permits and cooperate with the Company in obtaining replacements), including the Contributor's Medicare and Medicaid provider numbers and National Provider Identifier number used by the Business if the Company elects, in its sole discretion, to accept them;
- (e) all Proprietary Rights;
- (f) all Proprietary Software and rights in Third-Party Software that are assignable to the Company and that the Company chooses to assume at Closing;
- (g) all telephone numbers used in connection with the Business and all directory listings of such telephone numbers;

(h) all Contracts that are listed on **Schedule 2.2(h)** (collectively, the “**Assumed Contracts**”), and all rights of any nature whatsoever arising out of any such Assumed Contracts;

(i) all patient lists, patient appointment books and other medical records used or generated in connection with the Business, to the extent the transfer of such items is not prohibited by applicable law, with or without the consent of any Person;

(j) all other files, records, documents, data, plans, proposals and all other recorded knowledge of the Contributor used or generated in connection with the Business, referral sources, maintenance, service and warranty records, equipment logs, operating guides and manuals, financial and accounting records, creative materials, advertising materials, promotional materials, studies, reports, correspondence and other similar documents and records, whether in written, electronic, visual or other form;

(k) all prepaid items relating to the Business, including all utility and security deposits, all of which are listed on **Schedule 2.2(k)**, and any contract rights arising therefrom;

(l) all rights to bill for all dialysis treatments and other services and products provided by the Business on and after the Effective Time, all rights to bill for all Home Program Epogen administered by the Business on or after the Effective Time, and all rights to all accounts receivable and proceeds thereof for such services, products, rebates and Home Program Epogen provided by the Business on or after the Effective Time;

(m) all claims and rights relating to the Contributed Assets or the Assumed Liabilities, whether choate or inchoate, known or unknown, contingent or noncontingent, including all claims and rights of the Contributor against third parties relating to the Contributed Assets or the Assumed Liabilities and including claims and rights under express or implied warranties; and

(n) the Business as a going concern, and all intangible property and goodwill associated with the Business.

2.3 Excluded Assets. Notwithstanding anything in **Section 2.2** to the contrary, the Contributed Assets shall not include any of the following assets, rights and properties of the Contributor (the “**Excluded Assets**”), all of which shall be retained by the Contributor:

(a) all cash, cash equivalents and short-term investments of cash;

(b) the rights arising under any Contracts that are not Assumed Contracts (the “**Excluded Contracts**”);

(c) any inter-company balances due to or from the Contributor or any Affiliate of the Contributor;

(d) any Real Property;

(e) all Proprietary Software and rights in Third-Party Software that is not assignable to the Company or that the Company chooses not to assume at Closing;

- (f) all income tax refunds and tax deposits;
- (g) all corporate minute books and Tax Returns of the Contributor;
- (h) any insurance policies;
- (i) any government payor agreement or Permit that is not transferable under applicable law;
- (j) any Home Program Epogen;
- (k) all rights to bill for all dialysis treatments and other services and products provided by the Business before the Effective Time, all rights to bill for all Home Program Epogen administered by the Business before the Effective Time, and all rights to all Accounts Receivable and all proceeds thereof for such services, products and Home program Epogen provided by the Business before the Effective Time; and
- (l) all rebates or refunds due to the Contributor relating to items or services purchased prior to the Effective Time; and
- (m) the assets, rights and properties, if any, specifically set forth on **Schedule 2.3(m)**.

2.4 Assumption of Liabilities.

(a) Assumed Liabilities. On the Closing Date, the Company shall assume, and shall thereafter timely pay and perform, the following obligations and liabilities of the Contributor (the “**Assumed Liabilities**”):

- (i) subject to **Section 6.2(b)**, the obligations arising after the Effective Time under the Assumed Contracts, except for any such obligations that arise from breaches of such Contracts occurring on or before the Closing Date or from breaches of such Contracts arising out of or relating to circumstances, events or occurrences existing on or prior to the Closing Date;
- (ii) the obligation for the accrued vacation pay as of the Effective Time for each Employee hired by FMS, but only to the extent consented to by the applicable Employees pursuant to Employee Consents;
- (iii) that portion of the obligations of the Contributor under all purchase orders for inventory as of the Effective Time that relates only to inventory that has not been delivered to the Contributor as of the Effective Time, so long as such purchase orders were entered into in the ordinary course of business, consistent with past practices; and
- (iv) the normal operating expenses of the Contributor relating to the Business and arising in the ordinary course of business consistent with past practices from the Effective Time through the Closing Date.

With respect to the vacation pay obligations assumed by the Company, the Company shall give each Employee hired by the FMS credit for up to 80 hours of such accrued vacation pay, and FMS shall pay any Employee with accrued vacation pay in excess of 80 hours an amount equal to the value of such excess time, calculated based on such Employee's base salary or hourly compensation in effect as of the Effective Time.

(b) Liabilities Not Assumed. Except for the Liabilities specifically assumed pursuant to and identified in **Section 2.4(a)**, the Company shall not assume, shall not take subject to and shall not be liable for, any Liabilities of any kind or nature, whether absolute, contingent, accrued, known or unknown, of the Business, the Contributor or any Affiliate of the Contributor (the "**Excluded Liabilities**"). Without limiting the foregoing, for any Employees that are not hired by FMS, the obligation for the accrued paid time off for such Employees will automatically become an Excluded Liability and Contributor will be reimbursed pursuant to a special bill of sale.

(c) Notwithstanding the foregoing, the Company and the Contributor acknowledge that, if the Company assumes the Contributor's Medicare and Medicaid provider numbers or its National Provider Identifier number, the Company may become liable to CMS with respect to any unreconciled payments, overpayments, duplicate payments, refunds, discounts, adjustments or other similar amounts due from the Contributor with respect to such provider numbers. As between the Company and the Contributor, the Contributor is ultimately responsible for satisfying such amounts, whether or not initially discharged by the Company, and shall satisfy such liabilities promptly, either by direct payment to CMS or by reimbursement to the Company, as applicable.

2.5 Post-Effective Time Receipts and Payments. All cash receipts received by the Contributor at any time in connection with the operation of the Business prior to the Effective Time shall be retained by the Contributor. All cash receipts received by the Contributor at any time in connection with the operation of the Business after the Effective Time shall be remitted promptly by the Contributor to the Company, and the Contributor shall be the Company's agent with respect to all such amounts and shall hold such amounts in trust for the Company until paid to the Company. All cash receipts received by the Company at any time in connection with the operation of the Business before the Effective Time shall be remitted promptly by the Company to the Contributor, and the Company shall be the Contributor's agent with respect of all such amounts and shall hold such amounts in trust for the Contributor until paid to the Contributor. In connection with the reimbursement of such expenses, whether on the Closing Date or thereafter, the Contributor shall provide to the Company written information in reasonable detail supporting such amounts, including a detailed payroll report supporting the amount of the total cost of Transition Payroll.

ARTICLE III

CONSIDERATION AND CLOSING

3.1 Consideration. In consideration of the transfer to the Company of the Contributed Assets and the covenants of the Contributor and its Members set forth herein, and

subject to the terms and conditions of this Agreement, the Company shall issue one hundred percent (100%) of the Units to the Contributor (the “**Consideration**”).

3.2 Closing. The closing of the contribution of the Contributed Assets and the consummation of the other transactions contemplated herein (the “**Closing**”) shall take place on a mutually agreed-upon Business Day by electronic mail, facsimile transmission, United States mail or overnight courier, or at such other time and manner as may be agreed to by both parties. The Closing shall be effective as of the Effective Time.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTOR AND THE MEMBERS

The Contributor represents and warrants to the Company, FMCIL and FMS the following:

4.1 Organization and Good Standing.

(a) The Contributor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois. The Contributor has full corporate power and authority necessary to enable it to own, lease or otherwise hold its properties and assets (including the Contributed Assets) and to carry on the Business as presently conducted. The Contributor is not required to be qualified to do business as a foreign entity in any other state, province or jurisdiction, and no other jurisdiction has given notice to the Contributor indicating that the Contributor should be so qualified.

(b) Each Member that is not an individual is duly organized, validly existing and in good standing under the laws of the state in which it was organized and has full power and authority necessary to enable it to own, lease or otherwise hold its properties and assets, including its interest in the Contributor.

4.2 Ownership of the Contributor. Schedule 4.2 sets forth the name of each Member and the membership interests of the Contributor owned by each of them. Except as set forth on Schedule 4.2, the Contributor has no membership interests issued and outstanding.

4.3 Authority Relative to this Agreement. Each of the Contributor and each Member has full corporate or other power and authority to execute, deliver and perform the Transaction Agreements to which it is a party and to consummate the transactions contemplated thereby. The execution, delivery and performance by each of the Contributor and each Member of the Transaction Agreements to which it is a party and the consummation of the transactions contemplated thereby by each have been duly and validly authorized by all necessary corporate or other action on its part. Each Transaction Agreement has been duly executed and delivered by the Contributor and each Member that is a party thereto and constitutes the legally valid and binding obligation of the Contributor and each such Member, enforceable against the Contributor and each such Member in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or other laws of general applicability affecting

creditors' rights and by general principles of equity that may limit the specific performance of particular provisions.

4.4 Consents and Approvals; No Violations.

(a) Except as set forth on **Schedule 4.4(a)**, there is no requirement applicable to the Contributor or any Member to make any filing with, or to obtain any permit, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated hereby.

(b) Except as set forth on **Schedule 4.4(b)**, the execution, delivery and performance of each Transaction Agreement by each of the Contributor and each Member that is a party thereto and the Contributor's and such Member's compliance with the terms thereof will not: (i) conflict with any provision of the articles of incorporation, bylaws or other governing documents of the Contributor or such Member; (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provision of any Contract to which the Contributor or such Member is a party, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and provided to the Company; (iii) violate any Permit; (iv) contravene, conflict with, violate, or give any Governmental Authority or other Person the right to challenge any of the transactions contemplated hereby or exercise any remedy (including revocation, withdrawal, suspension or modification of any Permit) or obtain any relief under, any Legal Requirement applicable to the Contributor or any Member; or (v) result in the creation or imposition of any Lien of any nature upon any of the Purchased Assets.

4.5 Contributed Assets.

(a) Tangible Assets. **Schedule 4.5(a)** lists, as of the Closing Date, each item of the Contributed Assets that is tangible personal property (other than Inventory and Home Program Inventory).

(b) Title. Except as set forth on **Schedule 4.5(b)**, the Contributor exclusively owns and has good, valid and marketable title to all of the Contributed Assets free and clear of all Liens except Permitted Liens.

(c) Sufficiency. The Contributed Assets constitute all of the assets, other than the Excluded Assets, used or held for use by the Contributor in connection with the operation of the Business.

(d) Inventory. All Inventory and Home Program Inventory is usable or saleable in the ordinary course of the Business. The Contributor will have on hand on the Closing Date in the Clinic usable dialysis supply inventory of all items in sufficient quantities to carry on the Business for at least 10 Business Days after the Closing Date.

(e) Clinic; Location. **Schedule 4.5(e)** lists the name and address of the Clinic. No tangible Contributed Assets are located at any location other than the Clinic.

(f) **Condition of Contributed Assets.** Except as expressly set forth in this Agreement, Contributor makes no representation or warranty (express or implied, oral or otherwise, including WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) with respect to the physical condition of the Contributed Assets. The Contributed Assets will be conveyed by the Contributor to the Company in "AS-IS" "WHERE-IS" condition.

4.6 Real Property. The Real Property identified on **Schedule 4.6** constitutes all of the land, buildings and premises used or occupied by the Contributor in connection with the Business.

4.7 Proprietary Rights and Software.

(a) **Schedule 4.7(a)** separately lists all of the registered Proprietary Rights.

(b) Except as set forth on **Schedule 4.7(b)**, (i) the Contributor owns or has a valid right to use all of the Proprietary Rights, free and clear of any Lien, and (ii) the Contributor has not granted any Person any right, license or interest whatsoever in any Proprietary Rights.

(c) **Schedule 4.7(c)** separately lists all Proprietary Software and all Third-Party Software.

(d) Except as set forth on **Schedule 4.7(d)**, (i) the Contributor has licenses to use all of the Third-Party Software that constitutes a Contributed Asset, and has the legal right to use all of such Third-Party Software in the manner that such Third-Party Software is currently being used in the Business, all without the payment of any additional royalties or other fees, now or in the future, to any other Person; (ii) the Contributor owns all right, title and interest in the Proprietary Software, including all of the Proprietary Rights therein; (iii) the Contributor has not entered into any agreement that limits or restricts its right to use, copy, modify, prepare derivatives of, sublicense, distribute or otherwise market all or any part of the Proprietary Software; and (iv) the Contributor has not sold, leased, licensed or otherwise distributed or marketed any Software to any third party during the last three years in connection with the Business.

(e) To the Knowledge of Contributor, the use by the Contributor of all of the Software that constitutes Contributed Assets and Proprietary Rights does not infringe the rights of any other Person. No claim has been asserted in writing by any Person (i) that such Person has any right, title or interest in or to, or any right to use, any of the Proprietary Rights; (ii) to the effect that any past or present act or omission by the Contributor infringes any rights of such Person to any Proprietary Rights; or (iii) that challenges the Contributor's right to use any of its Proprietary Rights or that seeks to deny, modify or revoke any registration or application therefor or renewal thereof.

4.8 Permits.

(a) **Schedule 4.8(a)** lists all of the Permits. The Permits constitute all of the licenses, permits, authorizations, registrations, certifications, certificates of occupancy, franchises and approvals of any nature from Governmental Authorities that are necessary to enable the

Contributor to own, lease or otherwise hold the Contributed Assets, to carry on the Business as presently conducted, and to receive private, state and federal government payment for furnishing dialysis treatments and related services at the Clinic.

(b) Except as set forth on **Schedule 4.8(b)**, (i) each Permit is in full force and effect; (ii) no violations of any Permit have occurred, or, to the Knowledge of the Contributor, has been alleged to have occurred; and (iii) no proceedings are pending or, to the Knowledge of the Contributor, threatened that would have the effect of revoking or limiting or affecting the transfer or renewal of any Permit.

4.9 Contracts.

(a) Each Contract existing as of the Closing Date is disclosed in **Schedule 4.9(a)**. A true, correct and complete copy of each such Contract has been delivered to the Company by the Contributor prior to the date of this Agreement.

(b) Each Assumed Contract is a legal, valid and binding obligation of the Contributor and is enforceable by the Contributor against the other party or parties to such Assumed Contract in accordance with its terms (except as its enforceability may be limited by applicable bankruptcy, insolvency or other laws of general applicability affecting creditors' rights and by general principles of equity that may limit the specific performance of particular provisions).

(c) To the Knowledge of the Contributor, there is no event of default or breach by any Person under any Assumed Contract. The Contributor has not received notice that the Contributor is in default under or in breach of any Assumed Contract or received notice of the termination of any such Assumed Contract. The Contributor has not given notice to any other party to any of the Assumed Contracts that such other party is in default thereunder or in breach thereof or given notice of the termination thereof.

(d) With respect to any and all Contracts (i) the Contributor is not a party to or has received notice of the commencement of any debarment proceeding or governmental investigation or action (including any civil investigative demand or subpoena under the False Claims Act (31 U.S.C. §3729, *et seq.*), Anti-Kickback Act (42 U.S.C. §1320a-7(b)), The Stark Law (42 U.S.C. §1395nn), Civil Monetary Penalties Law (42 U.S.C. §1320a-7(a)), Truth in Negotiations Act (10 U.S.C. §§2306 and 2306a) or otherwise), and (ii) the Contributor is in compliance with all Legal Requirements relating thereto.

(e) Except as disclosed in **Schedule 4.9(e)**, (i) the Contributor has the right to assign to the Company each of the Assumed Contracts to which the Contributor is a party without the consent of any Person and, upon such assignment at Closing in the manner contemplated by this Agreement, the Company shall have all of the rights of the Contributor thereunder and (ii) no Assumed Contract to which the Contributor is a party may be terminated by any other party thereto as a result of the transactions contemplated by this Agreement.

4.10 Financial Statements. True, correct and complete copies of the Financial Statements are attached hereto as **Schedule 4.10**. Except as disclosed in **Schedule 4.10**, the Financial Statements have been prepared in accordance with GAAP applied on a consistent basis, and such Financial Statements fairly present in all material respects the results of

operations and financial position of the Business for the periods and as of the dates set forth therein and are consistent with the books and records of the Contributor.

4.11 Books and Records. All the books and records of the Contributor generated or used in connection with the Business have been maintained in the ordinary course of the Business consistent with the past practices. The Contributor has records that accurately and validly reflect its transactions, and accounting controls sufficient to insure that such transactions are (i) executed in accordance with management's general or specific authorization and (ii) recorded in conformity with GAAP so as to maintain accountability for assets.

4.12 Taxes.

(a) No Taxes associated with the ownership or operation of the Business have been levied or assessed on the Contributor or upon its properties, nor otherwise required of the Contributor by any Governmental Authority. The Contributor has filed all Tax documents relating to the operation of the Business or the ownership of the Contributed Assets that are required by law to be filed. All such Tax documents are true, correct and complete in all material respects. There are no disputes pending in respect of, or claims asserted for, such Taxes upon the Contributor nor are there any pending or threatened audits or investigations or outstanding matters under discussion with any taxing authorities with respect to the payment of such Taxes or such Tax documents.

(b) There are no Liens for Taxes (except for Liens for taxes, assessments or other governmental charges not yet delinquent) on any of the Contributed Assets.

4.13 Liabilities. Except as set forth on **Schedule 4.13**, with respect to the Business and to the Knowledge of the Contributor, the Contributor has no material Liabilities that are of a type required to be disclosed or reflected on the Financial Statements in accordance with GAAP, except Liabilities that (x) are accrued or reserved against in the most recent Financial Statements, (y) were incurred after the date of the most recent Financial Statements in the ordinary course of business and consistent with past practices and are of the same type set forth on the most recent Financial Statements or (z) are the Contributor's obligations under the Contracts, excluding liability for breaches thereof.

4.14 Litigation. Except as disclosed on **Schedule 4.14**, there are no lawsuits, claims or legal, administrative or arbitration proceedings or investigations pending, or to the Knowledge of the Contributor, threatened, by or against or affecting the Contributor, any of the Contributed Assets or the Business, or seeking to enjoin the consummation of the transactions contemplated hereunder.

4.15 Compliance.

(a) The Contributor, in connection with the operation of the Business, is in compliance in all material respects with all applicable Legal Requirements, including all applicable safety, and equal opportunity laws (including affirmative action compliance), ERISA, the Stark Law (42 U.S.C. § 1395nn), the federal Anti-Kickback Law (42 U.S.C. § 1320a-7b), the administrative simplification section of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. §§ 1320d through d-8), the regulations contained in 45 C.F.R. Parts 160 and

164, the regulations contained in 45 C.F.R. Parts 160 and 162, the False Claims Act (31 U.S.C. § 3729, *et seq.*), and all similar state and local Legal Requirements, including applicable state privacy laws. The Contributor has not received any written communication from a Governmental Authority that alleges that it is not in compliance with any Legal Requirement in connection with its operation of the Business or informs the Contributor that it is under investigation by a Governmental Authority. The Contributor has delivered to the Company complete and accurate copies of all surveys, reports or deficiency notices concerning the Business for the past three years by the Medicare program, the Medicaid program, any state survey agency, or any accrediting body.

(b) To the Knowledge of the Contributor, the Contributor, in connection with the operation of the Business, has never been investigated, charged or implicated in any violation of any Legal Requirement involving false, fraudulent or abusive practices, including false or fraudulent billing practices, relating to its participation in state or federally sponsored reimbursement programs. The Contributor, in connection with the operation of the Business, has properly and legally billed all Governmental Authorities, intermediaries and third-party payors for services rendered and has maintained its records to reflect such billing practices. The Contributor has not engaged in any of the following in connection with the operation of the Business: (i) knowingly and willfully making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment under the Medicare or Medicaid program; (ii) knowingly and willfully making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment under the Medicare or Medicaid program; (iii) failing to disclose knowledge of any event affecting the initial or continued right to any benefit or payment under the Medicare or Medicaid program on its own behalf or on behalf of another, with intent to secure such benefit or payment fraudulently; (iv) knowingly and willfully soliciting, paying, or receiving any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind or offering to pay such remuneration (x) in return for referring an individual to a Person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid, or (y) in return for purchasing, leasing or ordering or arranging for or recommending the purchasing, leasing or ordering of any good, facility, service, or item for which payment may be made in whole or in part by Medicare or Medicaid; (v) presenting or causing to be presented a claim for reimbursement for services that is for an item or service that was known or should have been known to be (x) not provided as claimed, or (y) false or fraudulent; or (vi) knowingly and willfully making or causing to be made or inducing or seeking to induce the making of any false statement or representation (or omitting to state a fact required to be stated therein or necessary to make the statements contained therein not misleading) of a material fact with respect to (x) a facility in order that the facility may qualify for Healthcare Governmental Authority certification, or (y) information required to be provided under 42 USC §1320a-3.

(c) With respect to the Business, the Contributor has filed all filings of required cost, government or other reports required to be filed under the Medicare and Medicaid programs and state survey programs due prior to the Closing Date. There are no claims, actions, payment reviews, or appeals pending or, to the Knowledge of the Contributor, threatened before any commission, board or agency including any fiscal intermediary or carrier, the Administrator of CMS or any other Governmental Authority with respect to any Medicare or Medicaid claims

filed by the Contributor on or before the Effective Time or program compliance matters, which could adversely affect the Contributor, the Contributed Assets, the operation of the Business, or the consummation of the transactions contemplated hereby. No validation review or program integrity review related to the Business has been conducted by any commission, board or agency in connection with the Medicare or Medicaid program, and no such reviews are scheduled, pending or, to the Knowledge of the Contributor, threatened against or affecting the Business, any of the Contributed Assets, or the consummation of the transactions contemplated hereby.

(d) Neither the Contributor nor any of its employees, agents or contractors, in connection with the operation of the Business, nor any Member (i) has ever been excluded, suspended, debarred or otherwise ineligible to participate in any federal or state funded healthcare program nor, to the Knowledge of the Contributor, is any such exclusion or suspension threatened; or (ii) has ever been convicted of a criminal offense related to the provision of healthcare items or services.

(e) Neither the Contributor nor any of its Employees, contractors or agents, directly or indirectly, is currently participating in, has ever participated in, or is permitting or has ever permitted others to conduct any clinical research study at the Clinic or in connection with the Business.

(f) The Contributor (i) is not a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, (ii) has no reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority, (iii) to the Knowledge of the Contributor, has not been the subject of any government payor program investigation conducted by any Governmental Authority, (iv) to the Knowledge of the Contributor has not been a defendant in any *qui tam* or False Claims Act litigation, (v) has not been served with or received any search warrant, subpoena, civil investigative demand, contact letter or, to the Knowledge of the Contributor, telephone or personal contact by or from any federal or state enforcement agency (except in connection with medical services provided to third parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the Business), and (vi) to the Knowledge of the Contributor, has received any complaints (written, through the Contributor's compliance hotline, or communicated during employee interviews or otherwise) relating to the operation of the Business from Employees, independent contractors, vendors, physicians or any other person that would indicate that the Contributor has violated any Legal Requirement.

4.16 Labor and Employment Matters.

(a) **Schedule 4.16(a)** lists, with respect to each Employee, such Employee's name, position, current rate of compensation, and any entitlement to bonus, commission, severance or other additional compensation, and indicates whether any such Employee is on leave of absence, short-term disability or other similar status. **Schedule 4.16(a)** also lists each Employee's paid time off accrued as of the Effective Time and indicates the dollar values of such paid time off based on each Employee's base salary or hourly compensation as in effect as of the Effective Date. The Contributor is not delinquent in payments to any Employee for any wages, salaries, commissions, bonuses or other compensation for any services performed by such Employee or amounts required to be reimbursed to such Employee.

(b) The Contributor has delivered to the Company complete and accurate copies of each written employment, consulting, compensation, employee lease or similar agreement relating to the Business to which the Contributor is a party, all of which are listed on **Schedule 4.16(b)**. Except as disclosed on **Schedule 4.16(b)**, the Contributor, in connection with the Business is not a party to or bound by any written agreement, any employment manual, employment handbook, employment practice or policy constituting a contractual obligation, or any consent decree, court order or statutory obligation (i) for the employment of or provision of services by any individual who is not terminable by the Contributor without penalty upon 30 days' notice or less, (ii) with any labor union, or (iii) relating to the payment of any severance or termination payment, bonus or death benefit to any Employee or former employee or his or her estate or designated beneficiary. All employment manuals and employment handbooks that are applicable to the Employees are listed on **Schedule 4.16(b)**.

(c) The Contributor is not, and has never been, a party to any collective bargaining agreement covering any employees of the Business, and the Contributor has not recognized or received a demand for recognition of any collective bargaining representative with respect thereto. During the past three years, there have been no material labor strikes, disputes or work stoppages with respect to the Business and, to the Knowledge of the Contributor, no such actions are threatened against the Contributor.

(d) There are no loans or other obligations payable or owing to any Employees or to any officers or directors of the Contributor, except salaries, wages, bonuses and salary advances and reimbursement of expenses incurred and accrued in the ordinary course of business. No loans or debts are payable or owing by any such Persons or their Affiliates to the Contributor, and the Contributor has not guaranteed any of their loans or obligations.

(e) To the Knowledge of the Contributor, the Contributor, in connection with the operation of the Business, is in compliance in all material respects with all Legal Requirements relating to employment, denial of employment or employment opportunity and termination of employment, including Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866, 1871, and 1991, the Age Discrimination in Employment Act, ERISA, the Americans With Disabilities Act of 1993, the Family and Medical Leave Act, all as amended, and any other Legal Requirement relating to any condition of employment or employment discrimination.

(f) There is no controversy pending or threatened between the Contributor and any of its current or former officers, directors, supervisory personnel or any of its Employees.

(g) No Employee has informed the Contributor of his or her intention to terminate his or her employment or to refuse employment by FMS.

