

Original

12-055

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

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

JUN 14 2012

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

Facility Name: <i>Fresenius Medical Care Lockport</i>			
Street Address: <i>1143-1165 E. 9<sup>th</sup> Street</i>			
City and Zip Code: <i>Lockport 60441</i>			
County: <i>Will</i>	Health Service Area: <i>9</i>	Health Planning Area:	

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

Exact Legal Name: <i>Fresenius Medical Care Lockport, LLC d/b/a Fresenius Medical Care Lockport</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/Co-Applicant**

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

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

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

**Primary Contact**

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

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>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>Coleen Muldoon</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>708-498-9118</i>
E-mail Address: <i>coleen.muldoon@fmc-na.com</i>
Fax Number: <i>708-498-9283</i>

**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 &amp; Knight, LLP</i>
Address: <i>131 S. Dearborn, 30<sup>th</sup> 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: <i>Matt Tilton - Archer Bank</i>
Address of Site Owner: <i>4970 S Archer Ave, Chicago, IL 60632</i>
Street Address or Legal Description of Site: <i>1143-1165 E. 9<sup>th</sup> Street, Lockport, 60441</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.
<b>APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

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

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

**Organizational Relationships**

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

<b>APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>
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**Flood Plain Requirements NOT APPLICABLE – PROJECT IS NOT NEW CONSTRUCTION**

[Refer to application instructions.]

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

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

**Historic Resources Preservation Act Requirements**

[Refer to application instructions.]

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

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

**DESCRIPTION OF PROJECT****1. Project Classification**

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

Part 1110 Classification:

- Substantive
- Non-substantive

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.

*Fresenius Medical Care Lockport, LLC, proposes to establish a 12 station in-center hemodialysis facility at 1143-1165 E. 9<sup>th</sup> Street, Lockport, Illinois. The facility will be in leased space with the interior to be built out by the applicant.*

*On December 1, 2009, project number 09-037 – Fresenius Medical Care Lockport was permitted to establish a 12 station ESRD facility at 1050-1062 Thornton Avenue in Lockport. This permit was surrendered when the landlord failed to construct the building. This application is a replacement for that permit.*

*Fresenius Medical Care Lockport will be in HSA 9.*

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

## Project Costs and Sources of Funds

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

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	1,140,000	N/A	1,140,000
Contingencies	115,000	N/A	115,000
Architectural/Engineering Fees	125,000	N/A	125,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	296,000	N/A	296,000
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	1,532,000 180,525	1,712,525	N/A 1,712,525
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
<b>TOTAL USES OF FUNDS</b>	<b>3,388,525</b>	<b>N/A</b>	<b>3,388,525</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>CLINICAL</b>
Cash and Securities	1,556,900	N/A	1,556,900
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	1,711,425	N/A	1,711,425
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
<b>TOTAL SOURCES OF FUNDS</b>	<b>3,388,525</b>	<b>N/A</b>	<b>3,388,525</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Related Project Costs**

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

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 \$ 57,416

**Project Status and Completion Schedules**

Indicate the stage of the project's architectural drawings:

None or not applicable                       Preliminary

Schematics     Final Working

Anticipated project completion date (refer to Part 1130.140): 12/31/2014

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

Purchase orders, leases or contracts pertaining to the project have been executed.

Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies

Project obligation will occur after permit issuance.

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

**State Agency Submittals**

Are the following submittals up to date as applicable:

Cancer Registry

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.**

**Cost Space Requirements**

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>	3,388,525		8,000 DGSF		8,000 DGSF		
ESRD							
Medical Surgical Intensive Care							
Diagnostic Radiology MRI							
Total Clinical	3,388,525		8,000 DGSF		8,000 DGSF		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	<b>3,388,525</b>		<b>8,000 DGSF</b>		<b>8,000 DGSF</b>		

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:

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

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

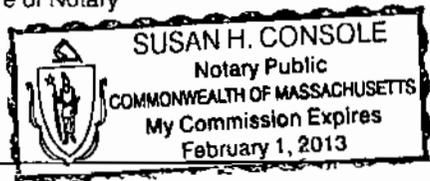
Notarization:  
Subscribed and sworn to before me  
this 8 day of June 2012

Signature of Notary Susan H. Console

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:

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

This Application for Permit is filed on the behalf of 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  
 \_\_\_\_\_  
 PRINTED NAME  
 Vice President & Asst. Treasurer

Mark Fawcett  
 \_\_\_\_\_  
 PRINTED TITLE  
 Vice President & Asst. Treasurer

  
 \_\_\_\_\_  
 SIGNATURE

Bryan Mello  
 \_\_\_\_\_  
 PRINTED NAME  
 Assistant Treasurer

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

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

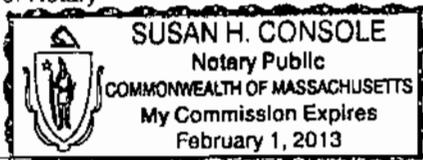
Notarization:  
Subscribed and sworn to before me  
this   8   day of   June   2012

Signature of Notary Susan H Console

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

Seal

Seal



\*Insert EXACT legal name of the applicant

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

##### BACKGROUND OF APPLICANT

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

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

##### PURPOSE OF PROJECT

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

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

**NOTE: Information regarding the "Purpose of the Project" will be included in the State 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 IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**

**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
  - c. The project involves the conversion of existing space that results in excess square footage.

**Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.**

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

**APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**PROJECT SERVICES UTILIZATION:**

**This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.**

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

**A table must be provided in the following format with Attachment 15.**

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

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

**UNFINISHED OR SHELL SPACE: NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE**

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF tot be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data are available; and
  - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**ASSURANCES: NOT APPLICABLE – THERE IS NO UNFINISHED SHELL SPACE**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**G. Criterion 1110.1430 - In-Center Hemodialysis**

1. Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
2. Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
<input checked="" type="checkbox"/> In-Center Hemodialysis	0	12

3. READ the applicable review criteria outlined below and submit the required documentation for the criteria:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X

**APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

4. Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1110.130 - "Discontinuation" and subsection 1110.1430(i) - "Relocation of Facilities".

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

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

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

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

<u>1,556,900</u>		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;
<u>N/A</u>		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.
<u>N/A</u>		c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
<u>1,711,425</u>		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.
<u>N/A</u>		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;
<u>N/A</u>		f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
<u>N/A</u>		g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<u>3,268,325</u>		<b>TOTAL FUNDS AVAILABLE</b>	

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

IX. **1120.130 - Financial Viability**

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

**Financial Viability Waiver**

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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	<b>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.</b>			
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)				
ESRD												
Contingency												
<b>TOTALS</b>												

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

**D. Projected Operating Costs**

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

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

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

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

**XI. Safety Net Impact Statement**

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

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

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

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

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

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

<b>Total</b>			
<b>Medicaid (revenue)</b>			
Inpatient			
Outpatient			
<b>Total</b>			

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**XII. Charity Care Information**

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

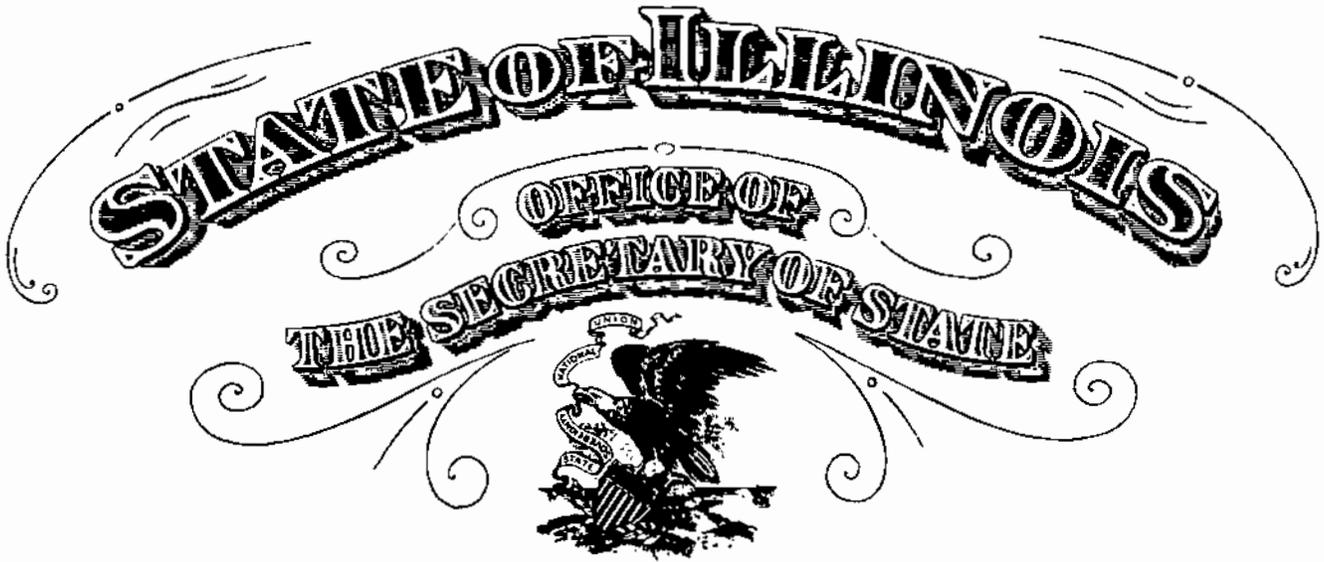
A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
<b>Net Patient Revenue</b>			
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:

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant/Co-applicant Identification including Certificate of Good Standing	21-22
2	Site Ownership	23-27
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	28
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	29
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	30
7	Project and Sources of Funds Itemization	31-32
8	Obligation Document if required	33
9	Cost Space Requirements	34
10	Discontinuation	
11	Background of the Applicant	35-40
12	Purpose of the Project	41
13	Alternatives to the Project	41.2 – 41.4
14	Size of the Project	42
15	Project Service Utilization	43
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	<b>Service Specific:</b>	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	44-73
27	Non-Hospital Based Ambulatory Surgery	
28	General Long Term Care	
29	Specialized Long Term Care	
30	Selected Organ Transplantation	
31	Kidney Transplantation	
32	Subacute Care Hospital Model	
33	Post Surgical Recovery Care Center	
34	Children's Community-Based Health Care Center	
35	Community-Based Residential Rehabilitation Center	
36	Long Term Acute Care Hospital	
37	Clinical Service Areas Other than Categories of Service	
38	Freestanding Emergency Center Medical Services	
	<b>Financial and Economic Feasibility:</b>	
39	Availability of Funds	74-84
40	Financial Waiver	85-142
41	Financial Viability	
42	Economic Feasibility	143-147
43	Safety Net Impact Statement	148
44	Charity Care Information	149-153
Appendix 1	MapQuest Travel Times	154-184
Appendix 2	Referral Letters	185-192



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 OF ILLINOIS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON MARCH 26, 2004, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 13TH day of JUNE A.D. 2012 .



Jesse White

Authentication #: 1216501568

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

SECRETARY OF STATE

Certificate of Good Standing  
ATTACHMENT - 1

### 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 Applicant/Co-Applicant

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

- 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: *Matt Tilton - Archer Bank*

Address of Site Owner: *4970 S Archer Ave, Chicago, IL 60632*

Street Address or Legal Description of Site: *1143-1165 E. 9<sup>th</sup> Street, Lockport, 60441*

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**



Cushman & Wakefield of  
Illinois, Inc.  
455 N. Cityfront Plaza Drive  
Suite 2800  
Chicago, IL 60611-5555  
(312) 470-1800 Tel  
(312) 470-3800 Fax  
www.cushwake.com

May 17, 2012

Mr. Nathan Glaisner  
Vice President  
Troy Commercial LTD

RE: Fresenius Medical Care Dialysis Center  
The Crossroads of Lockport Proposal

Dear Nate,

Cushman & Wakefield has been exclusively authorized by Fresenius Medical Care (FMC) to secure proposals and assist them in negotiations regarding the acquisition of leased space in the Lockport area. Of the properties we will analyze, your site has been identified as one that potentially meets the necessary requirements. At this time we are pleased to present the following Letter of Intent.

**OWNERSHIP:**

Matt Tilton  
Archer Bank  
4970 S Archer Ave  
Chicago, IL 60632

**LOCATION:**

1143-1165 East 9<sup>th</sup> Street  
Lockport, IL 60441

**SPACE**  
**REQUIREMENTS:**

8,000 SF of contiguous rentable square space. Tenant shall have beneficial occupancy, at no cost throughout the initial term and any option periods of an adjacent 400 sq.ft. of space.