4.17 Employee Benefit Plans; ERISA.

(a) **Section 4.17** contains a complete and accurate list of all material benefit plans sponsored, maintained or contributed to by the Contributor in which any Employee participates or under which any such Employees are entitled to receive benefits ("Plans"), and any severance plans and agreements relating to the Employees. The Contributor does not have any commitment to create any additional material Plans or to modify or change any existing Plans in

any material respect, except as may be required by any change in law. The Contributor has made available to the Company all documents evidencing any Plans, including plan documents, trust agreements, insurance contracts and summary plan descriptions, as well as the most recently filed Annual Reports (Form 5500) for each Plan for which such a filing is required.

(b) Each Plan is now, and has been from its inception, fully funded and administered in compliance in all material respects with the provisions of all applicable laws and regulations, including ERISA, the Code and the ADEA, insofar as such statutes are applicable to such Plans. All returns, reports, disclosure statements, and premium payments have been timely filed, delivered, or paid, as applicable and as required by applicable law.

(c) The Contributor does not have any unfunded accrued liability to the IRS, the PBGC (other than for premiums that are not yet due), or any other Person in respect of any Plans. No Plan is a "multiemployer plan," within the meaning of Section 3(37) of ERISA.

(d) No reportable event, within the meaning of Section 4043 of ERISA, has occurred with respect to any Plans.

(e) No actions, suits, proceedings, audits, or claims pending or, to the Knowledge of the Contributor, threatened with respect to any Plans, other than routine claims for benefits.

4.18 Environmental Matters. Except as set forth in **Schedule 4.18:**

(a) The Contributor has handled, and currently handles, all Hazardous Materials, and has operated and maintained, and currently operates and maintains, the Business in compliance with all Environmental Laws. The Clinic is free of such Hazardous Materials as would require investigation, response, or remediation under applicable Environmental Law.

(b) No notice of violation, claim, lawsuit, agency proceeding or other legal, quasi-legal or administrative challenge or demand has been alleged, brought or, to the Knowledge of the Contributor, threatened or made concerning the Business, the operation of the Business or the use, storage, handling or existence of any Hazardous Material at the Clinic and regarding any claimed violation of Environmental Law or as would require investigation, response, or remediation under applicable Environmental Law.

(c) There have been no spills, discharges, releases, deposits or emplacements of any Hazardous Material at the Clinic or by the Business at any other location in violation of Environmental Law or as would require investigation, response or remediation under applicable Environmental Law.

(d) No Permit is required to operate the Business in compliance with Environmental Law.

(e) The Business has never been the subject of any assessment or audit to determine compliance with Environmental Law or to assess practices and policies with regard to the handling of Hazardous Materials.

4.19 Insurance.

(a) **Schedule 4.19(a)** lists all of the insurance policies maintained by the Contributor that insure the Business or the Contributed Assets as of the Closing Date, and for each indicates the insurer's name, policy number, expiration date, amount and type of coverage and whether such coverage is provided on an occurrence or claims-made basis. Complete copies of such insurance policies are attached as **Schedule 4.19(a)**.

(b) The Contributor is, and has been during the past three years of the Business, insured against the normal risks of the Business, including malpractice, product and general liability insurance in aggregate annual amounts of not less than those shown on **Schedule 4.19(a)**. The Contributor is not in default under any policy or bond. During the past three (3) years, the Contributor has timely filed claims with insurers with respect to all matters and occurrences relating to the Business for which the Contributor believes it has coverage. During the past three (3) years, the Contributor has not received any notification from any insurer regarding a policy that insures the Business or the Contributed Assets requiring any action of the Contributor that has not been taken by the Contributor.

(c) **Schedule 4.19(c)** lists all of the Contributor's accident reports and incident reports relating to the Business as well as information regarding any claims against its insurance policies relating to the Business or the Contributed Assets during the last three (3) years.

4.20 Absence of Changes or Events. Except as set forth on **Schedule 4.20**, since December 31, 2011, the Contributor has (a) not conducted the Business other than in the ordinary course consistent with past practices in substantially the same manner as presently conducted, with all reasonable efforts made consistent with past practices to preserve the goodwill of the Business and its relationships with the customers, suppliers and others with whom they deal in connection with the Business and to keep available the services of its officers and Employees; (b) not suffered any Material Adverse Change; or (c) not done any of the following in connection with the Business:

(i) except in the ordinary course of business or otherwise as necessary to comply with any minimum wage law, granted any increase in compensation to any of its Employees;

(ii) paid or agreed to pay any officer, Employee or agent any bonus, severance or termination payment;

(iii) made any change in any method of accounting or accounting practice or policy, or materially revised its accounting reserves;

(iv) acquired any assets that are material to the Business, except Inventory acquired in the ordinary course of business consistent with past practices;

(v) sold, leased, licensed or otherwise disposed of any of its assets previously used in the Business, except Inventory used or sold in the ordinary course of business consistent with past practices;

- (vi) created, or permitted to be created, any Lien on the Contributed Assets;
- (vii) entered into, canceled or modified any Assumed Contract (whether or not reduced to writing and specifically including any note, bond, mortgage, lease, license or other instrument) or assumed any Liability relating to the Business, other than in the ordinary course of business consistent with past practices;
- (viii) entered into any Contract outside of the ordinary course of business;
- (ix) adopted or amended any Plan;
- (x) agreed, whether in writing or otherwise, to do any of the foregoing.

4.21 Business Relationships. To the Knowledge of the Contributor, no material supplier intends to cease supplying goods or services or substantially reduce its supplies in relation to the Business, and no patient of the Business intends to, terminate or materially reduce his or her relationship with the Business, in either case as a result of the consummation of this Agreement.

4.22 Powers of Attorney. The Contributor has no outstanding powers of attorney or comparable delegations of authority relating to the operation of the Business.

4.23 Physicians. **Schedule 4.23** lists all physicians or groups of physicians attending or admitting patients to the Clinic.

4.24 Medicare Certification. The Clinic is certified under the conditions of coverage and participation in Medicare as an end stage renal disease facility providing the end stage renal disease services indicated on **Schedule 4.24**. **Schedule 4.24** contains true, correct and complete copies of all surveys, reports or deficiency notices concerning the Clinic by the Medicare program, any state survey agency, and the applicable state Medicaid programs for the last three years. The Medicare certifications of the Clinic are in full force and effect and no violation of the conditions and standards of coverage, participation or certification exists and no event or circumstance exists that with the giving of notice or passage of time would constitute a violation.

4.25 Overpayment. Except for any liability for credit balances that arise in the ordinary course of business and are consistent in type and amount with past experience of the Business, other than the credit balances listed on **Schedule 4.25**, the Contributor has no liability for any overpayment, duplicate payments, refunds, discounts or adjustments due to Medicare, Medicaid, Blue Cross Blue Shield, or any other reimbursement program, third-party payor or other Person in connection with the Business. **Schedule 4.25** also includes the past four quarterly Medicare/Medicaid credit balance reports in connection with the Business.

4.26 Capital Adequacy. The Contributor, both before and after giving effect to the transactions contemplated by this Agreement, will have sufficient capital with which to engage in its ongoing business and will have assets exceeding its liabilities on both a balance sheet and market value basis. The Contributor has not incurred, and will not knowingly incur, debts beyond its ability to pay as such debts mature. The Contributor has the intent and capacity to

discharge all of its current and anticipated obligations both before and after giving effect to the transactions contemplated hereby.

4.27 Commissions. No broker, finder or other Person is entitled to any brokerage fees, commissions or finder's fees in connection with the transactions contemplated hereby by reason of any action taken by the Contributor or any Affiliate thereof.

4.28 No Other Representations. Except for the representations and warranties set forth in this **Article IV**, the Contributor makes no other representations, written or oral, statutory, express or implied.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Contributor the following:

5.1 Organization and Qualification. 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 is duly qualified and in good standing as a foreign corporation in the State of Illinois and has full corporate power and authority necessary to enable it to own, lease or otherwise hold its properties and assets and to carry on its business following the Effective Time.

5.2 Authority Relative to this Agreement. The Company has full limited liability company power and authority to execute and deliver the Transaction Agreements to which it is a party and to perform its obligations under such Transaction Agreements and to consummate the transactions contemplated thereby. The execution, delivery and performance by the Company of the Transaction Agreements to which it is a party and the consummation by the Company of the transactions contemplated thereby have been duly and validly authorized by all necessary limited liability company or other action on the part of the Company. The Transaction Agreements to which the Company is a party have been duly executed and delivered by the Company and each such agreement constitutes the legally valid and binding obligation of the Company enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or other laws of general applicability affecting creditors' rights and by general principles of equity that may limit the specific performance of particular provisions.

5.3 Consents and Approvals; No Violations. The execution, delivery and performance by the Company of the Transaction Agreements to which it is a party and the Company's compliance with the terms thereof will not (i) conflict with any provision of the articles of incorporation or bylaws of the Company, or (ii) violate any Legal Requirement.

5.4 Litigation. There is no lawsuit, claim, or legal, administrative or arbitration proceeding or investigation pending or, to the knowledge of the Company, threatened by or against or affecting the Company seeking to enjoin the consummation of the transactions contemplated hereby.

5.5 Commissions. No broker, finder or other Person is entitled to any brokerage fees, commissions or finder's fees in connection with the transactions contemplated hereby by reason of any action taken by the Company or any Affiliate thereof.

5.6 No Other Representations. Except for the representations and warranties set forth in this **Article V**, Company makes no other representations, written or oral, statutory, express or implied.

ARTICLE VI

COVENANTS OF THE CONTRIBUTOR AND THE MEMBERS

6.1 Employees.

(a) Following the Closing Date, the Contributor shall use commercially reasonable efforts to assist FMS in obtaining the employment of the Employees (other than physician Employees), and the Contributor shall cooperate with and shall make available to FMS on a prompt basis all information and documents as may be necessary to assist and coordinate the employment by FMS of such Employees. The Contributor acknowledges that FMS intends to hire on a date mutually agreeable to the Contributor and FMS, not later than January 1, 2013 (the "**Employee Transition Date**"), each of the Employees currently employed at the Clinic in positions with comparable levels of responsibility and compensation as such Employees have with the Contributor, or on other terms mutually acceptable to FMS and the applicable Employee, subject in the case of each Employee to (i) such Employee's acceptance of new terms and conditions of employment, including new compensation and benefits and employment policies, (ii) the receipt of a formal employment application, (iii) such Employee agreeing to the release of his or her personnel files to FMS prior to the Employee Transition Date pursuant to an executed Employee Consent, (iv) the receipt of a negative result from a pre-employment drug screen test, such test to be performed at FMS's expense, (v) such Employee never having been excluded, suspended, sanctioned or otherwise restricted from participating in any federal or state health care programs, including Medicare or Medicaid and (vi) the satisfaction of FMS's other usual requirements for employment (including a criminal background check). To the extent such Employees are hired by FMS, the hire date shall be the Employee Transition Date. FMS shall treat service by Employees it hires from their date of hire by the Contributor as service with FMS for determining length of service for purposes of vesting in benefits offered by FMS to its employees. Nothing herein shall be deemed to create any third-party beneficiaries of this Agreement or to constitute an employment agreement or offer of employment.

(b) On the Employee Transition Date, the Contributor shall terminate the employment of all of its Employees who receive offers of employment from FMS. Except with respect to the paid time off being assumed by the Company pursuant to **Section 2.4(a)(ii)**, the Contributor shall be responsible for paying all benefits accrued by Employees under the Contributor's Plans, and FMS shall not be liable to any Employee or any other Person for any severance obligations, benefit obligations or any other similar obligations owing by the Contributor in connection with the termination of any Employee's or other Person's employment with the Contributor.

(c) With respect to any current or former Employee of the Contributor who (including any eligible spouse and dependent thereof) is currently covered under any group health plan (as defined in ERISA Section 607) of the Contributor or one of its respective ERISA affiliates and incurs a qualifying event, as defined by Code Section 4980B or Part 6 of Subtitle B of Title I of ERISA (“**COBRA**”), as a result of the transactions contemplated by this Agreement, whether or not hired by the Company, or who, regardless of whether currently covered under any group health plan of the Contributor or one of its respective ERISA affiliates, incurred or incurs a qualifying event prior to the Closing Date (all such Employees together with their spouses and eligible dependents being referred to herein as “**Qualified Beneficiaries**”), the Company shall assume the obligation for providing notices and continuation coverage under COBRA and shall offer such Qualified Beneficiaries continuation coverage under the Company’s group health, dental or other medical plans to the fullest extent required by COBRA.

6.2 Nontransferable Assets.

(a) Nothing in this Agreement requires a transfer or assignment of any Assumed Contract or other Contributed Asset if such transfer or assignment would violate any Legal Requirement. The Contributor agrees to forfeit and cooperate with the Company in obtaining the substantial equivalent of any government payor agreement or Permit that is not transferable under applicable Legal Requirements (including the same provider numbers currently used by the Clinic). If the consent of any third party is necessary in order to transfer to the Company any medical records intended to be transferred hereunder as contemplated in **Section 2.2**, the Contributor shall exercise commercially reasonable efforts to obtain such consents and provide them to the Company at the Closing. To the extent any such consent is not obtained and provided at the Closing, the Contributor shall, unless otherwise prohibited by law, provide the Company copies of the subject medical records at the Closing and shall exercise commercially reasonable efforts to obtain such consent promptly after the Closing.

(b) If any Contract intended to be assigned to the Company hereunder, or if any other property or right included in the Contributed Assets, is not assignable or transferable, either by virtue of the provisions thereof or under applicable Legal Requirements, without the consent of some other party or parties, and any such consent is not obtained and provided to the Company on or prior to the Closing Date, the Contributor shall, if requested by the Company: (x) use commercially reasonable efforts to obtain such consent as soon as possible after the Closing Date, (y) assign such Contracts or other property or rights included in the Contributed Assets to the Company on the effective date for any consent, and (z) until such consent is obtained, enter into any reasonable arrangement with the Company (including subcontracting, in the case of Contracts) that is designed to give the Company the practical benefit of such Contract or other property or right, without any additional cost to the Company, including enforcing for the Company’s benefit any or all rights of the Contributor against the third party arising out of a breach or cancellation by the third party or otherwise.

6.3 Post-Closing Payments. The Contributor shall promptly and in due course pay and fully discharge all Excluded Liabilities, including any amounts owed to Employees.

6.4 Sales Taxes. The Company shall pay all real and personal property transfer Taxes, if any, including all sales, use and other similar Taxes, if any, imposed on it in connection

with the contribution or transfer of the Contributed Assets to, and the assumption of the Assumed Liabilities by, the Company pursuant to this Agreement.

6.5 Reports. The Contributor agrees to cooperate with the Company in preparing and filing all required cost, government or other reports required under Medicare, Medicaid and state survey programs due for the period after the Effective Time, and the Company shall make all such filings required for the period after the Effective Time. The Contributor shall file its closing CMS Form 265, other cost report documents or any other documents for the period prior to the Effective Time within the time required by CMS at the Contributor's sole expense. The Contributor shall provide to Company copies of all such documents when filed.

6.6 Transition Plans and Services. In order to minimize any disruption to the operation of the Business in connection with the transition of its ownership to the Company, and to minimize any inconvenience to the patients and suppliers of the Business during such time:

(a) The Contributor agrees to cooperate with the Company in developing and preparing specific transition and integration plans to assure continued quality of care and operating effectiveness following the Closing Date, including but not limited to a plan to ensure that the Company does not experience an interruption in reimbursement from Medicare after the Closing Date.

(b) For a period of ninety (90) days after the Closing Date, the Contributor shall leave in place at the Clinic (or, if applicable, at their current off-site locations), in an operating condition (i) the current telephone systems used at the Clinic (including the telephone equipment and the telephone numbers), (ii) all software currently used at the Clinic, installed on the computers and other equipment to allow it to be used in the ordinary course of the operation of the Clinic, (iii) the clinical systems and related equipment currently used at the Clinic, and (iv) other reasonable transition services as mutually agreed upon by the parties. The Company may use such equipment and software only in connection with the operation of the Clinic while the Company installs its own equipment and software. The Company shall notify the Contributor when the Company will no longer require the use of such equipment and software (which shall be within ninety days after the Closing Date), and thereafter the Company shall remove all copies of such software from its computers and shall cooperate with the Contributor in connection with the Contributor's removal of such equipment. The Contributor agrees to use commercially reasonable efforts to remove such equipment from the Clinic within ten days after the receipt of the Company's notice that it will no longer require the use of such equipment.

(c) Upon the Company's request, the Contributor shall continue to provide laboratory services to the Company with respect to the Clinic for a period of up to ninety (90) days after the Closing Date in the same manner, and at the same price, as such laboratory services are currently provided to the Clinic.

(d) The Contributor hereby grants the Company the right to use, on a transitional basis for up to ninety (90) days after the Closing Date, the Contributor's clinical and operating policies and procedures manuals that are currently located at the Clinic. Such policy manuals shall remain at the Clinic at all times and shall be used by the Company only in connection with the ordinary operations of the Clinic and for no other purpose. Promptly following the

Company's termination of the use of such manuals, such policy manuals shall either be destroyed or, at the request of the Contributor, returned by overnight courier service to an address provided by the Contributor.

6.7 Contributor's Dissolution. The Contributor shall not dissolve, wind-up or liquidate without the prior consent of the Company during the two-year period following the Closing.

6.8 Insurance Coverage. The Contributor shall not terminate, waive or otherwise impair any of its rights with respect to any insurance policy providing coverage for the Business with respect to events that occurred prior to the Closing Date without the written consent of the Company, which shall not be unreasonably withheld or delayed. In addition, the Contributor shall maintain in force and effect for five years after the Closing Date health care services professional liability coverage affording malpractice, product and general liability insurance with an insurance carrier with an A.M. Best rating of at least A VIII, with limits of liability of at least \$3,000,000 per loss and \$5,000,000 annual aggregate, naming the Contributor as an insured and covering all of malpractice, product and general liability risks arising out of the Contributor's operation of the Business on or before the Closing Date. The Contributor shall deliver to the Company at the Closing and on each of the four successive anniversaries of the Closing Date a certificate of insurance evidencing the insurance coverage required hereby.

6.9 Non-Solicitation of Employees. The Contributor and each Member agree that the Contributor and FMS have invested substantial time and effort in assembling and training their present staffs and personnel, including the Employees. In addition, as a result of employment by FMS, such personnel will gain knowledge of the business affairs, marketing, patients and methods of operation of the Business and FMS that the Contributor and each Member agree are confidential information and trade secrets of the Business and FMS. Accordingly, throughout the one-year period following the Closing Date, neither the Contributor, nor any Affiliate of the Contributor, nor any Member shall, at any time, directly or indirectly solicit, encourage, entice or induce for employment any Employee or take any action which results in the termination of employment or other arrangements between FMS and such Employee or otherwise interferes with such employment; provided, however, that the foregoing shall not prohibit general advertisements, posting of job notices and job fairs by the Contributor, any Affiliate of the Contributor, or any Member, or the hiring of any Employee as a result of such actions.

6.10 Non-Disclosure. The Contributor and the Members acknowledge that in the course of owning and operating the Business, the Contributor and the Members have become privy to various proprietary information of the Business that is of value to the Company. The Contributor and each Member agree not to use or to disclose to any Person any confidential information or trade secrets relating to the Contributor or the Business, including information regarding the identity and relationships of patients, employees, physicians or vendors affiliated with or relating to the Business; financial data, including pricing information and information regarding the compensation of employees and independent contractors (including medical directors); regulatory approval, reimbursement, and market expansion strategies; marketing and sales programs and data; and operations and other manuals. Notwithstanding the foregoing, the Contributor and the Members may disclose such information to the extent that such disclosure is

reasonably required in connection with or pursuant to (i) a subpoena or court order, (ii) any investigation or audit by a Governmental Authority, including the Internal Revenue Service or CMS, (iii) the filing of any Tax Returns, (iv) any billing activities related to the Business, or (v) the rendering or reimbursement for any medical services rendered by the Business prior to the Closing Date. In all such cases, the disclosing party shall disclose such information only to the extent reasonably required to fulfill such purpose or Legal Requirement. If any party bound hereby becomes legally compelled to disclose any such confidential information, such person shall promptly notify the Company of such fact so that the Company may seek an appropriate remedy to prevent such production, and request the person demanding such production to allow the Company a reasonable period of time to seek such remedy.

6.11 Covenant Not to Compete; Purchase Right.

(a) The Contributor and each Member agree that, after the Closing, the Company and its Affiliates shall be entitled to the goodwill and going concern value of the Business and to protect and preserve the same to the maximum extent permitted by law. For this and other reasons and as an inducement to the Company to enter into this Agreement, for a period of eight years after the Closing Date (the “**Restricted Period**”), neither the Contributor nor any Member shall engage or otherwise participate in, directly or indirectly, either as principal, officer, director, agent, proprietor, shareholder, owner, partner, consultant, manager or employee, the ownership, management, operation or control of any hemodialysis facility, dialysis business, or home dialysis training, support, or supplies service business within 25 miles of the Clinic (the “**Restricted Area**”); provided, however, nothing herein shall prevent GHC from providing inpatient dialysis services in a GHC-owned hospital in Galesburg, Illinois.

(b) Notwithstanding anything to the contrary in this **Section 6.11**, the parties acknowledge and agree that this **Section 6.11** (i) shall not limit any Member from engaging in the practice of medicine and charging fees for administering such professional medical services to patients, (ii) shall not require any Member to admit individuals to, or refer any other business to, the Company, any facility of the Company, or its Affiliates, (iii) shall not require any Member to prescribe, utilize or purchase any items or services from any facility of the Company, or its Affiliates and (iv) shall not restrict any Member from admitting individuals to any other dialysis facility, hospital or entity.

(c) Notwithstanding anything to the contrary in this **Section 6.11**, the parties acknowledge and agree that this **Section 6.11** shall not limit GHC from acquiring an interest in an outpatient chronic renal dialysis center or home dialysis program that is acquired indirectly as part of its direct acquisition of or affiliation with (whether by merger, member substitution, stock purchase, asset sale or otherwise) a hospital or health system provided that, during the Restricted Period, GHC (and any successor entity) shall give the Company and FMCIL successive rights of first offer to purchase (the “**Purchase Right**”) such operations prior to any sale or transfer (a “**GHC Transfer**”) (which contains appropriate information for the Company to assess and value the Purchase Right). At any time (but in all events no later than 60 days prior to any such GHC Transfer, GHC shall submit to the Company a written proposal (the “**Transfer Proposal**”) detailing the proposed terms of such GHC Transfer, together with a notice stating that the Company has 30 days to exercise its Purchase Right. GHC shall also present the Transfer

Proposal orally to the Company within ten Business Days after its request so long as such request is given no later than 30 days after delivery of the Transfer Proposal.

If, within 30 days after the delivery of the Transfer Proposal, the Company has not adopted resolutions authorizing the Company's exercise of the Purchase Right, including authorizing an expansion of the Company's purposes and the Exclusive Territory as stated herein and authorizing capital calls to fund such opportunity, and has not notified the GHC of its exercise of Purchase Right, then the Purchase Right shall transfer to FMCIL. If, within 60 days after the delivery of the Transfer Proposal, neither the Company nor FMCIL has notified GHC of its exercise of the Purchase Right, the Purchase Right shall terminate. If neither the Company nor FMCIL exercises the Purchase Right within such 60 day period, GHC shall be permitted to transfer such dialysis operation substantially in accordance with the Transfer Proposal so long as, the transfer is closed prior to the date 180 days after the expiration of the 120-day right of first refusal period. If such transfer does not close within that timeframe, then GHC must again offer the Purchase Right in accordance with this **Section 6.11(c)**, prior to proceeding with the Transfer Proposal.

6.12 Access to Patient Medical Records. The parties acknowledge some patient medical records are currently stored on GHC's premises. Following the Closing Date, the Contributor will cooperate with and use commercially reasonable efforts to assist the Company in the transfer of such medical records to a location chosen by the Company. The Company will have sixty (60) days to transfer the medical records to a new location and in the interim, GHC shall continue store such records in accordance with its document retention policies which shall not in any event be for a shorter period than the retention period required under applicable Legal Requirements with respect to such records. Following the Closing Date, the Company will maintain its patient medical records in accordance with its document retention policies, which shall not in any event be for a shorter period than the retention period required under applicable Legal Requirements with respect to such records. For so long as the Company maintains such patient medical records, the Company shall allow the Contributor, upon reasonable prior notice and during regular business hours, through its employees and representatives, the right, at the expense of the Contributor to examine and make copies of the patient medical records and to access such records by electronic means. Access to such patient medical records shall be at the Contributor's expense, and may not unreasonably interfere with the Company's business operations.

ARTICLE VII

MUTUAL COVENANTS

7.1 Authorizations. The parties will cooperate to comply with all applicable Legal Requirements and to obtain, deliver, transfer, or file (as the case may be), at the earliest practicable date, the Certificate of Need and all other consents, approvals, waivers, permits and notices with respect to any Person or Governmental Authority (including any public health, health planning and licensure authorities) that may be necessary for or required in connection with (i) the consummation of the transactions contemplated hereby, (ii) the operation or conduct of the Business by the Company after the Closing Date or (iii) the Company's obtaining provider numbers in the Company's name and the Company's obtaining its own provider agreements.

7.2 Access. At all times until the sixth anniversary of the Closing Date, each of the Contributor and the Company will permit the other, as requesting party ("**Requesting Party**") and its representatives (which term shall be deemed to include its independent accountants and counsel) to have reasonable access during normal business hours, upon reasonable notice and in such manner as will not unreasonably interfere with the conduct of the Business, to all of its respective properties, books, records, operating instructions and procedures, Tax Returns and all other information with respect to the Business as the Requesting Party may from time to time request, to make copies of such books, records and other documents, and to discuss the Business with such third Persons, including their respective directors, officers, accountants and counsel, as (i) the Company considers necessary or appropriate for the purpose of familiarizing itself with the Business, the Contributed Assets and the Assumed Liabilities, obtaining any necessary approvals of or permits for the transactions contemplated by this Agreement and management of the Business after the Closing and (ii) the Contributor considers necessary or appropriate for the purpose of obtaining any necessary approvals of or permits for the transactions contemplated by this Agreement, audits, compliance with governmental requirements and regulations and the prosecution or defense of claims.

7.3 Confidentiality.

(a) The parties further agree to keep the terms of this Agreement confidential and not to disclose the terms hereof to any third persons or entity, except to their consultants and advisors. In addition, the Company agrees to hold, and to cause its consultants and advisors to hold, in strict confidence all confidential and proprietary information concerning the Contributor and the Members furnished to the Company in connection with the transactions contemplated by this Agreement, and the Contributor and the Members agree to hold, and to cause their consultants and advisors to hold, in strict confidence all confidential and proprietary information concerning the Company and its Affiliates furnished to the Contributor and the Members in connection with the transactions contemplated by this Agreement, including information regarding the identity and relationships of employees, physicians and vendors; financial data, including pricing information and information regarding the compensation of employees and independent contractors (including medical directors); regulatory approval, reimbursement, and market expansion strategies; marketing and sales programs and data; and operations and other manuals; provided, however, that (a) nothing herein shall restrict the Company's use and disclosure of confidential and proprietary information concerning the Business or the Contributed Assets after the Closing Date; and (b) any party may disclose any such information (i) that is already public knowledge prior to such disclosure or subsequently becomes a part of the public domain through no breach of this Agreement; (ii) that such party had in its possession at the time of disclosure by the other party and that was not acquired directly or indirectly from such other party; (iii) that such party subsequently develops without any use of or reference to the other party's documents or information; or (iv) that such party subsequently acquires by lawful means from a third party without any obligation of confidentiality to that third party. In addition, the parties may disclose any of the foregoing information (including the terms of this Agreement and the other Transaction Agreements) (w) to the extent that, in the reasonable opinion of the disclosing party's legal counsel, such disclosure is required pursuant to a Legal Requirement, but in each such case only after the disclosing party has given prior written notice of the disclosure to the non-disclosing parties (x) if disclosed is in connection with any investigation or audit by a Governmental Authority, including the Internal Revenue Service or

CMS, or in connection with the filing of any Tax Returns; (y) if disclosed in connection with any regulatory filings made by any party in connection with the transactions contemplated by this Agreement, including filings made with respect to the assumption of the Contributor's Medicare and Medicaid provider numbers; or (z) that is necessary to be disclosed in connection with pursuing any legal action for remedies under, or asserting any defenses under, this Agreement. In all cases described in the preceding sentence, the disclosing party shall disclose information only to the extent required to fulfill such purpose or legal requirement. If any party bound hereby becomes legally compelled to disclose any confidential information pursuant to a Legal Requirement, such Person shall cooperate with the owner of such information (to the extent permitted by law) if the owner desires to seek an appropriate remedy to prevent such production. The Contributor and the Members acknowledge that the non-disclosure and confidentiality obligations set forth in this **Section 7.3** are in addition to the obligations set forth in **Section 6.10**.

(b) Following the Closing Date, the Company shall maintain the books and records included in the Contributed Assets in accordance with the Company's document retention policies from time to time, which shall not in any event be for a shorter period than the retention period required under applicable Legal Requirements with respect to such books and records. For so long as such books and records are maintained by the Company, the Company shall allow the Contributor, upon reasonable prior notice and during regular business hours, through its employees and representatives, the right to examine and make copies of the books and records transferred to the Company at the Closing for any reasonable business purpose relating to its business, including, without limitation, the preparation or examination of tax returns, regulatory filings and financial statements and the conduct of any litigation or the conduct of any regulatory, contract holder, participant or other dispute resolution whether pending or threatened. Access to such books and records shall be at the Contributor's expense, and may not unreasonably interfere with Company's or any successor company's business operations

7.4 Publicity. The Contributor and the Company shall coordinate all publicity relating to the transactions contemplated by this Agreement, and no party shall issue any press release, publicity statement or other public notice relating to this Agreement, or the transactions contemplated by this Agreement, without obtaining the prior consent of the Contributor and the Company, which consent shall not be unreasonably withheld or delayed, except to the extent that the Company and its legal counsel in good faith conclude such release, statement or notice is required by applicable Legal Requirements.

7.5 Employee Transition Period.

(a) During the period ("**Employee Transition Period**") from the Closing Date until and including the day immediately before the Employee Transition Date, the Contributor shall continue to employ the Employees, and FMS shall lease the Employees from the Contributor.

(b) The Contributor shall provide the following services (the "**Transition Services**") in support of FMS's lease of the Employees, and the following shall be applicable during the Employee Transition Period:

(i) **Terms of Employee Lease.** During the Employee Transition Period, the Employees shall be employees of the Contributor and not employees of FMS. The

Contributor shall be responsible for all matters related to the payment of federal, state and local payroll taxes, workers' compensation insurance, salaries and benefits for the Employees. The Contributor and FMS shall each comply with all applicable federal, state and local laws and regulations, including applicable laws and regulations concerning the confidentiality of patient records and information and the proper use and safety of the Business facilities. The Employees shall be directed by the Contributor to perform work in a manner that meets the clinical and performance standards established by FMS, and that conforms to FMS's policies, procedures, practices and rules with respect to the conduct of the Business. The Employees shall be subject to all of the Contributor's employment-related policies, as in effect from time to time (such as, policies relating to terms of employment and eligibility for employee benefits). The Contributor, as the employer, will have ultimate control over the Employees during the Employee Transition Period, including but not limited to, the right to terminate the employment of any Employee. Notwithstanding the foregoing, FMS may at any time request the removal of specific Employees if, in the good faith judgment of FMS, removal would be in the best interests of the operation of the Business. In such event, the Contributor will remove any such person within a reasonable time, subject to compliance with applicable personnel policies and procedures, applicable law, and the Contributor's ability to secure a replacement reasonably acceptable to FMS.

(ii) Payroll Services. The Contributor shall process the payroll for the Employees. FMS will reimburse the Contributor an amount equal to the Total Cost of Payroll for the Employees leased by FMS during the Employee Transition Period (a "**Transition Payroll**"). FMS shall remit payment for the Transition Payroll to the Contributor within a reasonable time after receipt of notice from the Contributor of the payment of the Transition Payroll. The Contributor shall also provide to FMS a detailed payroll report supporting the amount of the Transition Payroll identified by the Contributor in such notice.

(iii) Insurance and Benefits. The Contributor shall continue to provide the healthcare benefits (medical and dental), life insurance, long-term disability and accidental death and dismemberment insurance available to the Employees on the Closing Date. During the Employee Transition Period, FMS shall enroll the Employees hired by FMS in its own healthcare and other benefits programs, effective on the Employee Transition Date.

(iv) Insurance. The Contributor shall keep in full force and effect workers' compensation insurance and any other insurance policies concerning the Employees and shall administer all aspects relating to such insurance. During the Employee Transition Period, FMS shall purchase and maintain in full force and effect, the following types and amounts of insurance coverage, with an insurance carrier with an A.M. Best rating of at least B+, or another financially sound and reputable insurance company or association approved by the Contributor or a self-insured retention, and shall name the Contributor as additional insured on such policies during the Employee Transition Period: (i) commercial general liability insurance (including, but not limited to, personal injury and premises) in an amount not less than \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate; and (ii) professional liability insurance for the Employees leased by

FMS on a claims-made basis with limits of not less than \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate.

(v) Tax Reporting of Transition Payroll Services. For purposes of federal and state employee income and related tax filings (such as the reporting of amounts withheld from wages for income and employment taxes) the Contributor shall accurately report and remit such taxes to federal and state authorities as are due and payable for the Employee Transition Period. All compensation paid during the Employee Transition Period by the Contributor shall be reported, and related taxes remitted, to the tax authorities by the Contributor under its federal employer identification number.

(vi) Indemnification by the Company. The Company assumes the risk of all damage, loss, cost and expense associated in any way with the employment of, or rendering of services by, the Employees during the Employee Transition Period. The Company agrees to indemnify the Contributor and its Affiliates and assigns and to hold the Contributor and such Affiliates and assigns harmless from and against any and all liabilities, damages, costs, compensation, losses, expenses, fines, penalties and attorneys' fees of any kind (collectively referred to as "**Losses**") that may accrue to or be sustained by the Contributor or such Affiliates or assigns on account of any claim, demand, charge, suit, action, investigation or proceeding made or brought against the Contributor or such Affiliates or assigns by any person or entity related to or arising from: (i) this **Section 7.5**; (ii) any other matter relating to the employment of the Employees by the Contributor during or relating to the Employee Transition Period (including claims arising out of tort, contract, equity, implied covenant, invasion of privacy, defamation, personal injury, wrongful discharge, emotional distress, discrimination (whether based on race, sex, age, color, national origin, religion, disability or any other class protected by law), harassment, retaliation, occupational safety and health claims, work related injuries, claims for workers' compensation benefits, claims for insurance or other employee benefits, claims for wages, any claim, under the Age Discrimination in Employment Act (29 U.S.C. §621 et. seq.), the Civil Rights Act (42 U.S.C. §1981), Title VII of the Civil Rights Act of 1964 (42 U.S.C. §2000e et. seq.), the Civil Rights Act of 1991 (42 U.S.C. §1981(a) et. seq.), the Americans With Disabilities Act (42 U.S.C. §12101, et. seq.), ERISA or the Family Medical Leave Act (29 U.S.C. §2601 et. seq.), any claim under the Fair Labor Standards Act of 1938 (29 U.S.C. §201 et. seq.), the Rehabilitation Act of 1973 (29 U.S.C. §701 et. seq.), any claim under common law and any claim under any federal, state or local statute, regulation, constitution, order or executive order); (iii) the ownership or operation of the Clinic or any other location at which Employees perform services pursuant to this **Section 7.5**; and (iv) the Company's failure to comply with any of its obligations hereunder. This indemnification also expressly includes any claim for attorneys' fees, expert witness fees, medical expenses, costs, actual damages, compensatory damages, statutory damages, common law damages, penalties or any other type of damages. Notwithstanding the foregoing, the Company's indemnification obligations pursuant to this **Section 7.5(vi)** shall not apply to the extent of any liabilities, damages, costs, compensation, losses, expenses, fines, penalties or attorneys' fees arising out of or resulting from the Contributor's gross negligence or willful misconduct or breach of this **Section 7.5**; provided, however, that the gross negligence or willful

misconduct of the Employees shall not be deemed to be the gross negligence or willful misconduct of the Contributor.

(vii) Indemnification by the Contributor. The Contributor agrees to indemnify the Company and its assigns, and to hold the Company and such assigns harmless from and against any and all Losses that may accrue to or be sustained by the Company or such assigns on account of any claim, demand, charge, suit or action made or brought against the Company or such assigns by any person or entity arising out of or resulting from the Contributor's gross negligence or willful misconduct or breach of this **Section 7.5**; provided, however, that the gross negligence or willful misconduct of the Employees shall not be deemed to be the gross negligence or willful misconduct of the Contributor.

(viii) Limitation of Liability. Neither the Contributor nor the Company shall have any liability for consequential, special, incidental or punitive damage incurred by the other party or any of its Affiliates or any third party (even if any such party has been advised of the possibility of such damages), whether based on contract, tort or any legal theory, arising out of or related to this **Section 7.5** or the transactions contemplated herein; provided, however, the limitations contained in this **Section 7.5** shall not apply to the extent of any payments which are required to be made to a third party (other than any third party which is an Affiliate of any party hereto).

ARTICLE VIII

CLOSING CONDITIONS

8.1 Closing Conditions of the Contributor. The obligations of the Contributor and the Members to effect the transactions contemplated hereby shall be subject to the fulfillment of the following conditions, any one or more of which may be waived by the Contributor:

(a) Each representation and warranty of the Company contained in this Agreement shall be true and correct in all material respects as of the Closing Date. The Company shall have performed and complied with in all material respects all of its covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing. The Contributor shall have received a certificate to the matters set forth in this **Section 8.1(a)** signed on behalf of the Company by an authorized officer.

(b) All documents required to have been delivered by the Company to the Contributor at or prior to the Closing shall have been delivered, and all actions required to have been taken by the Contributor or the Members at or prior to the Closing shall have been taken.

(c) As of the Closing Date, the Contributor shall have received from the Company the following documents:

(i) a certificate of good standing of the Company from its state of organization and the state of Illinois as of a date reasonably close to (and in no event more than thirty days prior to) the Closing Date;

(ii) should any fact or condition require any change in a schedule to this Agreement prior to the Closing Date, a supplement to such schedule specifying such change; and

(iii) a copy of the resolutions of the Board of Managers of the Company authorizing the execution and delivery by the Company of this Agreement and all instruments and documents to be delivered by the Company in connection herewith, and the consummation by the Company of the transactions contemplated hereby and thereby, certified by a secretary or manager of the Company.

(d) The Contributor shall not be subject on the Closing Date to any order of a court of competent jurisdiction that enjoins or prohibits the consummation of the transactions contemplated by this Agreement, nor shall there be any proceeding pending or threatened by any Person other than a party to this Agreement that involves any challenge to, or seeks damages or other relief in connection with, any of the transactions contemplated hereby, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the transactions contemplated hereby.

8.2 Closing Conditions of the Company. The obligations of the Company to effect the transactions contemplated hereby shall be subject to the fulfillment of the following conditions, any one or more of which may be waived by the Company:

(a) Each representation and warranty of the Contributor contained in this Agreement shall be true and correct in all material respects as of the Closing Date, unless such representations and warranties are qualified by materiality, in which case such representations and warranties shall be true and correct in all respects as of the Closing Date. The Contributor shall have performed and complied with in all material respects all of its covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing. The Company shall have received a certificate to the matters set forth in this **Section 8.2(a)** signed on behalf of the Contributor by an authorized officer.

(b) All documents required to have been delivered by the Contributor to the Company at or prior to the Closing shall have been delivered, and all actions required to have been taken by the Contributor at or prior to the Closing shall have been taken.

(c) As of the Closing Date, the Company shall have received from the Contributor the following documents:

(i) certificates of existence and tax good standing of the Contributor from its state of incorporation, as of a date reasonably close to (and in no event more than thirty days prior to) the Closing Date;

(ii) a true, correct and complete copy of the articles of incorporation of the Contributor and all amendments thereto, certified by the state of incorporation of the Contributor;

(iii) a certificate from the Secretary or Manager of the Contributor that the articles of incorporation of such entity have not been amended since the date of the

certificate described in **subsection (ii)** above, and that nothing has occurred since the date of issuance of the certificates of existence and tax good standing specified in **subsection (i)** above, that would adversely affect the Contributor's corporate existence or good standing;

(iv) a true, correct and complete copy of the bylaws of the Contributor, certified by the Secretary or Manager of the Contributor;

(v) a copy of the resolutions of the Members and the Board of Directors, Board of Managers or similar governing body of the Contributor authorizing the execution and delivery by the Contributor of this Agreement and all instruments and documents to be delivered by the Contributor in connection herewith, and the consummation by the Contributor of the transactions contemplated hereby and thereby, certified by the Secretary or Manager of the Contributor;

(vi) a certificate from the Secretary or Manager of the Contributor as to the incumbency and signatures of its officers or managers who will execute documents at the Closing or who have executed this Agreement; and

(d) The Company shall have entered into the Operating Agreement with FMCIL and Srinivasan, on mutually satisfactory terms and conditions.

(e) The Lease shall have been assigned by the Contributor to the Company.

(f) The Contributor (or its Affiliates, as applicable) shall have entered into an agreement with the Company related to the provision of acute inpatient dialysis services, on mutually satisfactory terms and conditions.

(g) The Contributor shall have acquired all right, title and interest in and to any leased equipment used in connection with the Business, and such equipment shall be included in the Contributed Assets.

(h) All requisite consents and approvals of governmental bodies (including the Certificate of Need), lessors, lenders and other third parties shall have been obtained by the parties to permit the Company and the Contributor to consummate the transactions contemplated hereby and to permit the Company to own and operate the Business and the Clinic after the Closing.

(i) The Company shall not be subject on the Closing Date to any order of a court of competent jurisdiction that enjoins or prohibits the consummation of the transactions contemplated by this Agreement, nor shall there be any proceeding pending or threatened by any Person other than a party to this Agreement that involves any challenge to, or seeks damages or other relief in connection with, any of the transactions contemplated hereby, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the transactions contemplated hereby.

(j) The Company shall have received from the Contributor bills of sale and assignment agreements (including assignments with respect to leases and acute agreements), in

form and substance reasonably satisfactory to the Company, and such other documents, opinions and certificates that it may reasonably request, to effect the proper and effective conveyance of the Contributed Assets to the Company, free and clear of any Liens, other than Permitted Liens, and the consummation of the other transactions contemplated by this Agreement.

(k) The Company shall have received from the Contributor the results of a search of all filings made against the Contributor under the Uniform Commercial Code as in effect in any state in which the Contributor is domiciled or any assets of the Contributor are located, indicating that the Contributed Assets are free and clear of any Liens except for Permitted Liens and Liens for which UCC-3 satisfactory termination statements have been filed or delivered on or prior to the Closing Date.

ARTICLE IX

INDEMNIFICATION

9.1 Survival of Representations. All representations, warranties, covenants and agreements made by the parties herein or in any certificate or other document provided pursuant hereto shall survive the Closing, subject to the limitations set forth in **Section 9.6**. No warranty or representation shall be deemed to be waived or otherwise diminished as a result of (i) any due diligence investigation by the party to whom the warranty or representation was made, (ii) any actual or constructive knowledge by such party with respect to any facts, circumstances or claims or by the actual or constructive knowledge of such person that any warranty or representation is false at the time of Closing, or (iii) a party's consummation of the transactions contemplated hereby after waiving any of the conditions to its obligation to close (including the condition that the other party's representations and warranties be true and correct). All claims made by virtue of such representations, warranties, covenants and agreements shall be made under, and subject to the limitations set forth in, this **Article IX**.

9.2 The Contributor's and the Members' Agreement to Indemnify.

The Contributor and the Members hereby, jointly and severally, agree to indemnify, defend and hold harmless the Company and FMCIL and their Affiliates (collectively, the "**Company Indemnified Parties**") from and against all demands, claims, actions, losses, damages, liabilities, penalties, Taxes, diminutions in value, costs and expenses (including attorneys' fees, settlement costs, arbitration costs and any reasonable legal and other expenses for investigating or defending any action or threatened action) asserted against or incurred by any of the Company Indemnified Parties (collectively, "**Company Damages**") arising out of or in connection with or resulting from any of the following :

- (i) any misrepresentation, inaccuracy or breach of any representation or warranty of the Contributor or any Member contained in this Agreement or in any agreement or instrument executed and delivered pursuant to this Agreement;
- (ii) any breach or nonfulfillment of any covenant or agreement of the Contributor or any Member contained in this Agreement or in any agreement or instrument executed and delivered pursuant to this Agreement;

(iii) any Liability relating to the Contributor or the Business that is not an Assumed Liability,

(iv) subject to **Section 2.5**, any third-party claims arising out of the Business (or regarding the conduct of the Business) prior to the Effective Date, whether asserted before or after the Closing; or

(v) any claims by any Governmental Authority arising out of the Business (or regarding the conduct of the Business) prior to the Effective Time, whether asserted before or after the Closing.

9.3 The Company's Agreement to Indemnify.

The Company hereby agrees to indemnify, defend and hold harmless the Contributor, the Members and their Affiliates (the "**Contributor Indemnified Parties**") from and against all demands, claims, actions, losses, damages, liabilities, penalties, Taxes, diminutions in value, costs and expenses (including attorneys' fees, settlement costs, arbitration costs and any reasonable legal and other expenses for investigating or defending any action or threatened action) asserted against or incurred by any of the Contributor Indemnified Parties arising out of or in connection with or resulting from any of the following (collectively, "**Contributor Damages**"):

(i) any misrepresentation, inaccuracy, or breach, of any representation or warranty of the Company contained in this Agreement or in any agreement or instrument executed and delivered pursuant to this Agreement;

(ii) any breach or nonfulfillment of any covenant or agreement of the Company contained in this Agreement or in any agreement or instrument executed and delivered pursuant to this Agreement;

(iii) any Assumed Liability;

(iv) any third-party claims arising out of the operation of the Business (or regarding the conduct of the Business) after the Effective Time; or

(v) any claims by any Governmental Authority arising out of the operation of the Business after the Effective Time;

9.4 Procedure for Third-Party Claims.

(a) If any Person shall claim indemnification hereunder arising from any claim or demand of a third party, the party seeking indemnification (the "**Indemnified Party**") shall, within thirty days after receiving notice thereof, notify the party or parties from whom indemnification is sought (collectively, the "**Indemnifying Party**") in writing of the basis for such claim or demand setting forth the nature of the claim or demand in reasonable detail. Notwithstanding the foregoing, neither the failure of the Indemnified Party to so notify, nor any delay on the part of the Indemnified Party in so notifying, the Indemnifying Party of any such claim or demand shall relieve the Indemnifying Party of any indemnification obligation

hereunder in respect thereof, except to the extent the Indemnifying Party demonstrates that the defense of such claim or demand is materially prejudiced by such failure or delay (and then only to such extent).

(b) Upon receipt of the foregoing notice, the Indemnifying Party may undertake the defense of the claim or demand if (i) the Indemnifying Party provides written notice to the Indemnified Party that the Indemnifying Party intends to undertake such defense and that the Indemnifying Party will indemnify the Indemnified Party against all Company Damages or Contributor Damages, as applicable, resulting from or relating to such third-party claim pursuant to this **Article IX**; (ii) the third-party claim involves only money damages and does not seek an injunction or other equitable relief or involve Taxes of the Indemnified Party in any material respect; (iii) settlement of, or an adverse judgment with respect to, the third-party claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedent adverse to the continuing business interests of the Indemnified Party; and (iv) the defense of the third-party claim is conducted actively and diligently by legal counsel reasonably acceptable to the Indemnified Party. The Indemnified Party may, by counsel of its choice, participate in such proceedings, negotiations or defense, at its own expense. If one or more (but less than all) of the parties responsible for indemnifying an Indemnified Party hereunder agree to defend a third-party claim, the indemnifying party or parties not participating in the defense of the claim shall be bound by the acts and agreements of the indemnifying party or parties conducting the defense.

(c) If (i) notice is given to the Indemnifying Party of a third-party claim as contemplated above, and the Indemnifying Party does not, within 10 days after such notice is given, give notice to the Indemnified Party of its election to assume the defense of such Proceeding, or (ii) any of the conditions set forth in the first sentence of **Section 9.4(b)** above are or become unsatisfied, the Indemnified Party shall (upon notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such claim, and the Indemnifying Party shall reimburse the Indemnified Party promptly and periodically for the costs of defending the third-party claim (including reasonable attorneys' fees and expenses) and shall remain responsible for any indemnifiable amounts arising from or related to such third-party claim to the fullest extent provided in this **Article IX**. The Indemnifying Party may elect to participate in such Proceedings, negotiations or defense at any time at its own expense.

(d) If the Indemnifying Party assumes the defense of a third-party claim hereunder, (i) no compromise or settlement of the claims with respect thereto may be effected by the Indemnifying Party without the Indemnified Party's consent unless (x) there is no finding or admission of any violation of any Legal Requirement, and (y) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party.

(e) The parties shall cooperate in the defense of all third-party claims that may give rise to indemnification obligations hereunder. In connection with the defense of any such claim, each party shall make available to the party controlling such defense any books, records or other documents within its control that are reasonably requested in the course of such defense. The parties shall also keep one another reasonably apprised of the status of all third-party claims that may be subject to indemnification hereunder.

9.5 Bulk Sales Laws. The parties to this Agreement hereby waive compliance by the Contributor with the bulk sales law and any other similar laws in any applicable jurisdiction in respect of the transactions contemplated by this Agreement.

9.6 Limitations on Indemnification. Notwithstanding anything in this **Article IX** to the contrary:

(a) The Contributor and the Members shall have no liability under **Section 9.2(i)** unless and until the aggregate amount of the Company Damages under such subsection exceeds \$100,000 (the “**Deductible**”), after which the Indemnifying Party shall be obligated to indemnify only for the amount of the Company Damages that exceed the Deductible.

(b) The Contributor and the Members shall have no liability under **Section 9.2(i)** to the extent, and only to the extent, that the aggregate amount of the Company Damages under such subsection exceeds an amount equal to \$1,500,000; provided, that the foregoing limitation shall not apply to any breach of any representation or warranty set forth in **Section 4.1, 4.3, 4.5(b), 4.12, 4.25 or 4.27** or that, to the Knowledge of the Contributor, was inaccurate when made or at Closing, as to which the Contributor and the Members shall be liable in an aggregate amount up to \$6,570,000.

(c) No indemnification shall be required by the Contributor or the Members under **Section 9.2(i)** unless the Contributor shall have received notice of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by the Company on or before the date eighteen months after the Closing Date.

(d) Notwithstanding anything contained herein to the contrary, the Members’ liability under this **Article IX**, shall be several, based on the Member’s percentage interest in the Contributor as set forth **Schedule 9.6(d)** hereto.

9.7 Remedies Exclusive. The remedies provided in this **Article IX** are exclusive of any other remedies that may be available to any party, at law or in equity.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Arbitration. Every controversy or claim arising out of or relating to this Agreement or the breach thereof (a “**Dispute**”) shall be resolved by final and binding arbitration instituted and conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association, except to the extent such rules are modified or altered by this **Section 10.1**. All arbitration hearings shall be conducted in Chicago, Illinois. The statute of limitations applicable to any claim shall be determined as if such claim were being asserted in a state court in the State of Illinois, for all state law claims, and in a federal court in the State of Illinois, for all federal law claims, and such statute of limitations shall apply to preclude arbitration of any claim hereunder not brought within the applicable limitation period. The arbitrator(s) shall have the authority to award interest on any damages and shall award attorneys’ fees and costs to the prevailing party or parties. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. Notwithstanding anything herein to the contrary, any

Dispute concerning whether a matter is subject to arbitration hereunder, including a Dispute caused by the refusal of a party hereto to arbitrate, shall be resolved in a judicial proceeding commenced in court as prescribed in **Section 10.3**. Further notwithstanding anything herein to the contrary, the parties reserve the right to proceed at any time in any court having jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (i) all rights of self-help, including peaceful occupation of real property and collection of rents, set off, and peaceful possession of personal property, (ii) pre-judgment garnishment or attachment of property, (iii) a preliminary injunction or temporary restraining order to preserve the status quo or to enforce a party's rights under **Section 6.9, 6.10, 6.11 or 7.3** and (iv) when applicable, a judgment by confession of judgment. Preservation of these remedies does not limit the power of the arbitrator(s) to grant similar remedies that may be requested by a party in a Dispute. The agreement to arbitrate set forth in this **Section 10.1** may only be enforced by the parties to this Agreement and their permitted successors and assigns, shall survive the termination or breach of this Agreement, and shall be construed pursuant to and governed by the provisions of the Federal Arbitration Act, 9 U.S.C. §1, et seq.