**HOURS OF OPERATION:**

Please be advised that FMC may have employees and / or patients on site 24 hours per day 6 days per week. FMC is not open on Sundays.

**PRIMARY TERM:**

Ten (10) years.

**POSSESSION &**  
**COMMENCEMENT DATE:**

Possession and Lease Commencement shall be on the date FMC is awarded the CON.

**OPTION TO RENEW:**

FMC desires three (3) five (5) year options to renew the lease. Options based upon pre-established rates.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

**BASE RATE:** \$16.00 Net.

**ESCALATION:** Rent shall escalate \$.70 per year beginning in the second lease year.

**CONCESSIONS:** FMC shall receive 12 months of Base Net Rent abatement beginning on the commencement date.

**COMMON AREA EXPENSES AND REAL ESTATE TAXES:** Taxes and Common Area Expenses are approximately \$5.00 per square foot per year.

**TENANT IMPROVEMENTS:** As stated in the Concessions section, in lieu of Tenant Improvements, Landlord shall provide Tenant with 12 months of Base Net Rent abatement.

FMC shall not be required to remove their tenant improvements at the end of the term.

**DEMISED PREMISES SHELL:** Landlord shall deliver the building in "as-is" condition.

**FIRE SUPPRESSION:** Landlord shall furnish a sprinkler system prior to delivery of premises to tenant.

**SPACE PLANNING/ ARCHITECTURAL AND MECHANICAL DRAWINGS:** FMC will provide all space planning and architectural and mechanical drawings required to build out the tenant improvements, including construction drawings stamped by a licensed architect and submitted for approvals and permits. All building permits shall be the Tenant's responsibility.

**PRELIMINARY IMPROVEMENT PLAN:** At this time, please provide one-eighth inch architectural drawings of the proposed demised premises and detailed building specifications. Please email AutoCads to [loren.guzik@cushwake.com](mailto:loren.guzik@cushwake.com)

**PARKING:** FMC's standard parking ratio is 1 parking stall / 250 sq.ft.

**CORPORATE IDENTIFICATION:** Please indicate all signage available to FMC, on the building and at the entrance to its space.

**ASSIGNMENT/**

No warranty or representation, express or Implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

**SUBLETTING:**

FMC requires the right to assign or sublet all or a portion of the demised premises to any subsidiary or affiliate without landlord's consent. Any other assignment or subletting will be subject to landlord's prior consent, which shall not be unreasonably withheld or delayed.

**ZONING AND RESTRICTIVE COVENANTS:**

Please indicate if the current property zoning is acceptable for use as a Dialysis Clinic and if there are any restrictive covenants imposed by the development, owner, and/or municipality.

**FINANCING:**

FMC will require a non-disturbance agreement.

**ENVIRONMENTAL:**

Please confirm that there is no asbestos present in the building and that there are no contaminants or environmental hazards in or on the property. Also include a brief narrative of any tenants and their activities as they relate to the generation of hazardous materials.

**CON CONTINGENCY:**

Landlord and FMC understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, FMC cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless FMC obtains a Certificate of Need (CON) permit from the Illinois Health Facilities Planning Board (the "Planning Board"). FMC agrees to proceed using its commercially reasonable best efforts to submit an application for a CON permit and to prosecute said application to obtain the CON permit from the Planning Board. Based on the length of the Planning Board review process, FMC does not expect to receive a CON permit prior to September 1, 2012. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to the approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective pending CON approval. Assuming CON permit approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the Planning Board does not award FMC a CON permit to establish a dialysis center on the Premises by August 16, 2011, neither party shall have any further obligation to the other party with regard to the negotiations, lease or Premises contemplated by this Letter of Intent.

**SECURITY:**

Fresenius Medical Care Holding will fully guarantee the lease.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

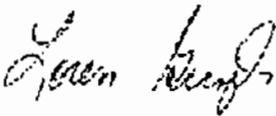
**BROKERAGE FEE:**

Per separate agreement.