10.2 Equitable Relief. The parties acknowledge that the restrictions set forth in **Sections 6.9, 6.10, 6.11 and 7.3** are necessary for the protection of the parties and that any breach thereof may cause the affected party irreparable damage, that the affected party's remedies at law in the event of such breach would be inadequate, and that, accordingly, the affected party shall be entitled to the issuance by a court of competent jurisdiction of an injunction in favor of the affected party enjoining the breach or threatened breach of such restrictions in the event of such breach. The foregoing provision shall not constitute a waiver of any other remedies any party may have in law or in equity. If any provision or restriction set forth in **Section 6.11** is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties hereto agree to modify such provision, or that the court making such determination shall have the power to modify such provision, to reduce the duration or area of such provision or both, or to delete specific words or phrases herefrom ("**blue-penciling**"), and, in its modified, reduced or blue-penciled form, such provision shall then be enforceable and shall be enforced.

10.3 Jurisdiction, Venue and Service of Process. Subject to **Section 10.1**, if any party commences a lawsuit or other proceeding relating to or arising from this Agreement, the parties hereto agree that the state and federal courts of Illinois shall have sole and exclusive jurisdiction over any such proceeding. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

10.4 Remedies. Unless otherwise stated herein, to the extent permitted by law, all rights and remedies existing under this Agreement and any related agreements or documents are cumulative to, and not exclusive of, any rights or remedies otherwise available under applicable law.

10.5 Attorneys' Fees. In the event of any action for the breach of this Agreement or misrepresentation by any party, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses incurred in such action. Attorneys' fees incurred in enforcing any judgment in respect of this Agreement are recoverable as a separate item. The preceding sentence is intended to be severable from the other provisions of this Agreement and to survive any judgment and, to the maximum extent permitted by law, shall not be deemed merged into any such judgment.

10.6 Regulatory Matters. The Consideration to be paid by the Company to the Contributor for the contribution of the Contributed Assets and the covenants of the Contributor and the Members hereunder has been determined by the parties through good-faith and arms-length bargaining to be the fair market value of the Contributed Assets. No amount paid by the Company to the Contributor hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral of patients by the Contributor or the Members to the Company or any Affiliate thereof.

10.7 Expenses. Whether or not the transactions contemplated hereby are consummated, each party shall pay all costs and expenses incurred by such party in connection with this Agreement and the transactions contemplated hereby, including fees, expenses and disbursements of their respective counsel, accountants, representatives, and investment bankers.

10.8 Waiver of Compliance; Consents. The rights and remedies of the parties are cumulative and not alternative and may be exercised concurrently or separately. No failure or delay by any party in exercising any right, power, or privilege under this Agreement shall operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party shall be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party shall be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement. Any consents required or permitted by this Agreement are binding only if in writing.

10.9 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered by hand or a national over-night courier service or three Business Days after mailing when mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties in the manner provided below:

(a) If to the Contributor:

Western Illinois Kidney Center, LLC
765 N. Kellogg Street
Galesburg, IL 61401
Attention: Chief Executive Officer

With copies to:

Community Health Systems Professional
Services Corporation
4000 Meridian Boulevard
Franklin, TN 37067
Attention: General Counsel

Alcorn Karlin LLC
313 E. Main Street
P.O. Box 1516
Galesburg, IL 61402-1516
Attention: Daniel S. Alcorn

(b) If to the Company, to:

Fresenius Medical Care Galesburg, LLC
c/o Fresenius Medical Care North America
920 Winter Street
Waltham, Massachusetts 02451
Attention: Law Department

With a copy to:

Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street, Suite 1900
Charlotte, North Carolina 28426
Attention: John B. Garver, III

(c) If to FMS, to:

Fresenius Management Services, Inc.
c/o Fresenius Medical Care North America
920 Winter Street
Waltham, Massachusetts 02451
Attention: Law Department

With a copy to:

Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street, Suite 1900
Charlotte, North Carolina 28426
Attention: John B. Garver, III

(d) If to a Member, to the address listed under his or her name on the signature pages to this Agreement.

Any party may change the address or facsimile number to which notice is to be given by notice given in the manner set forth above.

10.10 Binding Agreement. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors and permitted assigns, and shall not confer upon any other Person any rights or remedies hereunder. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties, except that the Company may assign its rights and obligations to Company or to any Affiliate of the Company, or to any purchaser of the stock of the Company or of substantially all the Contributed Assets and Assumed Liabilities. This Agreement shall be binding on all parties hereto to the maximum extent possible under applicable law, regardless of whether one or more Members fail to execute this Agreement. Nothing in this Agreement is intended to relieve or discharge the obligation of any third person to any party to this Agreement.

10.11 Interpretation. This Agreement has been prepared by the Company and its advisors and reviewed by the Contributor, the Members and their advisors. The parties agree that this Agreement is the product of all their efforts, and that it should not be interpreted in favor of any one party merely because of their efforts in preparing it. Any rule of law or legal decision that would require interpretation of any claimed ambiguity against the party drafting it shall have no application to this Agreement and is expressly waived.

10.12 Governing Law. The execution, interpretation and performance of this Agreement shall (except to the extent that such matter is pre-empted by federal law) be governed by the internal laws and judicial decisions of the State of Illinois applicable to contracts made and to be performed in such state, without regard to conflict of law principles.

10.13 Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto will use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable Legal Requirement to consummate and make effective the contribution and transfer of the Contributed Assets pursuant to this Agreement. From time to time after the Closing Date, without further consideration, the Contributor and Members will, at their expense, execute and deliver, or cause to be executed and delivered, such documents to the Company as the Company may reasonably request in order to more effectively vest in the Company good title to the Contributed Assets. From time to time after the Closing Date, without further consideration, the Company will, at the Company's expense, execute and deliver such documents to the Contributor and the Members as the Contributor and the Members may reasonably request in order to consummate the sale of the Contributed Assets and the assumption by the Company of the Assumed Liabilities pursuant to this Agreement.

10.14 Severability. If any provision contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless the invalidity of any such provision substantially deprives either party of the practical benefits intended to be conferred by this Agreement. Notwithstanding the foregoing,

any provision of this Agreement held invalid, illegal or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable, and the determination that any provision of this Agreement is invalid, illegal or unenforceable as applied to particular circumstances shall not affect the application of such provision to circumstances other than those as to which it is held invalid, illegal or unenforceable. To the extent permitted by law, the parties hereby to the same extent waive any Legal Requirement that renders any provision hereof prohibited or unenforceable in any respect.

10.15 Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed on signature pages exchanged by facsimile or other electronic means, in which event each party shall promptly deliver to the others such number of original executed copies as the others may reasonably request.

10.16 Merger and Modification; Amendment. This Agreement, including the Exhibits and Schedules hereto, expresses the entire agreement between the parties hereto with respect to the contribution of the Contributed Assets to the Company and supersedes any prior or contemporaneous written or oral understanding or agreement, including the letter agreement from Fresenius Medical Care Ventures, LLC to the Contributor dated March 23, 2012. This Agreement may not be modified, amended, supplemented or waived except by a writing signed by all of the parties to this Agreement, and such writing must refer specifically to this Agreement, except that the Contributor shall be entitled to amend, modify or supplement this agreement on behalf of itself and all of the Members.

[Signatures on following pages.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

THE COMPANY:

**FRESENIUS MEDICAL CARE GALESBURG,
LLC**

By: Fresenius Medical Care of Illinois, LLC
its Initial Member

By: Joseph J. Ruma
Name: Joseph J. Ruma
Title: Vice President

THE CONTRIBUTOR:

**WESTERN ILLINOIS KIDNEY CENTER,
LLC**

By: _____
Name: _____
Title: _____

[Signature Page 1 of 2 to Contribution Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

THE COMPANY:

**FRESENIUS MEDICAL CARE GALESBURG,
LLC**

By: Fresenius Medical Care of Illinois, LLC
its Initial Member

By: _____
Name: _____
Title: _____

THE CONTRIBUTOR:

**WESTERN ILLINOIS KIDNEY CENTER,
LLC**

By: 
Name: PARTHA SRINIVASAN .M.D
Title: CEO & PRESIDENT

THE MEMBERS OF THE CONTRIBUTOR:

Partha Srinivasan, M.D.

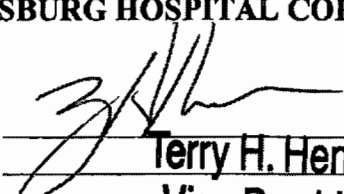
Address for Notices: _____

GALESBURG HOSPITAL CORPORATION

By: _____

Name: _____

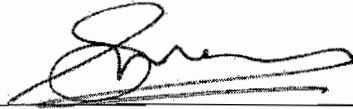
Title: _____


Terry H. Hendon

Vice President

Address for Notices: _____

THE MEMBERS OF THE CONTRIBUTOR:



Partha Srinivasan, M.D.

Address for Notices: 2020 . N . BROAD ST
GALESBURG
IL 61401

GALESBURG HOSPITAL CORPORATION

By: _____
Name: _____
Title: _____

Address for Notices: _____

**SCHEDULES TO THE
CONTRIBUTION AGREEMENT**

BY AND AMONG

**FRESENIUS MEDICAL CARE GALESBURG, LLC
(the Company)**

AND

**WESTERN ILLINOIS KIDNEY CENTER, LLC
(the Contributor)**

AND

THE MEMBERS OF THE CONTRIBUTOR

AND

**FRESENIUS MANAGEMENT SERVICES, INC.
(FMS)**

Dated September 13, 2012

The attached schedules are delivered in connection with the execution and delivery of the Contribution Agreement by and among Fresenius Medical Care Galesburg, LLC (the "Company"), Western Illinois Kidney Center, LLC (the "Contributor"), the Members of the Contributor and Fresenius Management Services, Inc. ("FMS") dated as of September 13, 2012 (the "Agreement"). Capitalized terms used herein but not defined shall have the meanings set forth in the Agreement. The disclosure of any information shall not be deemed to constitute an acknowledgement that such information is material, nor shall the information be deemed to establish a level or standard of materiality for purposes of such disclosure or the Agreement.

Certain schedules to the Agreement set forth exceptions to the representations, warranties and other agreements made by Seller in the Agreement and are intended to qualify such representations, warranties and agreements.

Schedule 1.1

Permitted Liens

None.

Schedule 2.2(h)

Assumed Contracts

See Schedule 4.9(a).

Schedule 2.2(k)

Prepaid Items

None.

Schedule 2.3(m)

Excluded Assets

None.

Schedule 4.2

Ownership

<u>Name</u>	<u>Percentage Membership Interest</u>
Galesburg Hospital Corporation	50%
Partha Srinivasan, M.D.	50%

Schedule 4.4(a)

Governmental Authorizations

Company must obtain Certificate of Need

[Remainder to come]

Schedule 4.4(b)

Conflicts

None.

Schedule 4.5(a)

Tangible Assets

See attached.

Western Illinois Kidney Center List of Equipment

Gambro	Phoenix machine	16
Marcor	Portable RO machine	1
AmeriWater	RO Water System	1
Dell	Computers	6
Dean Enterprises	Telephones	12
Panasonic	Waiting Room TV	1
PDI	Patient Station TV	14
Panasonic	Conference Room	1

Schedule 4.5(b)

Title to Assets

None.

Schedule 4.5(e)

Clinic

Western Illinois Kidney Center; 765 N. Kellogg Street, Galesburg, IL 61401

Schedule 4.6

Real Property

Western Illinois Kidney Center; 765 N. Kellogg Street, Galesburg, IL 61401

Storage Room (PD Supplies) located at Galesburg Cottage Hospital, 695 N. Kellogg Street, Galesburg, IL 61401

Storage Room (Medical Records) located at Galesburg Cottage Hospital, 695 N. Kellogg Street, Galesburg, IL, 61401

Schedule 4.7(a)

Proprietary Rights

The name "Western Illinois Kidney Center"

Phone numbers associated with the practice

Schedule 4.7(b)

Ownership of Property Rights

None.

Schedule 4.7(c)

Software

Windows

Microsoft Office

Schedule 4.7(d)

Ownership and Use of Software

None.

Schedule 4.8(a)

Permits

Medicare No. 789-xxxx

[Remainder to come]

Schedule 4.8(b)

Matters Affecting Permits

None.

Schedule 4.9(a)

Contracts

1. Full Service Equipment Maintenance Agreement dated December 9, 2011 by and between Western Illinois Dialysis and Gambro Renal Products, Inc.
2. Dialysis Products Purchase Agreement dated November 28, 2011 by and between Baxter Healthcare Corporation and Western Illinois Kidney Center
3. Renal Dialysis Agreement dated January 1, 2010 by and between Health Care Service Corporation d/b/a Blue Cross and Blue Shield of Illinois and Western Illinois Kidney Center
4. Business Class Service Order Agreement, undated, by and between Comcast Business Class Communications Management, LLC and Western Illinois Kidney Center
5. Purchase and Service Agreement, undated, by and between Xerox Corporation and Western Illinois Kidney Center, LLC
6. Supplier Contract dated August 28, 2006 by and between Rockwell Medical Technologies, Inc. and Western Illinois Kidney Center
7. Consent to Group Purchasing Organization Agreement dated April 28, 2011 executed by Western Illinois Kidney Center in favor of Renal Purchasing Group, LLC
8. Agreement for Acute Dialysis Services dated June 25th, 1998 by and between Galesburg Cottage Hospital and Western Illinois Kidney Center, L.L.C.

Schedule 4.9(e)

Contract Consents

1. Full Service Equipment Maintenance Agreement dated December 9, 2011 by and between Western Illinois Dialysis and Gambro Renal Products, Inc.
2. Dialysis Products Purchase Agreement dated November 28, 2011 by and between Baxter Healthcare Corporation and Western Illinois Kidney Center
3. Renal Dialysis Agreement dated January 1, 2010 by and between Health Care Service Corporation d/b/a Blue Cross and Blue Shield of Illinois and Western Illinois Kidney Center
4. Business Class Service Order Agreement, undated, by and between Comcast Business Class Communications Management, LLC and Western Illinois Kidney Center
5. Purchase and Service Agreement, undated, by and between Xerox Corporation and Western Illinois Kidney Center, LLC
6. Agreement for Acute Dialysis Services dated June 25th, 1998 by and between Galesburg Cottage Hospital and Western Illinois Kidney Center, L.L.C.

Schedule 4.10

Financial Statements

See attached.

**WESTERN ILLINOIS KIDNEY CENTER LLC
BALANCE SHEETS**

As of December 31, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
CASH IN CHECKING	\$ 109,623.90	\$ 714,206.99
ACCOUNTS RECEIVABLE-PATIENT	3,109,169.00	2,389,717.00
ACCOUNTS RECEIVABLE-COTTAG	10,225.00	6,600.00
ACCOUNTS RECEIVABLE-OTHER	0.00	14,278.58
Allowance for Doubtful Accts	<u>(2,511,665.00)</u>	<u>(1,949,931.84)</u>
Total Current Assets	<u>\$ 717,352.90</u>	<u>\$ 1,174,870.73</u>
PROPERTY AND EQUIPMENT		
MEDICAL EQUIPMENT	\$ 361,387.17	\$ 361,387.17
OFFICE EQUIPMENT	<u>33,524.93</u>	<u>33,525.93</u>
Total Property and Equipment	<u>\$ 394,912.10</u>	<u>\$ 394,913.10</u>
Less: Accumulated Depreciation	<u>(190,342.41)</u>	<u>(161,609.40)</u>
Net Property and Equipment	<u>\$ 204,569.69</u>	<u>\$ 233,303.70</u>
OTHER ASSETS		
GOODWILL	\$ 190,950.00	\$ 190,950.00
ACCUMULATED AMORT-GOODWIL	(176,098.30)	(163,368.30)
ORGANIZATION COSTS	11,851.30	11,851.30
ACCUMULATED AMORT-ORGAN C	<u>(11,851.30)</u>	<u>(11,851.30)</u>
Total Other Assets	<u>\$ 14,851.70</u>	<u>\$ 27,581.70</u>
TOTAL ASSETS	<u>\$ 936,774.29</u>	<u>\$ 1,435,756.13</u>

See Accountants' Compilation Report

**WESTERN ILLINOIS KIDNEY CENTER LLC
BALANCE SHEETS**

As of December 31, 2011 and 2010

LIABILITIES AND MEMBERS' EQUITY

	<u>2011</u>	<u>2010</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 67,049.24	\$ 25,573.38
PAYROLL TAX PAYABLE	684.12	203.40
ACCRUED PENSION PAYABLE	8,935.00	6,547.97
REFUNDS PAYABLE-BCBS ILLINOI	151,338.00	154,582.60
DUE TO EMPLOYEE	2,712.00	0.00
Total Current Liabilities	\$ 230,718.36	\$ 186,907.35
LONG-TERM LIABILITIES		
Total Liabilities	\$ 230,718.36	\$ 186,907.35
MEMBERS' EQUITY		
GHC, CAPITAL	\$ 624,424.44	\$ 741,345.11
GHC, DRAWING	(500,000.00)	(600,000.00)
DR. SRINIVASAN, CAPITAL	624,424.34	741,345.02
DR. SRINIVASAN, DRAWING	(500,000.00)	(600,000.00)
NET INCOME (LOSS)	457,207.15	966,158.65
Total Members' Equity	\$ 706,055.93	\$ 1,248,848.78
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 936,774.29	\$ 1,435,756.13

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
STATEMENTS OF INCOME
Twelve Months Ended December 31, 2011, 2010

	Twelve Months December 31, 2011	%	Twelve Months December 31, 2010	%
Income				
DIALYSIS SERVICES	\$20,352,360.45	679.55	\$19,412,077.76	701.07
INPATIENT CHARGES	90,200.00	3.01	127,750.00	4.61
ADJUSTMENTS	(17,450,854.44)	(582.67)	(16,773,766.00)	(605.79)
REFUNDS	(821,369.02)	27.42	(160,000.82)	5.78
Total Inpatient & Dialysis	\$ 2,170,336.99	72.47	\$ 2,606,060.94	94.12
Other Income				
REFUND-INCOME	238.00	0.01	0.00	0.00
MISCELLANEOUS INCOME	3,053.90	0.10	2,861.74	0.10
Total Income	\$ 2,173,628.89	72.58	\$ 2,608,922.68	94.22
Expenses				
Medical Staff Expense	492,195.07	16.43	458,720.27	16.57
Drug Supplies Expense	531,591.14	17.75	526,353.68	19.01
Medical Supplies Expense	302,829.03	10.11	323,013.29	11.67
Other Medical Expenses	125,063.24	4.18	78,337.08	2.83
Operating Expenses	224,456.44	7.49	221,408.67	8.00
Total Business Expenses	\$ 1,676,134.92	55.96	\$ 1,607,832.99	58.07
Operating Net Income (Loss)	\$ 497,493.97	16.61	\$ 1,001,089.69	36.15
Other Income (Expenses)				
INTEREST INCOME	\$ 1,197.47	0.04	\$ 6,597.21	0.24
OTHER EXPENSES	(21.28)	0.00	(7.40)	0.00
Total Other Income (Expen)	\$ 1,176.19	0.04	\$ 6,589.81	0.24
Depreciation and Amortization Expense				
MEDICAL EQUIP DEPRECIATION	\$ 25,979.59	0.87	\$ 26,037.43	0.94
OFFICE EQUIPMENT DEPRECIATION	2,753.42	0.09	2,753.42	0.10
AMORTIZATION	12,730.00	0.43	12,730.00	0.46
Total Deprec and Amort	\$ 41,463.01	1.38	\$ 41,520.85	1.50
Net Income (Loss)	\$ 457,207.15	15.27	\$ 966,158.65	34.89

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
SCHEDULE TO THE STATEMENTS OF INCOME
Twelve Months Ended December 31, 2011, 2010

	Twelve Months Ended December 31, 2011	%	Twelve Months Ended December 31, 2010	%
Inpatient Charges				
CAPD CHARGES	\$ 5,350.00	0.18	\$ 17,475.00	0.63
CCPD CHARGES	4,725.00	0.16	2,750.00	0.10
HEMODIALYSIS CHARGES	80,125.00	2.68	107,525.00	3.88
Total Inpatient Charges	\$ 90,200.00	3.01	\$ 127,750.00	4.61
Adjustments				
ADJUSTMENTS-TO ALLOWA	\$ 561,733.16	18.76	\$ (163,239.00)	(5.90)
ADJUSTMENTS-MEDICAID	390,730.00	13.05	936,700.00	33.83
ADJUSTMENTS-CONTRACT	1,047,790.00	34.98	719,649.00	25.99
ADJUSTMENTS-MEDICARE	13,078,902.00	436.69	14,660,221.00	529.46
ADJUSTMENTS-GENERAL W	986,329.00	32.93	666,137.00	24.06
ADJUSTMENTS-OTHER	1,385,370.28	46.26	(45,702.00)	(1.65)
Total Adjustments	\$ 17,450,854.44	582.67	\$ 16,773,766.00	605.79
Other Income				
REFUND-INCOME	\$ 238.00	0.01	\$ 0.00	0.00
MISCELLANEOUS INCOME	3,053.90	0.10	2,861.74	0.10
Total Other Income	\$ 3,291.90	0.11	\$ 2,861.74	0.10
Medical Staff Expense				
STAFF-WAGES	\$ 408,038.03	13.62	\$ 382,510.03	13.81
STAFF-INSURANCE	41,863.25	1.40	36,856.67	1.33
STAFF-PAYROLL TAXES	33,052.53	1.10	30,948.55	1.12
STAFF-PENSION/RETIRE	7,650.08	0.26	6,547.97	0.24
STAFF-PROFESS DEVELO	0.00	0.00	490.00	0.02
STAFF-OTHER BENEFITS	1,591.18	0.05	1,367.05	0.05
Total Medical Staff Expense	\$ 492,195.07	16.43	\$ 458,720.27	16.57

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
SCHEDULE TO THE STATEMENTS OF INCOME
Twelve Months Ended December 31, 2011, 2010

	Twelve Months Ended <u>December 31, 2011</u>	%	Twelve Months Ended <u>December 31, 2010</u>	%
Drug Supplies Expense				
DRUG SUPPLIES-EPOGEN	407,511.41	13.61	411,163.82	14.85
DRUG SUPPLIES-OTHER	<u>124,079.73</u>	<u>4.14</u>	<u>115,189.86</u>	<u>4.16</u>
Total Drug Supplies Exp	<u>\$ 531,591.14</u>	<u>17.75</u>	<u>\$ 526,353.68</u>	<u>19.01</u>
Medical Supplies Expense				
MEDICAL SUPPLIES CAPD-H	\$ 28,808.26	0.96	\$ 48,209.37	1.74
MEDICAL SUPPLIES CCPD-H	64,717.57	2.16	57,637.79	2.08
MEDICAL SUPPLIES HEMO I	209,217.10	6.99	216,767.16	7.83
MED SUP-MISCELLANEOUS	<u>86.10</u>	<u>0.00</u>	<u>398.97</u>	<u>0.01</u>
Total Medical Supplies Exp	<u>\$ 302,829.03</u>	<u>10.11</u>	<u>\$ 323,013.29</u>	<u>11.67</u>
Other Medical Expenses				
DIETITAN	\$ 4,382.00	0.15	\$ 4,293.50	0.16
FOOD SUPPLIES	519.24	0.02	178.28	0.01
LABORATORY SERVICES	54,905.34	1.83	6,242.50	0.23
MEDICAL DIRECTOR-PROF F	60,000.00	2.00	60,000.00	2.17
MEDICAL DIRECTOR - CME	5,000.00	0.17	5,000.00	0.18
PATIENT EDUCATION	73.39	0.00	277.35	0.01
SOCIAL WORKERS	<u>183.27</u>	<u>0.01</u>	<u>2,345.45</u>	<u>0.08</u>
Total Other Medical Exp	<u>\$ 125,063.24</u>	<u>4.18</u>	<u>\$ 78,337.08</u>	<u>2.83</u>

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
SCHEDULE TO THE STATEMENTS OF INCOME
Twelve Months Ended December 31, 2011, 2010

	Twelve Months Ended <u>December 31, 2011</u>	%	Twelve Months Ended <u>December 31, 2010</u>	%
Operating Expenses				
RENT	\$ 86,536.18	2.89	\$ 83,988.98	3.03
EQUIP REPAIRS & MAINTEN	60,545.34	2.02	57,291.55	2.07
BILLING SERVICES	44,352.48	1.48	41,241.97	1.49
ACCOUNTING SERVICES	7,409.61	0.25	6,798.00	0.25
MANAGMENT CONSULTING	7,200.00	0.24	7,251.90	0.26
WATER TREATMENT EXP-O	6,739.50	0.23	13,727.78	0.50
OFFICE SUPPLIES	5,326.08	0.18	3,382.99	0.12
PROFESSIONAL LIABILITY IN	2,924.00	0.10	2,873.00	0.10
UTILITIES	1,450.50	0.05	1,329.64	0.05
POSTAGE & DELIVERY	764.10	0.03	858.03	0.03
OTHER A & G EXPENSES	505.00	0.02	414.55	0.01
BANK CHARGES	314.65	0.01	224.28	0.01
OFFICE-OTHER EXPENSES	289.00	0.01	375.00	0.01
CHARITY	100.00	0.00	0.00	0.00
LEGAL SERVICES	0.00	0.00	1,100.00	0.04
LICENSE	0.00	0.00	551.00	0.02
Total Operating Expenses	<u>\$ 224,456.44</u>	<u>7.49</u>	<u>\$ 221,408.67</u>	<u>8.00</u>

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
STATEMENT OF INCOME
Six Months Ended December 31, 2011, 2010

	<u>Six Months Ended</u> <u>December 31, 2011</u>	<u>%</u>	<u>Six Months Ended</u> <u>December 31, 2010</u>	<u>%</u>
Income				
DIALYSIS SERVICES	\$9,984,173.00	652.52	\$9,895,122.00	612.33
INPATIENT CHARGES	46,825.00	3.06	58,300.00	3.61
ADJUSTMENTS	(8,500,972.28)	(555.58)	(8,338,639.00)	(516.01)
REFUNDS	(567,226.02)	37.07	(160,000.82)	9.90
Total Inpatient & Dialysis	\$ 962,799.70	62.92	\$ 1,454,782.18	90.03
Other Income				
MISCELLANEOUS INCOME	73.77	0.00	1,190.88	0.07
Total Income	\$ 962,873.47	62.93	\$ 1,455,973.06	90.10
Expenses				
Medical Staff Expense	260,544.14	17.03	232,235.50	14.37
Drug Supplies Expense	182,898.50	11.95	267,051.78	16.53
Medical Supplies Expense	151,159.36	9.88	153,941.75	9.53
Other Medical Expenses	64,351.87	4.21	41,936.75	2.60
Operating Expenses	113,536.37	7.42	112,385.29	6.95
Total Business Expenses	\$ 772,490.24	50.49	\$ 807,551.07	49.97
Operating Net Income (Loss)	\$ 190,383.23	12.44	\$ 648,421.99	40.13
Other Income (Expenses)				
INTEREST INCOME	\$ 394.00	0.03	\$ 2,180.98	0.13
OTHER EXPENSES	0.00	0.00	(7.40)	0.00
Total Other Income (Expenses)	\$ 394.00	0.03	\$ 2,173.58	0.13
Depreciation and Amortization Expense				
MEDICAL EQUIP DEPRECIATION	\$ 12,989.59	0.85	\$ 13,111.43	0.81
OFFICE EQUIPMENT DEPRECIATION	1,376.42	0.09	1,376.42	0.09
AMORTIZATION	6,365.00	0.42	6,365.00	0.39
Total Deprec and Amort	\$ 20,731.01	1.35	\$ 20,852.85	1.29
Net Income (Loss)	\$ 170,046.22	11.11	\$ 629,742.72	38.97

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
SCHEDULE TO THE INCOME STATEMENT
Six Months Ended December 31, 2011, 2010

	<u>Six Months Ended</u> <u>December 31, 2011</u>	<u>%</u>	<u>Six Months Ended</u> <u>December 31, 2010</u>	<u>%</u>
Inpatient Charges				
CAPD CHARGES	\$ 2,125.00	0.14	\$ 7,350.00	0.45
CCPD CHARGES	2,975.00	0.19	2,500.00	0.15
HEMODIALYSIS CHARGES	41,725.00	2.73	48,450.00	3.00
Total Inpatient Charges	<u>\$ 46,825.00</u>	<u>3.06</u>	<u>\$ 58,300.00</u>	<u>3.61</u>
Adjustments				
ADJUSTMENTS-TO ALLOWA	\$ 396,865.00	25.94	\$ (35,032.00)	(2.17)
ADJUSTMENTS-MEDICAID	97,248.00	6.36	516,444.00	31.96
ADJUSTMENTS-CONTRACT	847,717.00	55.40	212,204.00	13.13
ADJUSTMENTS-MEDICARE	6,879,336.00	449.60	7,512,782.00	464.91
ADJUSTMENTS-GENERAL W	744,592.00	48.66	177,943.00	11.01
ADJUSTMENTS-OTHER	(464,785.72)	(30.38)	(45,702.00)	(2.83)
Total Adjustments	<u>\$ 8,500,972.28</u>	<u>555.58</u>	<u>\$ 8,338,639.00</u>	<u>516.01</u>
Other Income				
MISCELLANEOUS INCOME	\$ 73.77	0.00	\$ 1,190.88	0.07
Total Other Income	<u>\$ 73.77</u>	<u>0.00</u>	<u>\$ 1,190.88</u>	<u>0.07</u>
Medical Staff Expense				
STAFF-WAGES	\$ 216,127.35	14.13	\$ 192,244.18	11.90
STAFF-INSURANCE	22,131.06	1.45	20,541.34	1.27
STAFF-PAYROLL TAXES	16,909.89	1.11	14,856.22	0.92
STAFF-PENSION/RETIRE	3,855.84	0.25	3,257.71	0.20
STAFF-OTHER BENEFITS	1,520.00	0.10	1,336.05	0.08
Total Medical Staff Expense	<u>\$ 260,544.14</u>	<u>17.03</u>	<u>\$ 232,235.50</u>	<u>14.37</u>

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
SCHEDULE TO THE INCOME STATEMENT
Six Months Ended December 31, 2011, 2010

	Six Months Ended December 31, 2011	%	Six Months Ended December 31, 2010	%
Drug Supplies Expense				
DRUG SUPPLIES-EPOGEN	136,122.94	8.90	202,182.19	12.51
DRUG SUPPLIES-OTHER	46,775.56	3.06	64,869.59	4.01
Total Drug Supplies Exp	\$ 182,898.50	11.95	\$ 267,051.78	16.53
Medical Supplies Expense				
MEDICAL SUPPLIES CAPD-H	\$ 2,641.60	0.17	\$ 25,751.99	1.59
MEDICAL SUPPLIES CCPD-H	37,371.69	2.44	26,151.86	1.62
MEDICAL SUPPLIES HEMO I	111,086.67	7.26	101,953.32	6.31
MED SUP-MISCELLANEOUS	59.40	0.00	84.58	0.01
Total Medical Supplies Exp	\$ 151,159.36	9.88	\$ 153,941.75	9.53
Other Medical Expenses				
DIETITAN	\$ 2,122.29	0.14	\$ 2,274.34	0.14
FOOD SUPPLIES	100.76	0.01	62.74	0.00
LABORATORY SERVICES	27,055.43	1.77	3,251.00	0.20
MEDICAL DIRECTOR-PROF F	30,000.00	1.96	30,000.00	1.86
MEDICAL DIRECTOR - CME	5,000.00	0.33	5,000.00	0.31
PATIENT EDUCATION	73.39	0.00	277.35	0.02
SOCIAL WORKERS	0.00	0.00	1,071.32	0.07
Total Other Medical Exp	\$ 64,351.87	4.21	\$ 41,936.75	2.60

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
SCHEDULE TO THE INCOME STATEMENT
Six Months Ended December 31, 2011, 2010

	<u>Six Months Ended</u> <u>December 31, 2011</u>	%	<u>Six Months Ended</u> <u>December 31, 2010</u>	%
Operating Expenses				
RENT	\$ 43,484.74	2.84	\$ 42,206.48	2.61
EQUIP REPAIRS & MAINTEN	33,053.54	2.16	28,090.75	1.74
BILLING SERVICES	21,388.72	1.40	24,299.47	1.50
MANAGMENT CONSULTING	3,600.00	0.24	3,600.00	0.22
ACCOUNTING SERVICES	3,099.61	0.20	2,820.00	0.17
PROFESSIONAL LIABILITY IN	2,924.00	0.19	2,873.00	0.18
OFFICE SUPPLIES	2,309.49	0.15	1,321.67	0.08
WATER TREATMENT EXP-O	1,755.70	0.11	4,839.86	0.30
UTILITIES	785.68	0.05	664.84	0.04
OTHER A & G EXPENSES	505.00	0.03	0.00	0.00
POSTAGE & DELIVERY	321.63	0.02	312.02	0.02
BANK CHARGES	207.26	0.01	157.20	0.01
CHARITY	100.00	0.01	0.00	0.00
OFFICE-OTHER EXPENSES	1.00	0.00	100.00	0.01
LEGAL SERVICES	0.00	0.00	1,100.00	0.07
Total Operating Expenses	<u>\$ 113,536.37</u>	<u>7.42</u>	<u>\$ 112,385.29</u>	<u>6.95</u>

See Accountants' Compilation Report

WESTERN ILLINOIS KIDNEY CENTER LLC
STATEMENTS OF CASH FLOWS
For the Twelve Months Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 457,207.15	\$ 966,158.65
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation and Amortization	\$ 41,463.01	\$ 41,520.85
Losses (Gains) on sales of Fixed Assets	0.00	0.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(147,065.26)	(139,634.01)
Other	0.00	1,288.94
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	43,811.01	119,159.19
Accrued Liabilities	0.00	0.00
Total Adjustments	<u>\$ (61,791.24)</u>	<u>\$ 22,334.97</u>
Net Cash Provided By (Used in) Operating Activities	<u>\$ 395,415.91</u>	<u>\$ 988,493.62</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	\$ 0.00	\$ (4,454.90)
Capital Assets Abandoned	1.00	0.00
Proceeds From Sale of Fixed Assets	0.00	0.00
Net Cash Provided By (Used in) Investing Activities	<u>\$ 1.00</u>	<u>\$ (4,454.90)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Partners' Investment	0.00	(12,302.46)
Partners' Drawing	\$ (1,000,000.00)	\$ (1,200,000.00)
Net Cash Provided By (Used in) Financing Activities	<u>\$ (1,000,000.00)</u>	<u>\$ (1,212,302.46)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ (604,583.09)</u>	<u>\$ (228,263.74)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>714,206.99</u>	<u>942,470.73</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 109,623.90</u>	<u>\$ 714,206.99</u>

See Accountants' Compilation Report

Schedule 4.13

Liabilities

None.

Schedule 4.14

Litigation

None.

Schedule 4.16(a)

Employees

See attached.

Note that this schedule will be supplemented prior to closing.

Master list of employees

NAME	Position	Weekly Hours	Date of Hire
Ginny Bailey	Secretary	40	3/6/2007
Ashley Burns	LPN	40	5/7/2012
Brianna Cox	Tech	40	8/3/2009
DeAnn England	RN	32	2/1/2010
Linda Hailberg	RN	36	10/24/1994
Danni McNeeley	S.W.	32	7/1/2012
Lorene Mendrek	Nurse Manager	36	8/29/1988
Debra Oakman	Tech	40	6/15/1998
Erica Phelps	Tech	36	8/22/2111
Karen Rowe	LPN	36	6/4/1990
Melody Shryack	RN	40	8/23/1999
Cher Vanderlip	Tech	36	5/14/2012
Barbara White	RN	26	1/23/1989

Schedule 4.16(b)

Employment Agreements

Emergency Disaster Manual dated October 2008

Employee Handbook dated January 1, 2006

Infection Control Manual dated October 2008

Personnel Manual dated October 2008

Patient Policy and Procedure Manual dated October 2008

Technical Operations Manual dated October 2008

Schedule 4.17

Employee Benefit Plans; ERISA

Health

Dental

Schedule 4.18

Environmental Matters

None.

Schedule 4.19(a)

Insurance

See attached.

CERTIFICATE OF INSURANCE				ISSUE DATE: 12/05/2011																
PRODUCER: Flagship Physicians Insurance Agency 2250 East Devon Ave. Suite 341 Des Plaines, IL 60018		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW COMPANIES AFFORDING COVERAGE <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">COMPANY LETTER</td> <td style="width: 10%; text-align: center;">A</td> <td style="width: 60%;">UNDERWRITERS AT LLOYD'S, LONDON</td> </tr> <tr> <td>COMPANY LETTER</td> <td style="text-align: center;">B</td> <td></td> </tr> <tr> <td>COMPANY LETTER</td> <td style="text-align: center;">C</td> <td></td> </tr> <tr> <td>COMPANY LETTER</td> <td style="text-align: center;">D</td> <td></td> </tr> <tr> <td>COMPANY LETTER</td> <td style="text-align: center;">E</td> <td></td> </tr> </table>				COMPANY LETTER	A	UNDERWRITERS AT LLOYD'S, LONDON	COMPANY LETTER	B		COMPANY LETTER	C		COMPANY LETTER	D		COMPANY LETTER	E	
COMPANY LETTER	A	UNDERWRITERS AT LLOYD'S, LONDON																		
COMPANY LETTER	B																			
COMPANY LETTER	C																			
COMPANY LETTER	D																			
COMPANY LETTER	E																			
INSURED: Western Illinois Kidney Center 765 N. Kellogg Street, Ste 101 Galesburg, IL 61401																				
COVERAGES THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.																				
CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS OF LIABILITY															
	GENERAL LIABILITY ___ COMMERCIAL GENERAL LIAB. ___ CLAIMS MADE ___ OCCURRENCE ___ OWNER'S & CONTRACTORS PROT. ___ OTHER:				GENERAL AGGREGATE \$ PRODUCTS-COMP/OPS AGGREGATE \$ PERSONAL & ADVERTISING INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (any one fire) \$ MEDICAL EXPENSE (any one person) \$															
	AUTOMOBILE LIABILITY ___ ANY AUTO ___ ALL OWNED AUTOS ___ SCHEDULED AUTOS ___ HIRED AUTOS ___ NON-OWNED AUTOS ___ GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (per person) \$ BODILY INJURY (per accident) \$ PROPERTY DAMAGE \$															
	EXCESS LIABILITY OTHER THAN UMBRELLA FORM WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				EACH OCCURRENCE \$ AGGREGATE \$ STATUTORY EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$															
	OTHER MEDICAL PROFESSIONAL LIABILITY CLAIMS-MADE POLICY RETROACTIVE DATE: 10/20/2008	LAH0000485	10/20/2011	10/20/2012	\$1,000,000 per claim / \$3,000,000 aggregate \$1,000 deductible each claim															
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS SUBJECT TO POLICY TERMS, CONDITIONS, AND EXCLUSIONS.																				
CERTIFICATE HOLDER Western Illinois Kidney Center 765 N. Kellogg Street, Ste 101 Galesburg, IL 61401		CANCELLATION – SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES AUTHORIZED REPRESENTATIVE : SAPAN SHAH, M.D, J.D.																		

24 (Policy Provisions: WC 00 00 00 B)

87

PM **INFORMATION PAGE**

WEC **WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY**

INSURER: HARTFORD FIRE INSURANCE COMPANY

HARTFORD PLAZA, HARTFORD, CONNECTICUT 06115

NCCI Company Number:

13269

Company Code: 1



Suffix	
LARS	RENEWAL
	06

POLICY NUMBER:

83 WEC PM8724

Previous Policy Number:

83 WEC PM8724

HOUSING CODE: DV

1. **Named Insured and Mailing Address:** WESTERN IL KIDNEY CENTER LLC
(No., Street, Town, State, Zip Code)

FEIN Number: 371371534

765 N KELLOGG ST STE 101
GALESBURG, IL 61401

State Identification Number(s):

UIN:

The Named Insured is: CORPORATION

Business of Named Insured: MEDICAL OFFICE - PHYSICIANS &

Other workplaces not shown above: 765 NORTH KELLOGG STREET- STE. 101
GALESBURG IL 61401

2. **Policy Period:** From 11/09/11 To 11/09/12
12:01 a.m., Standard time at the insured's mailing address.

Producer's Name: BULLIS & SUNDBERG LLC/PHS

PO BOX 29611
CHARLOTTE, NC 28229

Producer's Code: 850867

Issuing Office: THE HARTFORD

8711 UNIVERSITY EAST DRIVE
CHARLOTTE NC 28213
(866) 467-8730

Total Estimated Annual Premium: \$2,233

Deposit Premium:

Policy Minimum Premium: \$430 IL

Audit Period: ANNUAL

Installment Term:

The policy is not binding unless countersigned by our authorized representative.

Countersigned by

Authorized Representative

09/03/11
Date

Form WC 00 00 01 A (1) Printed in U.S.A.
Process Date: 09/03/11

UW COPY

Page 1 (Continued on next page)
Policy Expiration Date: 11/09/12

Transaction Document - Contribution Agreement Schedules
ATTACHMENT - 19

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INFORMATION PAGE (Continued)

Policy Number: 83 WEC PM8724

3. A. **Workers Compensation Insurance:** Part one of the policy applies to the Workers Compensation Law of the states listed here: IL

B. **Employers Liability Insurance:** Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Bodily injury by Accident	\$100,000	each accident
Bodily injury by Disease	\$500,000	policy limit
Bodily injury by Disease	\$100,000	each employee

C. **Other States Insurance:** Part Three of the policy applies to the states, if any, listed here:

ALL STATES EXCEPT ND, OH, WA, WY, AND
STATES DESIGNATED IN ITEM 3.A. OF THE INFORMATION PAGE.

D. **This policy includes these endorsements and schedule:**

WC 00 03 08 WC 00 04 21C WC 00 04 22A WC 99 03 80 WC 00 03 02
WC 00 04 14 WC 00 04 19 WC 12 03 06 WC 12 06 01D

4. **The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.**

Classifications Code Number and Description	Premium Basis		Estimated Annual Premium
	Total Estimated Annual Remuneration	Rates Per \$100 of Remuneration	
8832 DENTIST & CLERICAL	351,200	.50	1,756
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM			1,756
EXPENSE CONSTANT (0900)			280
IL INDUSTRIAL COMMISSION SURCHARGE 1.01 PERCENT			22
TERRORISM (9740)	351,200	.040	140
CATASTROPHE (9741)	351,200	.010	35
TOTAL ESTIMATED ANNUAL PREMIUM			2,233

Total Estimated Annual Premium: \$2,233

Deposit Premium:

Policy Minimum Premium: \$430 IL

Interstate/Intrastate Identification Number:

Labor Contractors Policy Number:

NAICS:

SIC: 8011

UIN:

NO. OF EMP: 10

Form WC 00 00 01 A (1) Printed in U.S.A.

Process Date: 09/03/11

Page 2

Policy Expiration Date: 11/09/12

Transaction Document - Contribution Agreement Schedules

ATTACHMENT - 19

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00442

*21000083PM87240101



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PARTNERS, OFFICERS, AND OTHERS EXCLUSION ENDORSEMENT

Policy Number: 83 WEC PM8724

Endorsement Number:

Effective Date: 11/09/11 Effective hour is the same as stated on the Information Page of the policy.

Named Insured and Address: WESTERN IL KIDNEY CENTER LLC

765 N KELLOGG ST STE 101
GALESBURG, IL 61401

The policy does not cover bodily injury to any person described in the Schedule.

The premium basis for the policy does not include the remuneration of such persons.

You will reimburse us for any payment we must make because of bodily injury to such persons.

SCHEDULE

Partners

Officers

Others

DR SRINIVASAN

Countersigned by _____
Authorized Representative

Form WC 00 03 08 Printed in U.S.A.
Process Date: 09/03/11

Policy Expiration Date: 11/09/12

Transaction Document - Contribution Agreement Schedules
ATTACHMENT - 19

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00443
*2100083PM87240101



SUMMARY OF INSURANCE

For **Western Illinois Kidney Center**
Parthasarathy Srinivasan
765 N Kellogg St- Ste 101
Galesburg, IL
61401 309-345-4580

Commercial Application		The Hartford	83SBAUK3284	11/08/11	11/08/12
Premises					
Premise 001 Building 001 695 No. Kellogg Street Galesburg, IL 61401					
Nature of Business: Kidney Dialysis Center					
Property		The Hartford	83SBAUK3284	11/08/11	11/08/12
Policy Level Information					
04 41 - EDP-12 Mo.WaitingPe					
Limit 1	50,000				
Deductible	500				
04 08 - Stretch Coverages					
40 93 - Lim.Fungi,Bacteria,					
Limit 1	50,000				
Premise 001 Building 001 695 No. Kellogg Street Galesburg , IL 61401					
CONTENTS -	458,700				
Valuation	RC				
Cause of Loss	SPECIAL				
Deductible	500				
LOSS BI -					
Cause of Loss	ACT LOS				
Forms #	12 MONTHS				
EXTRA EXPENSE -					
Additional Coverages, Options, Restrictions, Endorsements, and Rating Information					
EQUIPMENT BREAKDOWN COVERAGES INCLUDED					

For Western Illinois Kidney Center
Parthasarathy Srinivasan
765 N Kellogg St- Ste 101
Galesburg, IL
61401 309-345-4580

General Liability (Continued)

General Liability

The Hartford

83SBAUK3284

11/08/11

11/08/12

Occurrence

Hired & Nonowned Auto

General Aggregate

4,000,000

Products/Completed Oper. Aggr.

4,000,000

Personal & Advertising Injury

2,000,000

Each Occurrence

2,000,000

Damage to Rented Premises

300,000

Medical Expense (Any One Person)

10,000

IL 0901 5000

Empl.Practices Liab.

Location 001 Building 001

Offices

Class Code: 61215

Premium Basis: 4000

(A) Area - Per \$1,000/SQ FT

Crime

The Hartford

83SBAUK3284

11/08/11

11/08/12

Employee Dishonesty

10,000

Erisa

10,000

Robbery & Safe Burglary

Money & Securities

Inside Premises

10,000

Outside Premises

5,000

Electronic Data Processing

The Hartford

83SBAUK3284

11/08/11

11/08/12

Location 001 Building 001

Equipment (HDW) Owned

25,000

Valuation RC

Deductible 500

SS0441 12Hr.wai

Workers Compensation

The Hartford

83WECPM8724

11/09/11

11/09/12

SUMMARY OF INSURANCE

For Western Illinois Kidney Center
 Parthasarathy Srinivasan
 765 N Kellogg St- Ste 101
 Galesburg, IL
 61401 309-345-4580

Workers Compensation (Continued)

Named States: IL

Employer's Liability

Each Accident 100,000

Disease Policy Limit 500,000

Disease Each Employee 100,000

Individual Included/Excluded

DR Srinivasan EXCL IL

* See Attached Rating Information

SUMMARY OF INSURANCE

For Western Illinois Kidney Center
Parthasarathy Srinivasan
765 N Kellogg St- Ste 101
Galesburg, IL
61401 309-345-4580

Workers Compensation - Rating Information

Policy No. 83WECPM8724

695 N Kellogg

Galesburg

IL

8832

Physicians/Clerical

10

351200

Schedule 4.19(c)

Accident Reports

None.

Schedule 4.20

Changes and Events

None.

Schedule 4.23

Physicians

Partha Srinivasan, M.D.

Schedule 4.24

ESRD Services; Surveys, Reports and Deficiency Notices

None Pending

MEDICARE CREDIT BALANCE REPORT CERTIFICATION PAGE

The Medicare Credit Balance Report is required under the authority of sections 1815(a), 1833(e), 1886(a)(1)(C) and related provisions of the Social Security Act. Failure to submit this report may result in a suspension of payments under the Medicare program and may affect your eligibility to participate in the Medicare program.

ANYONE WHO MISREPRESENTS, FALSIFIES, CONCEALS OR OMITTS ANY ESSENTIAL INFORMATION MAY BE SUBJECT TO FINE, IMPRISONMENT OR CIVIL MONEY PENALTIES UNDER APPLICABLE FEDERAL LAWS.

CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER

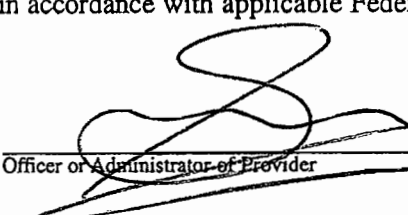
I HEREBY CERTIFY that I have read the above statements and that I have examined the accompanying credit balance report prepared by

WESTERN ILLINOIS KIDNEY CENTER
Provider Name

142579
Provider 6-Digit Number

for the calendar quarter ended 6-30-12 and that it is a true, correct, and complete statement prepared from the books and records of the provider in accordance with applicable Federal laws, regulations and instructions.

* (Sign)



Officer or Administrator of Provider

(Print)

PARTHASARA SRINIVASAN, MD, DIRECTOR
Name and Title

* (Print)

7/13/12
Date

CHECK ONE:

- ☐ Qualify as a Low Utilization Provider.
☐ The Credit Balance Report Detail Page(s) is attached.
☒ There are no Medicare credit balances to report for this quarter. (No Detail Page(s) attached.)

MIKE POZZOLLO
Contact Person

623-742-6580
Telephone Number

MEDICARE CREDIT BALANCE REPORT CERTIFICATION PAGE

The Medicare Credit Balance Report is required under the authority of sections 1815(a), 1833(e), 1886(a)(1)(C) and related provisions of the Social Security Act. Failure to submit this report may result in a suspension of payments under the Medicare program and may affect your eligibility to participate in the Medicare program.

ANYONE WHO MISREPRESENTS, FALSIFIES, CONCEALS OR OMITTS ANY ESSENTIAL INFORMATION MAY BE SUBJECT TO FINE, IMPRISONMENT OR CIVIL MONEY PENALTIES UNDER APPLICABLE FEDERAL LAWS.

CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER

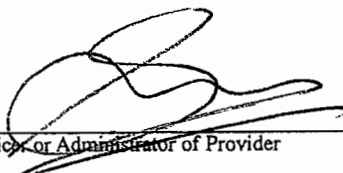
I HEREBY CERTIFY that I have read the above statements and that I have examined the accompanying credit balance report prepared by

WESTERN ILLINOIS KIDNEY CENTER
Provider Name

142579
Provider 6-Digit Number

for the calendar quarter ended 3-31-12 and that it is a true, correct, and complete statement prepared from the books and records of the provider in accordance with applicable Federal laws, regulations and instructions.

* (Sign)



Officer or Administrator of Provider

(Print) PARTHASARA SRINIVASAN, MD, DIRECTOR
Name and Title

* (Print)

4/24/2012
Date
4/23/12

CHECK ONE:

- ☐ Qualify as a Low Utilization Provider.
☐ The Credit Balance Report Detail Page(s) is attached.
☒ There are no Medicare credit balances to report for this quarter. (No Detail Page(s) attached.)

MIKE POZZOLLE
Contact Person

623-742-6580
Telephone Number

MEDICARE CREDIT BALANCE REPORT CERTIFICATION PAGE

The Medicare Credit Balance Report is required under the authority of sections 1815(a), 1833(e), 1886(a)(1)(C) and related provisions of the Social Security Act. Failure to submit this report may result in a suspension of payments under the Medicare program and may affect your eligibility to participate in the Medicare program.