This offer is not intended to be contractual in nature and only an executed lease delivered to both parties can bind the parties to this transaction. It is expressly understood, agreed, and hereby acknowledged, that only upon the proper execution of a fully completed, formal lease contract, with all the lease terms and conditions clearly defined and included therein, will there then be any obligation, of any kind or nature, incurred or created between the herein parties in connection with the referenced property.

You may email the proposal to [loren.guzik@cushwake.com](mailto:loren.guzik@cushwake.com). Thank you for your time and cooperation in this matter, should you have any questions please call me at 312.470.1897.

Sincerely,



Loren Guzik  
Senior Director  
Office Group  
Phone: 312-470-1897  
Fax: 312-470-3800  
e-mail: [loren.guzik@cushwake.com](mailto:loren.guzik@cushwake.com)

CC: Mr. Bill Popken

**AGREED AND ACCEPTED** this \_\_\_\_ day of \_\_\_\_\_, 2012

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

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

**AGREED AND ACCEPTED** this \_\_\_\_ day of \_\_\_\_\_, 2012

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

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

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

## Operating Identity/Licensee

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

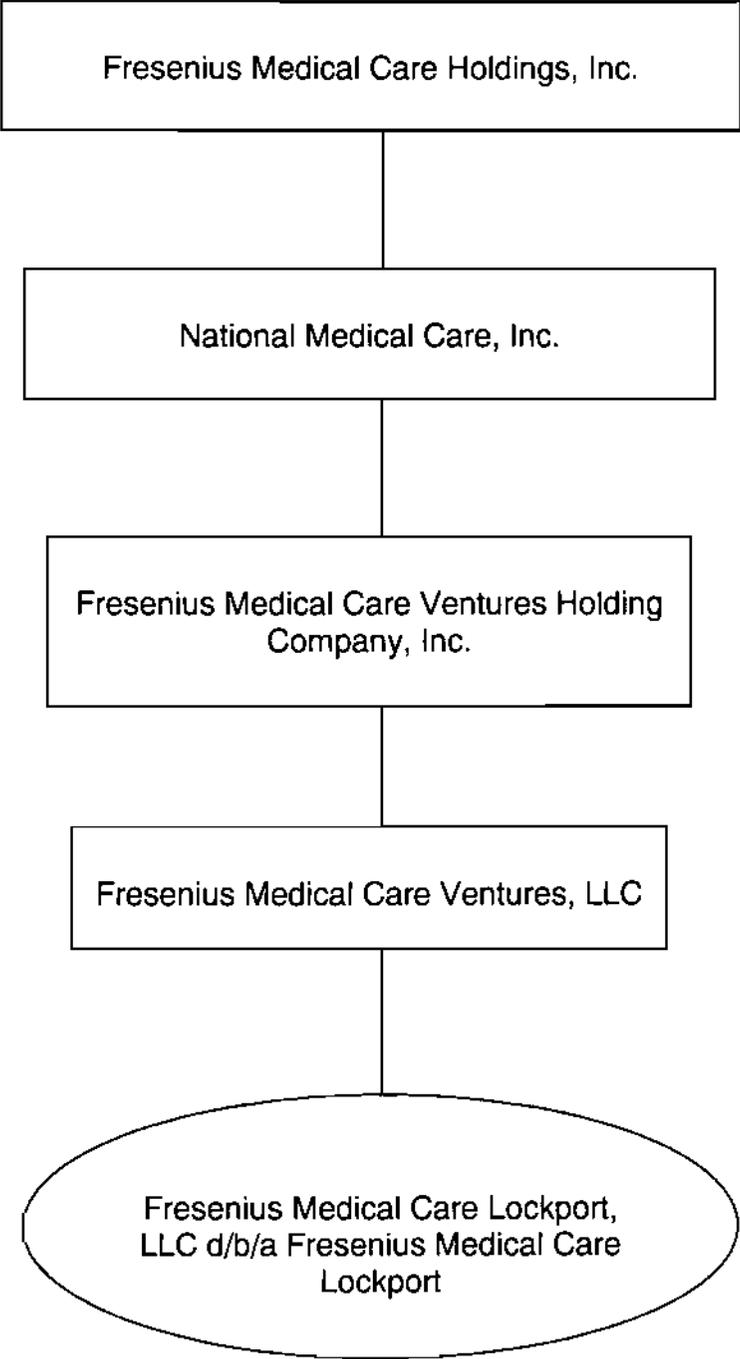
Exact Legal Name: *Fresenius Medical Care Lockport, LLC d/b/a Fresenius Medical Care Lockport*