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CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER

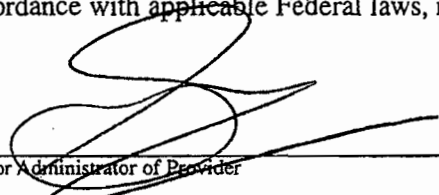
I HEREBY CERTIFY that I have read the above statements and that I have examined the accompanying credit balance report prepared by

WESTERN ILLINOIS KIDNEY CENTER
Provider Name

142579
Provider 6-Digit Number

for the calendar quarter ended 12-31-11 and that it is a true, correct, and complete statement prepared from the books and records of the provider in accordance with applicable Federal laws, regulations and instructions.

* (Sign)


Officer or Administrator of Provider

(Print)

PARTHASARA SRINIVASAN, MD. DIRECTOR
Name and Title

* (Print)

Date

11/9/2012

CHECK ONE:

- ☐ Qualify as a Low Utilization Provider.
☐ The Credit Balance Report Detail Page(s) is attached.
☒ There are no Medicare credit balances to report for this quarter. (No Detail Page(s) attached.)

MIKE POZZOLLO
Contact Person

623-742-6580
Telephone Number

10/25/11
FAXED

MEDICARE CREDIT BALANCE REPORT CERTIFICATION PAGE

The Medicare Credit Balance Report is required under the authority of sections 1815(a), 1833(e), 1886(a)(1)(C) and related provisions of the Social Security Act. Failure to submit this report may result in a suspension of payments under the Medicare program and may affect your eligibility to participate in the Medicare program.

ANYONE WHO MISREPRESENTS, FALSIFIES, CONCEALS OR OMITTS ANY ESSENTIAL INFORMATION MAY BE SUBJECT TO FINE, IMPRISONMENT OR CIVIL MONEY PENALTIES UNDER APPLICABLE FEDERAL LAWS.

CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER

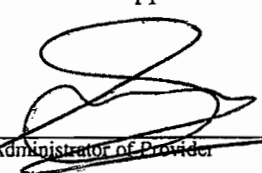
I HEREBY CERTIFY that I have read the above statements and that I have examined the accompanying credit balance report prepared by

WESTERN ILLINOIS KIDNEY CENTER
Provider Name

142579
Provider 6-Digit Number

for the calendar quarter ended 9-30-11 and that it is a true, correct, and complete statement prepared from the books and records of the provider in accordance with applicable Federal laws, regulations and instructions.

*(Sign)



Officer or Administrator of Provider

(Print)

PARTHASARA SRINIVASAN, MED. DIRECTOR
Name and Title

*(Print)

Date

10/25/2011

CHECK ONE:

- ☐ Qualify as a Low Utilization Provider.
☐ The Credit Balance Report Detail Page(s) is attached.
☒ There are no Medicare credit balances to report for this quarter. (No Detail Page(s) attached.)

MIKE POZZELLE
Contact Person

623-742-6580
Telephone Number

MEDICARE CREDIT BALANCE REPORT CERTIFICATION PAGE

The Medicare Credit Balance Report is required under the authority of sections 1815(a), 1833(e), 1886(a)(1)(C) and related provisions of the Social Security Act. Failure to submit this report may result in a suspension of payments under the Medicare program and may affect your eligibility to participate in the Medicare program.

ANYONE WHO MISREPRESENTS, FALSIFIES, CONCEALS OR OMITTS ANY ESSENTIAL INFORMATION MAY BE SUBJECT TO FINE, IMPRISONMENT OR CIVIL MONEY PENALTIES UNDER APPLICABLE FEDERAL LAWS.

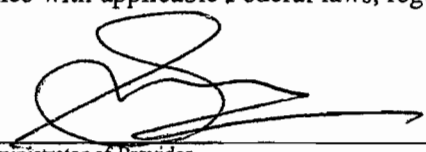
CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER

I HEREBY CERTIFY that I have read the above statements and that I have examined the accompanying credit balance report prepared by

WESTERN ILLINOIS KIDNEY CENTER
Provider Name

142579
Provider 6-Digit Number

for the calendar quarter ended 6-30-11 and that it is a true, correct, and complete statement prepared from the books and records of the provider in accordance with applicable Federal laws, regulations and instructions.

* (Sign) 
Officer or Administrator of Provider

(Print) PARTHASARATHI SRINIVASAN, MD, DIRECTOR
Name and Title

* (Print) 7/18/2011
Date

CHECK ONE:

- ☐ Qualify as a Low Utilization Provider.
☐ The Credit Balance Report Detail Page(s) is attached.
☒ There are no Medicare credit balances to report for this quarter. (No Detail Page(s) attached.)

MIKE POZZOLLO
Contact Person

623-742-6580
Telephone Number

MEDICARE CREDIT BALANCE REPORT CERTIFICATION PAGE

The Medicare Credit Balance Report is required under the authority of sections 1815(a), 1833(e), 1886(a)(1)(C) and related provisions of the Social Security Act. Failure to submit this report may result in a suspension of payments under the Medicare program and may affect your eligibility to participate in the Medicare program.

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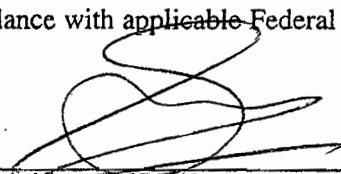
CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER

I HEREBY CERTIFY that I have read the above statements and that I have examined the accompanying credit balance report prepared by

WESTERN ILLINOIS KIDNEY CENTER
Provider Name

142579
Provider 6-Digit Number

for the calendar quarter ended 3-31-11 and that it is a true, correct, and complete statement prepared from the books and records of the provider in accordance with applicable Federal laws, regulations and instructions.


* (Sign) _____
Officer or Administrator of Provider

(Print) PARTHASARA SRINIVASAN, MED. DIRECTOR
Name and Title

* (Print) 4/18/2010
Date

CHECK ONE:

- ☐ Qualify as a Low Utilization Provider.
- ☐ The Credit Balance Report Detail Page(s) is attached.
- ☒ There are no Medicare credit balances to report for this quarter. (No Detail Page(s) attached.)

MIKE PEZZOLLE
Contact Person

623-742-6580
Telephone Number

provider terminates in May, they are expected to file the report covering that quarter (June 30) and then file reports after the close of the September and December quarters.

Providers, who remain in the Medicare Program but change fiscal intermediaries, are also expected to file reports as indicated above.

The termination of the provider number or change in intermediary is considered official only after the Center for Medicare & Medicaid Services (CMS), notifies United Government Services, LLC. Changes cannot be recognized until such official notification is received.

✱ Reports may be faxed to (414) 459-5700

Mailing Addresses

Regular Mail	Overnight Mail Requiring a Signature
United Government Services, LLC. Provider Accounting Department, 4 th Floor P.O. Box 2019 Milwaukee, WI 53201-2019	United Government Services, LLC. Provider Accounting Department, 4 th Floor 6775 West Washington Street Milwaukee, WI 53214-5644

Detailed Instructions

All providers of health care services participating in the Medicare program are required to submit a Medicare Credit Balance Report (Form CMS-838) on a quarterly basis.

General

The Paperwork Burden Reduction Act of 1980 establishes the requirement that you be informed

Last Revision Date: 01/08/2007

4

Schedule 9.6(d)

Members

See Schedule 4.2.

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this Lease.

Hospital is Landlord

MEDICAL OFFICE SPACE LEASE

This lease document is not effective or binding unless approved by the parties listed below.

Date of this Lease: March 11, 2010

Name and Address of Building:
Cottage Medical Plaza - Kellogg Building
765 North Kellogg Street, First Floor
Galesburg, IL 61401

Landlord: Galesburg Hospital Corporation d/b/a Galesburg Cottage Hospital

Address:
695 North Kellogg Street
Galesburg, IL 61401

Tenant: Western Illinois Kidney Center, LLC
Suite Number: 1st Floor

Leased Premises: space in the Building as identified herein and more particularly described on Exhibit B attached hereto.

Number of Rentable Square Feet: 8,190
Number of Usable Square Feet: 6,190

Tenant's Proportionate Share of the Building's Rentable Square Footage:
unknown%

Term of Lease: 10 year(s) and 0 month(s)
Commencement Date of Term of Lease
(and of the obligations hereunder): 10/12/2009
Expiration Date of Lease Term: 10/31/2019

Annual Rent: \$83,565.00 (based on \$13.50/r.s.f./year)

Rent Increase: 3.0% per year Security Deposit: \$0.00

Monthly Rental Installments Table

Lease Year	Annual Rate per sf	Monthly Rental Installments	Additional Rent:
10/12/09 - 10/31/10	\$13.50	\$6,963.75	\$0.00
11/1/10 - 10/31/11	\$13.91	\$7,175.24	\$0.00
11/1/11 - 10/31/12	\$14.33	\$7,391.89	\$0.00
11/1/12 - 10/31/13	\$14.76	\$7,613.70	\$0.00
11/1/13 - 10/31/14	\$15.20	\$7,840.67	\$0.00
11/1/14 - 10/31/15	\$15.66	\$8,077.95	\$0.00
11/1/15 - 10/31/16	\$16.13	\$8,320.39	\$0.00
11/1/16 - 10/31/17	\$16.61	\$8,567.99	\$0.00
11/1/17 - 10/31/18	\$17.11	\$8,825.91	\$0.00
11/1/18 - 10/31/19	\$17.62	\$9,088.98	\$0.00

Utilities: Utility Base Rate (if applicable): \$n/a/r.s.f./year

☒ Utilities are included in the Monthly Rental Installments, including Janitorial

☐ The following utilities are not included in the Monthly Rental Installments:

☐ Tenant is solely responsible for payment of the following separately metered utilities: ☐ electric ☐ gas ☐ water/sewer

☐ Tenant shall pay a pro-rata share of the following utilities: ☐ electric ☐ gas ☐ water/sewer based on Tenant's Proportionate Share of the Rentable Square Footage of the building.

Improvements (check any that apply): Leasehold Improvement Allowance: \$0.00 per Useable Square Foot

☐ A. First time Standard Build Out

☐ B. Existing Space (New Tenant or Renewal)

☐ C. Landlord to build out space pursuant to Exhibit C

☐ This Medical Office Space Lease is a sublease pursuant to that certain Master Lease dated _____, by and between _____, as landlord, and Landlord, as tenant, and is subject and subordinate to the Master Lease in all respects. (If not checked, this paragraph is not applicable.)

Attached hereto and incorporated herein for all purposes are the following additional exhibits:

Exhibit A -- Medical Office Space Lease Standard Terms and Conditions; Exhibit B -- Floor Plan;

☐ Exhibit C -- Leasehold Improvements Agreement ☒ Exhibit D -- Option to Renew ☐ Other - _____

TENANT: Western Illinois Kidney Center, LLC

By: Partha Srinivasan

Name: _____

Title: President/CEO

Guarantors: By their execution hereof, each of the individuals listed below has agreed to guaranty the payment and performance of Tenant's obligations under this Lease pursuant to Section 42 of Exhibit A attached hereto.

By: _____

Name: _____

By: _____

Name: _____

LANDLORD: Galesburg Hospital Corporation d/b/a Galesburg Cottage Hospital

By: _____

Facility Chief Executive Officer

REVIEWED AND APPROVED:

By: _____

Real Estate, CHSPSC

Date 3-15-10

**EXHIBIT A
MEDICAL OFFICE SPACE LEASE STANDARD TERMS AND CONDITIONS**

In consideration of the mutual covenants and representations set forth in the Medical Office Space Lease (herein so called) and this Exhibit A (collectively, this "Lease") and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows. The capitalized terms used in this Exhibit A shall have the meaning assigned to such terms in the Medical Office Space Lease, unless another meaning is assigned to such terms in this Exhibit A.

1. **DEMISE.** Upon the terms and conditions hereinafter set forth, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Leased Premises for the Term of this Lease.

2. **RENT.** The Monthly Rental Installments for this Lease of the Leased Premises shall be due and payable in advance on the first day of each and every month during the Term hereof; provided, that in the event the Term of this Lease commences on a day other than the first (1st) day of a calendar month, then upon the Commencement Date, Tenant shall pay to Landlord a pro rata portion of the Monthly Rental Installment for that portion of the calendar month remaining from the Commencement Date to the first (1st) day of the next calendar month. During the Term of this Lease, the Monthly Rental Installments shall be increased at the commencement of each Lease Year (hereinafter defined) following the first (1st) Lease Year, by the percentage amount set forth in the Medical Office Space Lease and as more particularly set forth in the Monthly Rental Installments Table set forth in the Medical Office Space Lease. It is expressly understood and agreed that Landlord shall apply all payments from Tenant hereunder first to the amounts due by Tenant which have been outstanding for the longest period of time. Each twelve (12) month period commencing on the Commencement Date or any anniversary thereof is referred to herein as a "Lease Year"; provided, however, that if the Commencement Date is any day other than the first (1st) day of a month, then the Lease Years shall each be a twelve (12) month period commencing on the first (1st) day of the following month and each anniversary thereof, and the first (1st) Lease Year shall include the remainder of the month in which the Commencement Date occurs. Tenant agrees to pay all Monthly Rental Installments and sums provided to be paid by Tenant pursuant to this Lease at the times and in the manner herein provided, without any setoff, deduction or counterclaim whatsoever except as otherwise provided in this Lease. Time is of the essence in the performance of all of Tenant's obligations hereunder. If any Monthly Rental Installment or any other amounts owed by Tenant to Landlord hereunder is not paid within ten (10) days following the due date, Tenant shall pay Landlord a late charge equal to One Hundred Fifty and No/100 Dollars (\$150.00). Such late charge is to defray the administrative costs and inconvenience and other expenses which Landlord may incur on account of such delinquency.

3. **LANDLORD'S OBLIGATIONS.**

A. Utilities:

If utilities are included in the Monthly Rental Installments, then Landlord shall, at Landlord's expense, furnish utilities to the Leased Premises, including electrical, water and sewer, heat, ventilation, and air conditioning, however, Tenant shall be responsible for the payment of telephone and data services.

B. Maintenance

Landlord shall maintain, repair and replace all exterior walls and other features of the exterior including but not limited to the roof and all mechanical systems, including but not limited to air conditioning, heating, plumbing, wiring and piping.

C. Insurance

Landlord shall maintain fire and extended coverage insurance on the building in which the Leased Premises are located, in an amount not less than the full replacement cost of the Building.

D. Taxes

Landlord shall be responsible for payment of all real estate taxes assessed against the building or property, as well as all applicable local, state and federal income taxes which are or may be payable by Landlord.

E. Build Out By Landlord

If subpart C under "Improvements" on the Medical Office Space Lease has been checked, Landlord will be responsible for standard build out for office space pursuant to the Leasehold Improvements Agreement attached hereto as Exhibit C (attached hereto and incorporated herein by reference).

4. **TENANT'S OBLIGATIONS.** In addition to the Monthly Rental Installments to be paid, Tenant also agrees to pay directly during the term of this Lease, commencing on the Commencement Date, the following items of expense as the same become due and payable:

A. Taxes.

All ad valorem or other property taxes, personal and intangible taxes payable in connection with the use, occupancy or conduct of business on any part of the Leased Premises, including but not limited to personal property, business, privilege, license, excise, sales, use and occupation taxes (but excluding local, state and federal income taxes payable by Landlord). Tenant shall be responsible for all taxes which are assessed against their stock and inventory, tangible personal property or their business and/or business operations.

B. Maintenance and Modifications.

The following charges for maintaining and operating the Leased Premises in good repair and operating condition:

- 1) Tenant shall, at its own cost and expense, keep the interior clean, maintaining suitable receptacles for trash and refuse, and removing from the interior all accumulations of trash and refuse.
- 2) Tenant shall service, keep and maintain the interior, including fixtures, doors, interior walls and appurtenances in good condition, repair and working order.
- 3) Tenant agrees to deliver to Landlord, upon the Expiration Date or upon earlier termination of this Lease in accordance with the provisions hereof, physical possession of the Leased Premises in good condition, reasonable wear and tear and damage by fire or other casualty excepted.
- 4) If utilities are not included in the Monthly Rental Installments, and if the Leased Premises is separately metered for certain utilities, such as electricity, gas, water, and sewer, Tenant shall be responsible for the payment of all such separately metered utilities provided to the Leased Premises.
- 5) If utilities are not included in the Monthly Rental Installments, and if utilities are not separately metered, Tenant shall be responsible for Tenant's Proportionate Share of Building utility expense, which shall initially be based on the Utility Base Rate for the Building and which shall be payable by Tenant monthly together with the Monthly Rental Installments. Landlord shall notify Tenant of any increase in the Utility Base Rate which may be adjusted by Landlord from time to time throughout the Term of this Lease. If the actual cost of utilities for the Building over any period during the Term of this Lease (i) exceeds the amount previously paid by Tenant during such period, Tenant shall pay Landlord the amount of such excess, which payment shall be due within thirty (30) days of Tenant's receipt of a written request therefor, or (ii) is less than the amount previously paid by Tenant during such period, Tenant shall be credited the amount of such excess against the next succeeding monthly payment(s) of Tenant's Proportionate Share of the then current Utility Base Rate.
- 6) Tenant shall be responsible for all service costs and installations of all telephone or data services and Landlord shall have no responsibility or liability with respect thereto or the failure of operation of any such services.

5. **IMPROVEMENTS.** Tenant shall not make any structural changes, alterations, additions or improvements to the Leased Premises without the written consent of Landlord, which shall not be unreasonably withheld. Except as otherwise required pursuant to Section 3.E hereof, Landlord shall not be responsible for, either in the performance or payment, any improvements to the Leased Premises.

6. USE OF LEASED PREMISES.

- A. Tenant shall use the Leased Premises for the purpose of the licensed practice of medicine and the medical treatment of Tenant's patients and business purposes ancillary thereto and for no other purpose. Without limiting the foregoing, unless approved by Landlord in advance and in writing, Tenant shall not use the Leased Premises for the operation of a "commercial ancillary medical care facility" which shall include, without limitation, a clinical or pathological laboratory, pharmacy, ambulatory surgery center, birthing center, a diagnostic imaging facility (which shall include, without limitation, the following testing facilities: fluoroscopy, x-ray, plain film radiography, computerized tomography (CT), ultrasound, radiation therapy, mammography and breast diagnostics, nuclear medicine testing and magnetic resonance imaging), an acute care general hospital, a specialty hospital, a pain clinic, a rehabilitation center, an extended care facility or nursing home, an inpatient clinic, an emergency center, a home health service, a health maintenance organization or similar direct care provider, an ambulance service, a kidney dialysis center, a respiratory, physical, speech, or occupational therapy services and the provision of any medical or related service to or for any person that is in addition to the examination and diagnosis of patients performed directly by a licensed physician or by other health care professionals under the direct supervision of a licensed physician, or a facility operated for the provision of any such service. In no event shall the Leased Premises or any part thereof be used for the following activities without the prior written consent of Landlord, which consent may be granted or denied in its sole and absolute discretion: (i) any purpose that is in violation of any law, code, ordinance, zoning ordinance or condition or governmental rule or regulation, (ii) any purpose deemed by Landlord or its insurer to be extrahazardous on account of fire risk, (iii) any purpose that would reasonably cause a

cancellation of any insurance policy covering the Building, or (iv) any operation which creates a nuisance. Tenant will conduct its business, and control its agents, employees, and invitees in such a manner as not to create any nuisance or interfere with, annoy or disturb other tenants or Landlord in the management of the Building.

- B. The use of certain diagnostic equipment (including x-ray, but specifically excluding magnetic resonance imaging, nuclear medicine testing and computerized tomography (CT)) and the performance of minor outpatient surgical procedures which do not require general anesthesia or intravenous sedation shall not be considered to violate the terms of this Section 6 so long as the use of such equipment and such surgical procedures are merely ancillary and incidental to the primary medical practice conducted by Tenant in the Leased Premises and do not constitute the primary medical practice or specialty of Tenant nor the predominant services rendered by Tenant to the Tenant's patients.
- C. All licensed physicians who conduct a medical practice and related activities (a "Practice") at the Leased Premises must be and remain members and associates in good standing of the medical staff of Landlord. Each Practice conducted within the Leased Premises shall at all times be conducted under the supervision and authority of a licensed physician meeting the qualifications set forth in this Section 6.C and, except with Landlord's prior written consent, which may be withheld in Landlord's sole and absolute discretion, no such licensed physician shall (i) allow any other person or entity other than another licensed Physician meeting the qualifications described in this Section 6.C to purchase, manage, or operate its Practice, or (ii) conduct the Practice while serving as an agent or employee of any person or entity other than another licensed physician meeting the qualifications described in this Section 6.C.

7. **ASSIGNMENT; SUBLETTING.** Tenant shall not, without the prior consent of Landlord, which consent may be withheld in Landlord's sole discretion, sublease, license or assign its interest under this Lease to any other person or entity. Assignment or subletting without the prior consent of Landlord, including assignment by operation of the law, shall constitute an event of default. In no event, whether with or without consent of Landlord, shall an assignment or lease relieve Tenant of liability under the terms, conditions and provisions of this Lease.

8. **INSURANCE.**

- A. Tenant shall keep and maintain at all times during the Term the following insurance coverage on the Demised Premises: (a) comprehensive general liability insurance coverage on the Demised Premises in the sum of One Million Dollars (\$1,000,000) for any single claim and Three Million Dollars (\$3,000,000) for annual aggregate claims for bodily injury and death resulting therefrom, (b) insurance coverage in the sum of One Hundred Thousand Dollars (\$100,000.00) per occurrence against liability for damage to property, arising out of the maintenance or use of the Demised Premises by the Tenant, and (c) casualty insurance insuring Tenant against loss or damage to its equipment and other personal property in the Demised Premises by fire and all other casualties usually covered under an "all risk" policy of casualty insurance. The policies described in this Section 8 shall name both Tenant and Landlord as named insureds. Annually, Tenant shall furnish Landlord with a certificate of such coverage which shall provide that thirty (30) days' advance written notice be given to Landlord in the event of cancellation or material change in the insurance policy.
- B. Tenant shall not do or permit any act which will increase premiums for any casualty, fire, liability or other insurance maintained by Landlord on the Building or any other property therein or which shall render such insurance void or voidable.

9. **DAMAGE TO PROPERTY/INJURY TO PERSON.** Tenant shall and hereby does indemnify and hold Landlord harmless from and against any and all claims to the extent they arise from (i) Tenant's use of the Leased Premises or the conduct of its business, (ii) any activity, work or thing done, permitted or suffered by the Tenant in or about the Leased Premises, (iii) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or (iv) any act of negligence of Tenant or his agents or employees.

10. **EARLY TERMINATION AS A RESULT OF THE DEATH OR DISABILITY OF A SOLE PRACTITIONER; OTHER VACATION OR ABANDONMENT.** If Tenant is a sole practitioner and dies or becomes disabled (defined for purposes of this Lease as any physical or mental condition that prevents or is reasonably expected to prevent such physician from practicing medicine for more than ninety (90) days), then either party shall have the right to terminate this Lease prior to the expiration date by giving the other party not less than thirty (30) days prior written notice. Except as expressly provided in the preceding sentence, any other vacation of the Leased Premises for more than thirty (30) days or any abandonment of the Leased Premises by Tenant will be considered a material default under this Lease.

11. **LAWS AND REGULATIONS; RULES OF THE BUILDING.** Tenant at its sole cost and expense will maintain the Leased Premises in a clean and healthful condition and will comply with all laws, ordinances, orders, rules and regulations of any governmental authority having jurisdiction over the use, condition or occupancy of the Leased Premises. Tenant, at Tenant's sole cost and expense, shall be responsible for medical, special and infectious waste removal for the Leased Premises in accordance with all applicable laws, regulations and orders. Tenant shall not permit the mixing or disposal of any hazardous

substances, wastes or materials or any medical, special or infectious waste with the general office refuse and Landlord shall have no duty or obligation to remove any hazardous substances, wastes or materials or any medical, special or infectious waste from the Leased Premises. Without limiting the generality of the foregoing, Tenant shall comply strictly and in all respects with the requirements of all Hazardous Waste Laws (hereinafter defined) and shall indemnify Landlord and hold Landlord harmless from and against any liabilities, costs or expenses that may arise on account of the release, discharge, storage, disposal, treatment, processing or other handling or discovery of any Hazardous Substance (hereinafter defined) within the Leased Premises, or the discharge, release, disposal, storage, treatment, processing or other handling of any Hazardous Substance by Tenant, its employees, agents, contractors, or invitees anywhere on the Land or within the Building, or off site. As used herein, "Hazardous Substance" means any substance, material or matter that may give rise to liability under any Hazardous Waste Laws, including (but not limited to) medical waste and petroleum products or petroleum wastes. "Hazardous Waste Laws" shall mean any local, state or federal laws, rules, ordinances, regulations, and policy and guidance statements by any environmental agencies, either in existence as of the date hereof, or enacted, promulgated or issued after the date of this Lease, that concern the management, control, discharge, treatment, containment or removal of substances or materials that are or may become a threat to public health or the environment, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

12. **DEFAULT.** Tenant shall be in default of the terms of this Lease if (i) Tenant shall fail to make a payment of any rent or additional rent, and such rent or additional rent is not paid within ten (10) days following receipt of written notice by Landlord to Tenant of non-payment of same; provided, that Landlord shall not be obligated to send more than two (2) such notices during any twelve (12) month period, (ii) Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty (30) days following receipt of written notice by Landlord to Tenant of such default, (iii) any petition shall be filed by or against Tenant pursuant to any section or chapter of the Bankruptcy Code of the United States, as amended (the "Bankruptcy Code") or under any similar law or statute of the United States or any state thereof, or Tenant shall be adjudged bankrupt or insolvent in proceedings filed under any section or chapter of the Bankruptcy Code or under any similar law or statute of the United States or any state thereof; (iv) Tenant shall become insolvent or make a transfer in fraud of creditors; (v) Tenant shall make a general assignment for the benefit of its creditors; (vi) a receiver or trustee shall be appointed for Tenant or any of the assets of Tenant, or (vii) the vacation of the Leased Premises for more than thirty (30) days or any abandonment of the Leased Premises by Tenant.

In the event of default:

- A. Landlord may continue this Lease in full force and effect and shall have the right to collect rent when due. During the term Tenant is in default, Landlord may re-enter the Leased Premises with legal process and relet same, or any part thereof, to third parties for Tenant's account. Tenant shall be liable for all reasonable costs Landlord incurred for reletting the Leased Premises, including without limitation broker's commissions, expenses associated with repairing and / or remodeling the Leased Premises in order to return the Leased Premises to the same condition as when received by Tenant from Landlord and similar costs. Reletting can be done for a period shorter or longer than the remaining term of this Lease. Tenant shall pay to Landlord the rent due under this Lease on the date such rent is due, less the rent Landlord receives from any reletting. Landlord shall use commercially reasonable efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total rent due for the remainder of the Term.
- B. Landlord may terminate this Lease pursuant to the terms of this Section 12. Upon termination, Landlord shall have the right to collect an amount equal to all expenses, if any, including reasonable attorneys' fees, incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated by Tenant.
- C. Landlord may enter upon the Premises and change, alter, or modify the door locks on all entry doors of the Premises, and permanently or temporarily exclude Tenant, and its agents, employees, representatives and invitees, from the Premises, but only to the extent permitted by, and subject to the requirements of, applicable state statutory law in effect at the time of the event of default.
- D. Should any of these remedies or any portion thereof not be permitted by the laws of the state where the Building is located, then such remedy or portion thereof shall be considered deleted and unenforceable, and the remaining remedies or portions thereof shall be and remain in full force and effect, and Landlord may avail itself of these as well as any other remedies or damages allowed by law.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity. Any entry by Landlord upon the Premises may be by use of a master or duplicate key or electronic pass card or any locksmith's entry procedure or other peaceable means. No entry or taking possession of the Leased Premises by Landlord shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention is given to Tenant. In the event it is necessary for Landlord to institute suit against Tenant in order to collect the rental or any other sum due hereunder or any deficiency between the rental and any other sum provided for by this Lease for a calendar month and the rental and any other sum actually collected by Landlord for such calendar month, Landlord shall have the right to allow such deficiency to accumulate and to bring an action upon several or all of such rental deficiencies at one time. Any suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent rental deficiency.

or deficiencies. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants contained herein shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants of this Lease. Forbearance by Landlord to enforce one or more of the remedies provided herein upon the occurrence of an event of default shall not be deemed or construed to constitute a waiver of any other violation or event of default.

13. **RIGHT OF ACCESS.** Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required to make hereunder.

14. **END OF TERM.** At the termination of this Lease, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any equipment, furniture, trade fixtures or other personal property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal. In the event of holding over by Tenant after the expiration or termination of the Term of this Lease, Tenant shall pay rent at the then-current rate for Monthly Rental Installments escalated by the percentage Rent Increase as set forth in the Medical Office Space Lease, on a monthly basis and the Term of this Lease shall be automatically extended for successive periods of one (1) year each; provided that during any automatically extended period following the expiration of the Term of this Lease, Landlord and Tenant shall each have the right to terminate this Lease by delivering written notice to the other at least ninety (90) days prior to the desired expiration date.

15. **ATTORNEYS' FEES.** In the event that suit is brought by either party against the other for breach or default under the terms of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees, expenses (including expert witness fees) and court costs equal to the sum established by the court.

16. **HEADINGS.** The article captions contained in this Lease are for the convenience of the parties only and shall not be considered in the construction or interpretation of any provision hereof.

17. **ENTIRE AGREEMENT.** The Lease contains the entire agreement between the parties and supersedes any and all other prior oral and written agreements between the parties regarding the subject matter contained herein and may not be changed or terminated orally but only by agreement in writing and signed by all parties.

18. **DAMAGE OR DESTRUCTION.** If the Leased Premises are damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any equipment which is owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty (60) days after the occurrence of such damage. Landlord shall notify Tenant within fifteen (15) days of the event of casualty of its determination. Until such repairs are completed, the rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty (60) days and Landlord nonetheless chooses to repair, then Tenant may, at its option, continue as Tenant under this Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate this Lease. A total destruction of the Building in which the Leased Premises are located shall automatically terminate this Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

19. **EMINENT DOMAIN.** If the whole of the Leased Premises or so much thereof as to render the balance unusable by Tenant shall be taken under power of eminent domain, this Lease shall automatically terminate as of the effective date of the taking. In the event of a partial taking which does not result in a termination of this Lease, the rent reserved hereunder shall remain unaffected. Landlord may, without any obligation or liability to Tenant, stipulate with any condemning authority for a judgment of condemnation without the necessity of a formal suit or judgment of condemnation, and the date of taking under this clause shall then be deemed the date agreed to under the terms of said agreement for stipulation and this Lease shall terminate as of the stipulated date.

20. **WAIVER.** No waiver by either party shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved.

21. **NOTICES.** Any notice required or permitted to be given hereunder may be given by mail and shall be sufficiently given if personally served or sent by certified mail or by special or overnight courier, addressed to the relevant party at the addresses specified in this Lease (notice to Tenant shall be given at the Leased Premises). For any notice given to Landlord, a copy shall be provided to the Landlord's counsel as follows: General Counsel, Legal Department, 4000 Meridian Blvd., Franklin, TN 37067.

22. **BINDING EFFECT.** The Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators. Nothing in this article shall be deemed to amend the provisions herein concerning assignment and subletting.

23. **APPLICABLE LAW.** The laws of the state where the Building is located shall be employed in and govern the interpretation of all of the covenants, terms and conditions of this Lease.

24. **NO PARTNERSHIP RELATIONSHIP.** Notwithstanding any agreement herein contained, Landlord shall not be construed or held to be a partner or associate of Tenant in the conduct of its business, it being expressly understood and agreed that the relationship between the parties is and at all times shall remain that of Landlord and Tenant.

25. **NO REQUIREMENT TO REFER.** The parties expressly agree that nothing contained in this Lease shall require Tenant or any physician or other referral source to refer or admit any patients to, or order any goods or services from Landlord or any affiliate. Notwithstanding any unanticipated effect of any provision of this Agreement, neither party will knowingly or intentionally conduct himself in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs (42 USC Section 1320a-7b). Both parties represent to the other that the Annual Rental Rate provided for in this Lease are at fair market value rates and do not take into account the value or volume of any referrals or other business generated between the parties. Both as a material condition to this Lease and as a continuing representation and warranty for the duration of this Lease, Tenant represents and warrants that neither it nor any of its owners, officers, directors, employees, agents, subcontractors etc have been suspended, excluded, or debarred from any government payor program.

26. **QUIET ENJOYMENT.** Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof.

27. **SUBORDINATION, ATTORNMENMENT AND NON-DISTURBANCE.**

A. Tenant agrees that this Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage. The terms of this provision shall be self-operative and no further instrument of subordination shall be required. Tenant, however, upon request of any party in interest, shall execute promptly such instrument or certificates as may be reasonably required to carry out the intent of this provision.

B. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any mortgage covering the Leased Premises or the Building, or in the event of termination of any Lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as the Landlord under this Lease. Tenant agrees to execute any attornment agreement not in conflict with this provision.

C. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of Rentals or other charges, or in the performance of any of the other terms, covenants or conditions of this Lease, mortgagee or such person shall not disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of this Lease notwithstanding any event or proceedings described in this section.

28. **ESTOPPEL CERTIFICATE.** Within thirty (30) days after written request from Landlord, Tenant shall deliver an executed statement addressed to Landlord certifying (if such be the case) that this Lease is in full force and effect, that Tenant has commenced the payment of rent, and that there are no defenses or offsets to this Lease claimed by Tenant, as well as any other information reasonably requested. If Tenant fails or refuses to give a certificate hereunder within the required time frame, then the information on such certificate as submitted by Landlord shall be deemed correct for all purposes and Landlord shall have the right to treat such failure or refusal as a default by Tenant.

29. **FORCE MAJEURE.** With the exception of the obligation of Tenant to pay Rent and all other amounts that may be due from time to time under this Lease, if either party shall be delayed or hindered in or prevented from doing or performing any act or thing required hereunder by reason of any matters beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act or thing shall be extended for a period equivalent to the period of such delay. In such event, this Lease and the obligations of both parties to perform and comply with all of the other terms and provisions of this Lease shall in no way be affected, impaired, or excused.

30. **WAIVER OF JURY TRIAL**

LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION, ACTION, PROCEEDING OR COUNTERCLAIM BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR THE OBLIGATIONS EVIDENCED HEREBY, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OF OR OCCUPANCY OF THE PREMISES, ANY CLAIM OF INJURY OR DAMAGE, OR ANY EMERGENCY OR OTHER STATUTORY REMEDY OR ANY OTHER

DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF LANDLORD AND TENANT IN ENTERING INTO THIS LEASE.

31. **SUBLEASE.** In the event this Lease is a sublease to an underlying lease agreement, as described in this Lease, then with respect to the Leased Premises, except for the Term of this Lease and the Rental Rate/Installment, Tenant shall perform all of the obligations of tenant/lessee under such underlying lease agreement.

32. **LIMITATION OF LANDLORD LIABILITY.** The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord in the Building and the Land, and Landlord shall not be personally liable for any deficiency. Notwithstanding anything to the contrary contained in this Lease, in the event Landlord sells, assigns, transfers or conveys its interest in the Land, Landlord shall have no liability for any acts or omissions that occur after the date of said sale, assignment, transfer or conveyance, provided that any such grantee, assignee or transferee assumes all of Landlord's obligations under this Lease.

33. **BROKERAGE.** Tenant represents and warrants to Landlord that it has not had any dealings with any broker or agent in connection with the negotiation or execution of this Lease; and Tenant agrees to indemnify Landlord and hold Landlord harmless from and against any and all costs, expenses or liability for commissions or other compensation or charges claimed by any other broker or agent, through commitments of Tenant with respect to this Lease. In the event Landlord elects to engage a broker or agent in connection with the negotiation or execution of this Lease, Landlord shall be solely responsible to pay any commissions or fees due and payable to such broker or agent.

34. **NO THIRD PARTY BENEFICIARY.** This Lease is for the sole benefit of Landlord, its successors and assigns, and Tenant, its permitted successors and assigns, and it is not for the benefit of any third party.

35. **SEVERABILITY.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

36. **SECURITY DEPOSIT.** Tenant shall deposit with Landlord a Security Deposit in the total amount set forth on the Medical Office Space Lease to be paid on the date Tenant executes this Lease. The Security Deposit shall be held by Landlord without liability for interest and with the understanding that: (i) the Security Deposit or any portion thereof may be applied to the curing of any default, without prejudice to any other remedy or remedies which Landlord may have on account thereof, and upon such application, Tenant shall pay Landlord on demand the amount so applied which, when paid, shall be added to the Security Deposit so the same will be restored to its original amount; (ii) Landlord shall not be obligated to hold the Security Deposit as a separate fund, but may commingle it with other funds; and (iii) if Tenant is not in default, the remaining balance of the Security Deposit shall be returned to Tenant, without interest, within thirty (30) days after the expiration of the Term or other termination of this Lease; provided, however, Landlord shall have the right to retain and expend such remaining balance for cleaning and repairing the Premises if Tenant shall fail to deliver the Premises at the termination of this Lease in a neat and clean condition and in as good a condition as existed at the date of possession of same by Tenant, except for ordinary wear and tear. Landlord shall have the right to use the Security Deposit to offset any Rent Increase which is either not collected by Landlord or not paid by Tenant pursuant to the terms of this Lease.

37. **MECHANICS' LIENS.** Nothing contained in this Lease shall authorize Tenant to do any act which shall in any way encumber the title of Landlord in and to the Leased Premises or the Building or any part thereof; and if any mechanic's or materialman's lien is filed or claimed against the Leased Premises or Building or any part thereof in connection with any work performed, materials furnished or obligation incurred by or at the request of Tenant, Tenant will promptly either (x) pay same and cause it to be released of record or (y) contest same in good faith and, if it has not been removed within thirty (30) days, bond around it. If the lien is not released of record (or bonded around) and default in payment thereof shall continue for thirty (30) days after written notice thereof from Landlord to Tenant, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be repaid to Landlord immediately by Tenant on demand therefor.

38. **ABANDONED PROPERTY.** All personal property of Tenant remaining in the Leased Premises after the expiration or earlier termination of the Term may be treated by Landlord as having been abandoned by Tenant, and Landlord shall have the right to remove such personal property from the Leased Premises without any obligation to deliver such personal property to Tenant and without any liability to Tenant whatsoever, it being agreed that Tenant shall have no right to reclaim such property. Provided, however, that in no event whatsoever shall Landlord have any access or rights to the confidential and proprietary information of Tenant, specifically including, without limitation, patient medical charts, records or other information. Landlord shall have no duty to notify Tenant that Landlord may dispose of Tenant's property.

39. **TRANSFER OF LANDLORD'S RIGHTS.** In the event Landlord transfers its interest in the Building, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to the successor in interest of the Landlord for the performance of such obligations, provided however, that any assignee or transferee of Landlord shall assume by written agreement all of Landlord's obligation under this Lease.

40. **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply strictly with the following rules and regulations, adopted for the safety, care and cleanliness of the Building or the preservation of good order therein. Landlord shall not be liable to Tenant for a violation of such rules and regulations, or for the breach of any covenant or condition in a lease by any other tenant in the Building. Landlord may, from time to time and upon notice to Tenant, adopt additional or substitute rules and regulations of the Building.

- A. **Conduct.** Tenant shall not conduct its practice or business, or advertise such business, profession or activities of Tenant conducted in the Premises in any manner which violates local, state or federal laws or regulations.
- B. **Hallways and Stairways.** Tenant shall not obstruct or use for storage, or for any purpose other than ingress and egress, the sidewalks, entrance, passages, courts, corridors, vestibules, halls, elevators and stairways of the Building.
- C. **Nuisances.** Tenant shall not make or permit any noise, odor or act that is objectionable to other occupants of the Building to emanate from the Premises, and shall not create or maintain a nuisance thereon.
- D. **Musical Instruments, Etc.** Tenant shall not install or operate any phonograph, musical instrument, radio receiver or similar device in the Building in such manner as to disturb or annoy other tenants of the Building or the neighborhood. Tenant shall not install any antennae, aerial wires or other equipment outside the Building without the prior written approval of Landlord.
- E. **Locks.** No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof. Tenant must upon the termination of its tenancy restore to Landlord all keys to the Premises and toilet rooms either furnished to or otherwise produced by Tenant, and in the event of loss of any keys so furnished, Tenant shall pay to Lessor the cost thereof.
- F. **Obstructing Light, Damage.** The doors, window glass, lights and skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. The toilets and urinals shall not be used for any purpose other than those for which they were intended and constructed, and no rubbish, newspapers or other substance of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed. Tenant shall not mark, drive nails, screw or drill into, paint, nor in any way deface the walls, ceilings, partitions, floors, wood, stone or iron work. The expense of any breakage, stoppage or damage resulting from a violation of this rule by Tenant shall be borne by Tenant. Tenant shall be permitted to hang pictures on office walls, but it must be done in a workmanlike manner and in such a way as not to damage or deface such walls.
- G. **Wiring.** Electrical wiring of every kind shall be introduced and connected only as directed by Landlord, and no boring nor cutting of wires will be allowed except with the consent of Landlord. The location of the telephone, call boxes, etc., shall be subject to the approval of Landlord.
- H. **Equipment, Moving, Furniture, Etc.** Landlord shall approve the weight, size and position of all fixtures, equipment and other property brought into the Building, and the times of moving which must be done under the supervision of Landlord. Landlord will not be responsible for any loss of or damage to any such equipment or property from any cause, and all damage done in the Building by moving or maintaining any such property shall be repaired at the expense of Tenant. All equipment shall be installed as required by law.
- I. **Requirements of Tenant.** The requirements of Tenant will be attended to only upon application at the office of Landlord. Employees shall not perform any work nor do anything outside their regular duties unless under special instructions from Landlord. No employees shall admit any person, Tenant or otherwise, to any other office without instruction from the office of Landlord. All janitorial services personnel, guards or any outside contractors employed by Tenant shall be subject to the regulations and control of Landlord, but shall not act as an agent or servant of Landlord.
- J. **Medical and Hazardous Wastes.** Tenant shall comply with all policies established from time to time by Landlord regarding the storage and disposal of hazardous substances, wastes and materials, and medical, special or infectious wastes.
- K. **Access to Building.** Any person entering or leaving the Building may be questioned by Building security regarding his/her business in the Building and may be required to sign in and out. Anyone who fails to provide a satisfactory reason for being in the Building may be excluded.

- L. Vehicles, Animals, Refuse. Tenant shall not allow anything to be placed on the outside window ledges of the Premises or to be thrown out of the windows of the Building. No bicycle or other vehicle, and no animal, except for service animal, shall be brought into the offices, halls, corridors, elevators or any other parts of the Building by Tenant or the agents, employees or invitees of Tenant, and Tenant shall not place or permit to be placed any obstruction or refuse in any public part of the Building.
- M. Equipment Defects. Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.
- N. Parking. Unless otherwise specified by Landlord, Tenant and its employees may park automobiles only in spaces designated by Landlord for such purpose and shall in no event park in spaces reserved for public parking. Tenant agrees that Landlord assumes no responsibility of any kind whatsoever in reference to such automobile parking area or the use thereof by Tenant or its agents or employees.
- O. Conservation and Security. Tenant will see that all windows and doors are securely locked, and that all faucets and electric light switches are turned off before leaving the Building.
- P. Signage. Tenant shall not place any sign upon the Leased Premises or the Building without Landlord's prior written consent.
- Q. Smoking. The use of all tobacco products, including without limitation, cigarettes, cigars, pipe tobacco, and smokeless tobacco of any kind, is prohibited in all portions of the Building.

41. GUARANTY. The Guarantor(s) identified in the Medical Office Space Lease hereby jointly and severally covenant and agree to and with Landlord that if default shall at any time be made by Tenant in the payment or performance of any obligations set forth herein, when due, Guarantor(s) will forthwith pay or perform such obligation on behalf of Tenant to or for the benefit of Landlord. The guaranty provisions of this Section 41 constitute an absolute, unconditional and irrevocable guaranty of payment (and not of collection) and performance and are a surety agreement. Guarantor(s)' liability hereunder is primary and direct and may be enforced without Landlord being required to resort to any other right, remedy or security and the terms of this Section 41 shall be enforceable against Guarantor(s) jointly and severally, without the necessity for any suit or proceedings on Landlord's part of any kind or nature whatsoever against Tenant or any other guarantor, and without the necessity of any notice of non-payment, non-performance or non-observance or the continuance of any such default or of any notice of acceptance, protest, dishonor or presentment of the terms hereof or of Landlord's intention to act in reliance hereon or of any other notice or demand to which Guarantor(s) might otherwise be entitled, all of which Guarantor(s) hereby expressly waive. The terms of this Section 41 shall be a continuing guaranty, and (whether or not Guarantor(s) shall have notice or knowledge of any of the following) the liability and obligation of Guarantor(s) hereunder shall not be released, discharged or in any way impaired by (a) any amendment or modification of, or supplement to, or extension or renewal of, this Lease; (b) any exercise or non-exercise of any right or remedy under this Lease; (c) any bankruptcy, insolvency, reorganization, liquidation or similar proceeding relating to Tenant (including without limitation any rejection or disaffirmance of this Lease in any such proceedings); (d) any limitation on the liability or obligation of Tenant under this Lease or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the federal bankruptcy law or any other statute or from the decision of any court; (e) any transfer by Tenant or any assignment, mortgage or pledge of its interest under this Lease; (f) any agreement entered into between Landlord and an assignee of Tenant or any agreement entered into between Landlord and the holder of any leasehold mortgage (or between Landlord and the nominee of any such holder of a leasehold mortgage); or (g) any other thing which might otherwise operate to exonerate, discharge, or reduce the liability of Guarantor(s) for the payment of any sums or the performance of any other obligations becoming due from the Tenant under this Lease.

42. FINAL LEASE VERSION. The Lease is collectively comprised of the Medical Office Space Lease to which this Exhibit A is attached, and all Exhibits attached hereto. Notwithstanding any provision contained herein to the contrary, no handwritten or interlineated changes to this Lease will override the printed text of this Lease unless those changes are included in the final fully executed counterpart of this Lease which is scanned and electronically stored in Landlord's corporate Selectica database.

43. APPROVALS. Neither this Lease nor any amendment or modification hereto shall be effective or legally binding upon Landlord, or any officer, director, employee or agent thereof, unless and until it has been reviewed and approved electronically (or in writing) by a Division President and the Real Estate Department of Community Health Systems Professional Services Corporation, Landlord's Management Company.

EXHIBIT B
FLOOR PLAN

[ATTACH ON THIS PAGE]

B-1

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EXHIBIT D

RENEWAL OPTIONS

Provided that Tenant, both at the time of giving the applicable renewal notice set forth herein and at the time of the commencement of the Renewal Term (hereinafter defined) in question, is not in default under any term or provision contained in the Medical Office Space Lease to which this Exhibit D is attached (the "Lease"), and no condition exists which with the passage of time or the giving of notice or both would constitute an Event of Default pursuant to the Lease, Tenant (including any assignee or subtenant of Tenant who has been approved by Landlord) shall have, and is hereby given (subject to the requirements set forth herein), two (2) option(s) (each, a "Renewal Option") to renew and to extend the Term of the Lease for a period of five (5) year(s) (each a "Renewal Term"), each Renewal Option to follow consecutively upon the expiration of the initial Term of the Lease or the then current Renewal Term, if applicable. Each Renewal Option shall be exercised, if at all, by Tenant giving written notice thereof to Landlord (each, a "Renewal Notice") at least six (6) months prior to (but not more than twelve (12) months prior to) the Expiration Date of the initial Term or the then current Renewal Term, as the case may be. The renewal and extension of the Lease for any Renewal Term shall be under the same terms, conditions and covenants contained in the Lease, except that (a) no abatements or other concessions, if any, applicable to the initial Term or any Renewal Term, as applicable, shall apply to any subsequent Renewal Term; and (b) the Monthly Rental Installments shall be as set forth herein.

Within thirty (30) days following receipt by Landlord of a Renewal Notice from Tenant, Landlord shall notify Tenant whether the then current Monthly Rental Installments when increased by the Rent Increase percentage set forth in the Lease is within the fair market value range as determined by Landlord's outside MAI certified real estate consultant. In the event that Landlord does not have a current study of the fair market value for rentals in the market in which Leased Premises is located, Landlord shall have a study of the fair market value for rentals in the market where the Leased Premises is located performed (the "Study") by Landlord's MAI certified real estate consultant and shall notify Tenant in writing (the "Renewal Rental Notice") within ninety (90) days following Landlord's receipt of a Renewal Notice, with the Monthly Rental Installments that will be required by Landlord during the Renewal Term (the FMV Monthly Rental Installments). In the event that (i) the FMV Monthly Rental Installments are greater than the then current Monthly Rental Installments in effect at the time the Renewal Notice was delivered to Landlord, escalated by the Rent Increase percentage (as escalated the "Escalated Monthly Rental Installments"), Tenant shall have the option to terminate its exercise of such Renewal Option by delivering written notice (the "Renewal Notice Termination") thereof to Landlord within ten (10) days following receipt of the Renewal Rental Notice from Landlord, (ii) the FMV Monthly Rental Installments are less than the Escalated Monthly Rental Installments, Tenant shall have the option to terminate its exercise of such Renewal Option by delivering written notice (the "Renewal Notice Termination") thereof to Landlord within ten (10) days following receipt of the Renewal Rental Notice from Landlord, or (iii) the Escalated Monthly Rental Installments are within the range for the FMV Monthly Rental Installments, the Lease shall be extended for the Renewal Term without the requirement of any further action on the part of Landlord or Tenant.

In the event that Tenant fails to timely deliver a Renewal Notice Termination as provided herein, Tenant shall be presumed to have accepted the FMV Monthly Rental Installments as set forth in the Renewal Rental Notice and shall execute a new lease agreement with Landlord in form and substance substantially similar to the Lease with respect to the Leased Premises except that the Monthly Rental Installments due under the new lease shall be equal to the FMV Monthly Rental Installments, on or before the earlier of the (i) the Expiration Date of the Term, or Renewal Term as applicable, or (ii) thirty (30) days following receipt of the Renewal Rental Notice.

Failure by Tenant to notify Landlord in writing of Tenant's election to exercise the Renewal Options herein granted within the time limits set forth for such exercise shall constitute a waiver and termination of such Renewal Option and any and all subsequent Renewal Options. Upon exercise of a Renewal Option by Tenant and subject to the conditions set forth hereinabove, the Lease shall be extended for the period of such applicable Renewal Term without the necessity of the execution of any further instrument or document, although if requested by either party, Landlord and Tenant shall enter into a written agreement modifying and supplementing the Lease in accordance with the provisions hereof. Any termination of the Lease during the Initial Term shall terminate all renewal rights hereunder and any termination of the Lease during any Renewal Term shall terminate all rights to any subsequent Renewal Option. The renewal rights of Tenant hereunder shall not be assigned or otherwise conveyed in connection with any permitted assignment or sublease of the Lease.

Criterion 1120.310 Financial Viability

Financial Viability Waiver

This project is being funded entirely through cash and securities thereby meeting the criteria for the financial waiver.

2011 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #12-056, Fresenius Medical Care RAI Lincoln Highway – Fairview Heights and are the same financials that pertain to this application. In order to reduce bulk these financials can be referred to if necessary.

Criterion 1120.310 (d) – Projected Operating Costs

Year 2013

Salaries	\$550,184
Benefits	137,546
Supplies	<u>167,402</u>
Total	\$855,132

Annual Treatments 8,580

Cost Per Treatment \$99.66

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Galesburg, LLC

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By: [Signature]
Title: Mark Fawcett
Vice President & Treasurer

By: [Signature]
Title: Bryan Mello
Assistant Treasurer

Notarization:

Subscribed and sworn to before me
this _____ day of _____, 2012

Notarization:

Subscribed and sworn to before me
this 14 day of June, 2012

Signature of Notary

C Wynelle Scenna

Signature of Notary

Seal



Seal

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Holdings, Inc.

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By: [Signature]
Title: Mark Fawcett
Vice President & Asst. Treasurer

By: [Signature]
Title: Bryan Mello
Assistant Treasurer

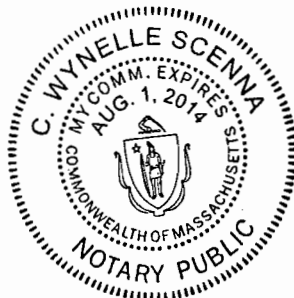
Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2012

Notarization:
Subscribed and sworn to before me
this 14 day of June 2012

Signature of Notary C. Wynelle Scenna Signature of Notary

Seal

Seal



Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Galesburg, LLC

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: 

ITS: Mark Fawcett
Vice President & Treasurer

By: 

ITS: Bryan Mello
Assistant Treasurer

Notarization:

Subscribed and sworn to before me
this _____ day of _____, 2012

Notarization:

Subscribed and sworn to before me
this 14 day of June, 2012

Signature of Notary C Wynelle Scenna Signature of Notary

Seal



Seal

Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Holdings, Inc.

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: [Signature]
ITS: Mark Fawcett
Vice President & Asst. Treasurer

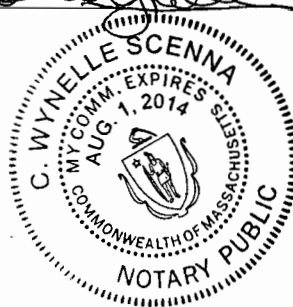
By: [Signature]
ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2012

Notarization:
Subscribed and sworn to before me
this 14 day of June, 2012

Signature of Notary C. Wynelle Scenna Signature of Notary

Seal



Seal

Safety Net Impact Statement

The change of ownership of Fresenius Medical Care Galesburg (Western Illinois Kidney Centr) dialysis facility will not have any impact on safety net services in the Galesburg area. Outpatient dialysis services are not typically considered "safety net" services, to the best of our knowledge. However, we do provide care for patients in the community who are economically challenged and/or who are undocumented aliens, who do not qualify for Medicare/Medicaid. We assist patients who do not have insurance in enrolling when possible in Medicaid and/or Medicaid as applicable, and also our social services department assists patients who have issues regarding transportation and/or who are wheel chair bound or have other disabilities which require assistance with respect to dialysis services and transport to and from the unit.

This particular application will not have an impact on any other safety net provider in the area, as no hospital within the area provides dialysis services on an outpatient basis.

Fresenius Medical Care is a for-profit publicly traded company and is not required to provide charity care, nor does it do so according to the Board's definition. However, Fresenius Medical Care provides care to all patients regardless of their ability to pay. There are patients treated by Fresenius who either do not qualify for or will not seek any type of coverage for dialysis services. These patients are considered "self-pay" patients. These patients are invoiced as all patients are invoiced, however payment is not expected and Fresenius does not initiate any collections activity on these accounts. These unpaid invoices are written off as bad debt. Fresenius notes that as a for profit entity, it does pay sales, real estate and income taxes. It also does provide community benefit by supporting various medical education activities and associations, such as the Renal Network and National Kidney Foundation.

The table on the following page shows the amount of "self-pay" care and Medicaid services provided for the 3 fiscal years prior to submission of the application for all Fresenius Medical Care facilities in Illinois.

Safety Net Information Fresenius Medical Care Facilities in Illinois			
NET REVENUE	\$364,295,636	\$397,467,778	\$353,355,908
CHARITY CARE			
	2009	2010	2011
Charity Care (# of self-pay patients)	260	146	93
Charity (self-pay) Cost	\$3,642,751	\$1,307,966	632,154
% of Charity Care to Net Rev.	1.00%	.33%	0.2%
MEDICAID			
	2009	2010	2011
Medicaid (# of patients)	1,783	1,828	1,865
Medicaid (revenue)	\$40,401,403	\$44,001,539	\$42,367,328
% of Medicaid to Net Revenue	11.9%	11.07%	12%

2011 data accounts for in-center hemodialysis patients only. 2009 & 2010 included some home dialysis patients and we were unable to remove them from the above numbers. Going forward data on in-center patients only will be submitted

Uncompensated care #'s listed in the previous chart have gone down substantially over the past three years. This is due to an aggressive effort on our clinics part to obtain coverage for every patient. All ESRD patients can qualify for some type of coverage as is explained in Attachment 44.

While it may appear that the uncompensated numbers went down at a much higher rate than the rate the Medicaid numbers rose, one has to look at the percentage of the total number of patients/treatments for accurate comparison because the volume of Medicaid patients is significantly higher than that of uncompensated patients. For example in 2011 vs 2010 the percentage of the total for Medicaid was 12% and 11.7% respectively. In the same comparison for uncompensated care there was .2% vs .33% of the total. The Medicaid numbers increased .5% and the uncompensated care numbers decreased .1% as they relate to the total.

(See attachment 44 for Uncompensated and Medicaid Care by facility)

Charity Care Information

The applicant(s) do not provide charity care at any of their facilities per the Board's definition. They do provide uncompensated care. The applicant(s) are for profit corporations and do not receive the benefits of not for profit entities, such as sales tax and/or real estate exemptions, or charitable donations. The applicants are not required, by any State or Federal law, including the Illinois Healthcare Facilities Planning Act, to provide charity care. The applicant(s) are prohibited by Federal law from advising patients that they will not be invoiced for care, as this type of representation could be an inducement for patients to seek care prior to qualifying for Medicaid, Medicare or other available benefits.

The applicants do provide access to care at all of its clinics regardless of payer source or whether a patient is likely to receive treatments for which the applicants are not compensated. Uncompensated care occurs when a patient is not eligible for any type of insurance coverage (whether private or governmental) and receives treatment at our facilities. It is rare in Illinois for patients to have no coverage as patients who are not Medicare eligible are Medicaid eligible. This represents a small number of patients, as Medicare covers all dialysis services as long as an individual is entitled to receive Medicare benefits (i.e. has worked and paid into the social security system as a result) regardless of age. In addition, in Illinois Medicaid covers patients who are undocumented and/or who do not qualify for Medicare, and who otherwise qualify for public assistance. Also, the American Kidney Fund provides low cost insurance coverage for patients who meet the AKF's financial parameters and who suffer from end stage renal disease (see uncompensated care attachment). The applicants work with patients to procure coverage for them as possible whether it be Medicaid, Medicare and/or coverage through the AKF. The applicants donate to the AKF to support its initiatives.

If a patient has no available insurance coverage, they are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants

It is noted in the above charts on the following pages, that the number of patients receiving uncompensated care has declined. This is not because of any policy or admissions changes at Fresenius Medical Care. We still accept any patient regardless of ability to pay. The reduction is due to an aggressive approach within our facilities to obtain insurance coverage for all patients, thus the rise in Medicaid treatments/costs. Nearly all dialysis patients in Illinois will qualify for some type of coverage. Our Financial Coordinators work with patients to assist in finding the right coverage for each patient's particular situation. This coverage applies not only to dialysis services, but all health care services this chronically ill patient population may receive. Therefore, while assisting the patient to obtain coverage benefits the patient and Fresenius, it also assists other health care providers. Mainly though, it relieves patients of the stress of not having coverage or affordable coverage for health care.

Uncompensated Care By Facility

Facility	Uncompensated Treatments			Uncompensated Costs		
	2009	2010	2011	2009	2010	2011
Fresenius Alsip	0	0	0	0	0	0
Fresenius Antioch	102	0	0	27,356	0	0
Fresenius Aurora	83	87	13	18,102	20,475	3,008
Fresenius Austin Community	140	0	0	38,748	0	0
Fresenius Berwyn	715	228	102	159,825	50,216	21,728
Fresenius Blue Island	174	80	0	47,787	22,092	0
Fresenius Bolingbrook	48	21	0	12,190	4,945	0
Fresenius Bridgeport	528	45	150	116,096	9,767	35,073
Fresenius Burbank	721	49	40	174,834	11,589	9,742
Fresenius Carbondale	79	42	0	21,053	11,058	0
Fresenius Chicago	328	45	1	87,584	13,006	294
Fresenius Chicago Westside	146	0	43	47,296	0	12,683
Fresenius Congress Parkway	176	14	0	45,015	3,555	0
Fresenius Crestwood	67	320	69	16,604	81,301	17,203
Fresenius Decatur	0	0	0	0	0	0
Fresenius Deerfield	0	0	0	0	0	0
Fresenius Downers Grove	20	233	0	4,604	55,040	0
Fresenius Du Page West	76	34	0	17,683	8,106	0
Fresenius Du Quoin	37	10	0	10,153	2,664	0
Fresenius East Peoria	52	0	0	11,791	0	0
Fresenius Elgin	0	0	0	0	0	0
Fresenius Elk Grove	127	53	51	28,162	11,934	12,501
Fresenius Evanston	194	215	90	48,763	55,760	22,969
Fresenius Evergreen Park	510	197	12	135,802	51,112	3,113
Fresenius Garfield	177	54	171	45,571	13,562	38,597
Fresenius Glendale Heights	159	15	9	34,921	3,565	2,023
Fresenius Glenview	87	46	169	19,416	9,809	37,965
Fresenius Greenwood	251	179	26	60,119	42,049	6,103
Fresenius Gurnee	122	35	25	28,363	7,609	5,350
Fresenius Hazel Crest	34	22	83	8,927	5,874	20,550
Fresenius Hoffman Estates	33	17	19	7,219	3,783	4,173
Fresenius Jackson Park	528	3	0	121,478	637	0
Fresenius Kewanee	0	72	0	0	20,269	0
Fresenius Lake Bluff	65	5	21	16,903	1,052	4,824
Fresenius Lakeview	27	13	11	7,284	3,026	2,712
Fresenius Lombard	0	0	0	0	0	0
Fresenius Macomb	0	0	0	0	0	0
Fresenius Marquette Park	362	0	0	90,374	0	0
Fresenius McHenry	186	5	1	53,929	1,240	265
Fresenius McLean County	67	19	23	16,821	4,012	5,111
Fresenius Melrose Park	19	0	2	5,048	0	479
Fresenius Merrionette Park	105	41	46	27,067	9,535	10,728
Fresenius Midway	0	0	0	0	0	0
Fresenius Mokena	44	3	0	15,784	976	0
Fresenius Morris	42	104	0	11,078	27,519	0
Fresenius Naperville	301	100	0	62,828	21,795	0
Fresenius Naperville North	183	0	18	45,371	0	3,887

Continued...

Continued Uncompensated Care by Facility

Facility	Uncompensated Treatments			Uncompensated Costs		
	2009	2010	2011	2009	2010	2011
Fresenius Niles	152	26	10	36,586	5,912	2,274
Fresenius Norridge	6	3	0	1,433	718	0
Fresenius North Avenue	94	74	0	23,140	17,785	0
Fresenius North Kilpatrick	0	64	0	0	14,161	0
Fresenius Northcenter	121	78	0	33,725	19,191	0
Fresenius Northwestern	226	77	160	54,801	20,482	43,652
Fresenius Oak Park	126	6	0	29,782	1,370	0
Fresenius Orland Park	121	0	12	29,308	0	3,072
Fresenius Oswego	12	1	0	3,294	277	0
Fresenius Ottawa	8	2	3	2,377	443	844
Fresenius Palatine	0	0	0	0	0	0
Fresenius Pekin	0	20	100	0	4,582	22,951
Fresenius Peoria Downtown	46	45	24	10,787	10,650	5,674
Fresenius Peoria North	54	13	0	12,693	3,116	0
Fresenius Plainfield	0	8	7	0	4,776	1,803
Fresenius Polk	231	104	102	57,903	25,023	25,642
Fresenius Pontiac	19	0	0	4,664	0	0
Fresenius Prairie	114	54	215	29,278	13,918	50,109
Fresenius Randolph County	4	32	0	1,200	8,794	0
Fresenius Rockford	74	24	0	23,729	6,932	0
Fresenius Rodgers Park	328	224	48	85,308	55,507	11,633
Fresenius Rolling Meadows	0	204	215	0	50,445	52,184
Fresenius Roseland	164	99	9	60,432	29,927	2,593
Fresenius Ross Dialysis Englewood	184	8	12	51,398	2,031	3,151
Fresenius Round Lake	182	1	54	42,228	231	12,274
Fresenius Saline County	21	11	0	5,679	2,892	0
Fresenius Sandwich	18	3	0	8,054	966	0
Fresenius Skokie	18	10	25	4,418	2,606	6,609
Fresenius South Chicago	747	278	135	196,277	67,614	31,622
Fresenius South Holland	127	104	0	29,620	24,321	0
Fresenius South Shore	110	8	0	29,182	1,943	0
Fresenius South Suburban	566	241	41	139,684	57,649	9,809
Fresenius Southside	483	137	27	120,241	32,823	6,263
Fresenius Southwestern Illinois	0	0	0	0	0	0
Fresenius Spoon River	38	35	0	8,910	8,633	0
Fresenius Spring Valley	1	31	9	221	6,446	1,952
Fresenius Streator	0	0	34	0	0	11,545
Fresenius Uptown	134	110	2	43,063	32,398	533
Fresenius Villa Park	369	27	0	91,054	6,488	0
Fresenius West Belmont	191	70	76	51,405	17,653	18,057
Fresenius West Chicago	44	0	0	23,875	0	0
Fresenius West Metro	880	237	143	178,477	47,199	29,431
Fresenius West Suburban	273	146	37	60,862	32,995	8,190
Fresenius Westchester	0	0	0	0	0	0
Fresenius Williamson County	0	28	0	0	7,360	0
Fresenius Willowbrook	45	0	0	10,771	0	0
Totals	13,448	5,037	2,695	3,343,810	1,235,189	642,947

Medicaid Treatments/Costs By Facility

Facility	Medicaid Treatments			Medicaid Costs		
	2009	2010	2011	2009	2010	2011
Alsip	624	749	732	188,014	212,319	202,715
Antioch	148	937	763	39,693	228,932	187,329
Aurora	1,230	1,521	1,464	267,289	356,763	338,760
Austin Community	1,574	2,111	2,405	435,633	514,900	631,509
Berwyn	3,618	4,102	3,792	808,338	903,204	807,772
Blue Island	1,901	1,937	2,043	521,183	537,714	525,668
Bolingbrook	1,246	1,628	1,721	316,437	382,502	403,285
Bridgeport	4,570	5,610	6,674	1,004,278	1,223,924	1,560,507
Burbank	2,142	2,046	2,274	519,411	488,784	553,829
Carbondale	1,214	1,650	885	323,528	434,440	208,033
Chicago	5,466	5,279	4,898	1,459,549	1,525,782	1,439,559
Chicago Westside	3,509	3,807	4,690	1,136,730	1,095,994	1,383,369
Congress Parkway	3,685	4,197	4,713	942,506	1,065,797	1,136,642
Crestwood	1,166	1,072	1,090	288,958	272,784	271,757
Decatur	1	136	221	234	35,461	57,763
Deerfield	0	100	156	0	43,140	50,046
Downers Grove	1,010	995	1,166	232,543	234,923	271,484
Du Page West	2,086	2,725	2,097	484,530	645,664	501,321
Du Quoin	318	203	99	87,259	54,088	24,270
East Peoria	607	1,083	548	137,256	245,724	128,413
Elgin	0	0	90	0	0	73,782
Elk Grove	1,414	1,996	2,207	313,551	453,597	541,081
Evanston	1,513	1,535	1,592	380,303	397,971	406,302
Evergreen Park	2,284	3,231	2,730	608,498	836,493	708,304
Garfield	2,684	3,299	3,238	691,027	828,310	730,863
Glendale Heights	2,085	2,332	2,290	457,922	554,123	514,638
Glenview	984	992	1,055	219,602	213,744	236,999
Greenwood	3,349	3,712	3,894	802,189	872,008	914,042
Gurnee	1,859	2,143	2,688	432,191	472,662	575,243
Hazel Crest	979	657	585	257,041	179,494	144,844
Hoffman Estates	1,726	2,513	3,112	377,555	559,184	683,470
Jackson Park	5,444	5,972	5,101	1,252,508	1,521,259	1,210,846
Kewanee	182	146	220	50,299	41,100	61,426
Lake Bluff	1,541	1,354	1,402	400,725	316,621	322,029
Lakeview	1,398	1,516	1,811	377,127	352,907	446,470
Lombard	0	0	44	0	0	21,595
Macomb	212	116	145	55,286	29,952	40,553
Marquette Park	2,339	2,473	2,126	583,937	678,627	541,896
McHenry	457	546	406	132,590	150,364	107,459
McLean County	1,225	1,044	711	307,556	220,456	157,995
Melrose Park	1,015	1,390	1,573	269,659	346,195	376,797
Merrionette Park	1,001	749	526	258,043	176,214	122,674
Midway	0	28	304	0	35,664	105,702
Mokena	0	125	295	0	40,676	82,346
Morris	119	200	324	31,388	52,788	78,235
Naperville	512	544	536	106,931	119,021	118,367
Naperville North	494	654	719	122,478	149,538	155,271

Continued...

Continued Medicaid Treatments/Costs By Facility

Facility	Medicaid Treatments			Medicaid Costs		
	2009	2010	2011	2009	2010	2011
Niles	1,675	1,914	2,129	403,072	443,720	484,136
Norridge	858	1,037	1,079	204,977	248,143	254,192
North Avenue	1,818	1,854	1,472	447,539	445,567	320,511
North Kilpatrick	2,323	2,504	3,856	507,261	553,942	820,684
Northcenter	1,603	1,981	2,015	446,783	490,534	479,942
Northwestern	3,103	2,954	3,322	752,429	789,266	906,323
Oak Park	1,972	2,142	1,836	466,108	488,856	428,507
Orland Park	734	774	606	177,784	205,942	155,116
Oswego	454	482	239	124,620	133,606	63,061
Ottawa	141	70	118	41,889	20,685	33,187
Palatine	0	0	15	0	0	12,802
Pekin	24	136	168	5,392	31,957	38,557
Peoria Downtown	1,238	1,283	856	290,322	306,923	202,385
Peoria North	374	265	229	87,495	63,487	54,170
Plainfield	0	390	695	0	124,618	178,985
Polk	3,151	3,509	3,042	791,176	845,905	764,725
Pontiac	185	284	261	45,411	67,468	61,369
Prairie	1,067	1,108	1,994	274,030	288,116	464,734
Randolph County	190	251	157	57,007	68,980	41,764
Rockford	540	747	0	174,124	215,743	0
Rodgers Park	1,433	1,756	2,268	372,702	435,136	549,669
Rolling Meadows	1,543	2,100	1,629	358,921	519,165	395,386
Roseland	641	1,506	1,702	236,200	455,105	490,393
Ross Dialysis Englewood	814	1,936	2,153	227,382	491,305	565,256
Round Lake	1,909	2,661	2,007	442,931	615,524	456,196
Saline County	676	441	189	182,823	121,425	54,160
Sandwich	60	145	212	32,813	46,687	65,769
Skokie	850	1,096	443	208,691	285,530	117,111
South Chicago	3,995	5,002	5,628	1,049,703	1,216,563	1,318,286
South Holland	1,304	1,603	1,366	304,132	374,873	344,529
South Shore	2,143	1,900	1,858	568,522	492,073	480,279
South Suburban	1,392	1,804	1,917	343,534	431,533	458,639
Southside	5,249	6,248	5,999	1,306,722	1,502,272	1,391,565
Southwestern Illinois	296	428	425	73,467	111,204	113,186
Spoon River	11	30	26	2,579	7,400	6,120
Spring Valley	39	267	356	8,607	56,430	77,209
Streator	7	34	30	2,692	11,273	10,187
Uptown	701	1,037	1,427	225,278	306,675	380,027
Villa Park	922	1,037	988	227,334	249,280	218,544
West Belmont	2,495	3,388	3,950	671,493	860,433	938,469
West Chicago	8	429	579	4,341	146,150	176,609
West Metro	6,331	7,147	5,727	1,283,292	1,422,379	1,178,679
West Suburban	5,951	5,841	5,234	1,326,700	1,324,430	1,158,568
Westchester	669	429	246	167,778	112,477	65,140
Williamson County	363	435	420	88,017	116,421	103,203
Willowbrook	474	1,065	1,087	113,458	250,894	254,937
Totals	134,666	156,600	156,121	32,811,313	37,899,912	37,298,532

(see following page for patient coverage options)

Charity Care Information
ATTACHMENT - 44

Fresenius Medical Care North America Community Care

Fresenius Medical Care North America (FMCNA) assists all of our patients in securing and maintaining insurance coverage when possible. However, even if for whatever reason insurance (governmental or otherwise) is not available FMCNA does not deny admission for treatment due to lack of insurance coverage.

American Kidney Fund

FMCNA works with the American Kidney Fund (AKF) to help patients with insurance premiums at no cost to the patient.

Applicants must be dialyzed in the US or its territories and referred to AKF by a renal professional and/or nephrologist. The Health Insurance Premium Program is a "last resort" program. It is restricted to patients who have no means of paying health insurance premiums and who would forego coverage without the benefit of HIPPA. Alternative programs that pay for primary or secondary health coverage, and for which the patient is eligible, such as Medicaid, state renal programs, etc. must be utilized. Applicants must demonstrate to the AKF that they cannot afford health coverage and related expenses (deductible etc.).

Our team of Financial Coordinators and Social Workers connect patients who cannot afford to pay their insurance premiums, with AKF, which provides financial assistance to the patients for this purpose. FMCNA's North Division currently has 2986 patients with primary insurance coverage and 7469 patients with secondary insurance coverage for a total of 10,455 patients receiving AKF assistance. For the state of Illinois we have 632 primary and 1503 secondary patients receiving AKF assistance. The benefit of working with the AKF is the insurance coverage which AKF facilities applies to all of the patient's insurance needs, not just coverage for dialysis services.

Indigent Waiver Program

FMCNA has established an indigent waiver program to assist patients who are unable to obtain insurance coverage or who lack the financial resources to pay for medical services. In order to qualify for an indigent waiver, a patient must satisfy eligibility criteria for both annual income and net worth.

Annual Income: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have an annual income in excess of two (2) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than two (2) times the Federal Poverty Standard may qualify for a partial indigent waiver based upon a sliding scale schedule approved by the Office of Business Practices and Corporate Compliance.

Net Worth: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have a net worth in excess of \$75,000 (or such other amount as may be established by the Office of Business Practices and Corporate Compliance based on changes in the Consumer Price Index

The Company recognizes the financial burdens associated with ESRD and wishes to ensure that patients are not denied access to medically necessary care for financial reasons. At the same time, the Company also recognizes the limitations imposed by federal law on offering “free” or “discounted” medical items or services to Medicare and other government supported patients for the purpose of inducing such patients to receive ESRD-related items and services from FMCNA. An indigent waiver excuses a patient’s obligation to pay for items and services furnished by FMCNA. Patients may have dual coverage of AKF assistance and an Indigent Waiver if their financial status qualifies them for both programs.

FMCNA North Division currently has 718 active Indigent Waivers. 21 cover primary balances which means the patient has no insurance coverage, and 697 cover patient balances where there is no supplemental insurance.

Illinois currently has 5 active Indigent Waivers that cover the supplemental balances after the primary insurance pays. There isn’t a high volume of Indigent Waivers issued in Illinois because patients are entitled to Medicaid coverage in Illinois.

IL Medicaid and Undocumented patients

FMCNA has a bi-lingual Regional Insurance Coordinator who works directly with Illinois Medicaid to assist patients with Medicaid applications. An immigrant who is unable to produce proper documentation will not be eligible for Medicaid unless there is a medical emergency. ESRD is considered a medical emergency.

The Regional Insurance Coordinator will petition Medicaid if patients are denied and assist undocumented patients through the application process to get them Illinois Medicaid coverage. This role is actively involved with the Medicaid offices and attends appeals to help patients secure and maintain their Medicaid coverage for all of their healthcare needs, including transportation to their appointments.

FMCNA Collection policy

FMCNA’s collection policy is designed to comply with federal law while not penalizing patients who are unable to pay for services.

FMCNA does not use a collection agency for patient collections unless the patient receives direct insurance payment and does not forward the payment to FMCNA.

Medicare and Medicaid Eligibility

Medicare: Patients are eligible for Medicare when they meet the following criteria: age 65 or older, under age 65 with certain disabilities, and people of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

There are three insurance programs offered by Medicare, Part A for hospital coverage, Part B for medical coverage and Part D for pharmacy coverage. Most people don't have to pay a monthly premium, for Part A. This is because they or a spouse paid Medicare taxes while working. If a beneficiary doesn't get premium-free Part A, they may be able to buy it if they (or their spouse) aren't entitled to Social Security, because they didn't work or didn't pay enough Medicare taxes while working, are age 65 or older, or are disabled but no longer get free Part A because they returned to work. Part B and Part D both have monthly premiums. Patients must have Part B coverage for dialysis services.

Medicare does allow members to enroll in Health Plans for supplemental coverage. Supplemental coverage (secondary) is any policy that pays balances after the primary pays reducing any out of pocket expenses incurred by the member.

Medicare will pay 80% of what is allowed by a set fee schedule. The patient would be responsible for the remaining 20% not paid by Medicare. The supplemental (secondary) policy covers the cost of co-pays, deductibles and the remaining 20% of charges.

Medicaid: Low-income Illinois residents who can't afford health insurance may be eligible for Medicaid. In addition to meeting federal guidelines, individuals must also meet the state criteria to qualify for Medicaid coverage in Illinois.

Self-Pay

A self-pay patient would not have any type of insurance coverage (un-insured). They may be un-insured because they do not meet the eligibility requirements for Medicare or Medicaid and can not afford a commercial insurance policy.

In addition, a patient balance becomes self-pay after their primary insurance pays, but the patient does not have a supplemental insurance policy to cover the remaining balance. The AKF assistance referenced earlier may or may not be available to these patients, dependent on whether or not they meet AKF eligibility requirements.