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

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

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

## Certificate of Good Standing at Attachment – 1.





Illinois Historic  
Preservation Agency

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • [www.illinois-history.gov](http://www.illinois-history.gov)

Will County  
Lockport

CON - Establish a Dialysis Clinic  
1143-1165 E. 9th St.  
IHPA Log #009040611

April 21, 2011

Lori Wright  
Fresenius Medical Care  
One Westbrook Corporate Center, Suite 1000  
Westchester, IL 60154

Dear Ms. Wright:

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

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

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

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

Sincerely,

Anne E. Haaker  
Deputy State Historic  
Preservation Officer

## SUMMARY OF PROJECT COSTS

### Modernization

General Conditions	57,000
Temp Facilities, Controls, Cleaning, Waste Management	3,000
Concrete	15,000
Masonry	17,000
Metal Fabrications	9,000
Carpentry	100,000
Thermal, Moisture & Fire Protection	20,000
Doors, Frames, Hardware, Glass & Glazing	78,000
Walls, Ceilings, Floors, Painting	184,000
Specialities	14,000
Casework, FI Mats & Window Treatments	7,000
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	365,000
Wiring, Fire Alarm System, Lighting	220,000
Miscellaneous Construction Costs	51,000
<b>Total</b>	<b>1,140,000</b>

### Contingencies

Contingencies **\$115,000**

### Architectural/Engineering

Architecture/Engineering Fees **\$125,000**

**Movable or Other Equipment**

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

**Fair Market Value Leased Space & Equipment**

FMV Leased Space (8,000 GSF)	\$1,532,000
FMV Leased Dialysis Machines	174,525
FMV Leased Computers	6,000
<b>Total</b>	<b>\$1,712,525</b>

Project obligation will occur after permit issuance.

### Cost Space Requirements

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
In-Center Hemodialysis	3,388,525		8,000		8,000		
Total Clinical	3,388,525		8,000		8,000		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	<b>3,388,525</b>		<b>8,000</b>		<b>8,000</b>		

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

## 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 CASE MANAGEMENT PROGRAM *Wins National Award*

Fresenius Medical Care's Renal Inpatient Care Management (RICM) program received the 2012 Case In Point Platinum award for the best provider-based case management program in Washington D.C. on May 9th. The Case in Point Platinum Awards program recognizes the most successful case management and care coordination programs and individuals working to make the healthcare delivery system safer, more productive and more cost-effective.

Entry criteria for this award required submission of how the program demonstrated stellar achievements over the past year in the areas of creativity, innovation, leadership, behavioral change, cost containment and patient education, empowerment and engagement. Also required was measurable data and supporting materials, such as outcomes and statistical evidence.

FMCNA's RICM program partners with acute care hospitals to improve patient outcomes and reduce length of stay while optimizing care coordination and providing a smooth transition from inpatient to outpatient care. Through the RICM program, the Company provides the services of a dedicated Renal Inpatient Care Manager, who is a registered nurse with significant dialysis experience, to acute care hospitals to help ensure a comprehensive plan of care for



Renal Inpatient Care Management is one of the Case Management programs overseen by VP of UltraCare Customer Connection **Fern Parlier** (left), and managed by Director of Hospital Case Management **Debra Marshall** (right)



(From left) **Teresa Bottoms, Debra Marshall, Fern Parlier, Donna Garcia, Barbara Williams and Patrick Henry** were on hand to accept the Case in Point Platinum Award.

renal patients. The scope of services includes patient assessment, care coordination, patient education services, discharge planning and continuous quality improvement. This program has achieved some tremendous outcomes due to the collaborative case management interventions. **Fern Parlier** and her Case Management Department would like to acknowledge all Fresenius Medical Care employees who have contributed to this program's development and success. ■

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	Boilingbrook	60440	
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	4861W. 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	#4 West Main Street	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 Biesterfield 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	
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%
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	11.2%
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%

Facility List

Northfield		480 Central Avenue	Northfield	60093	
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611	11.6%
Oak Forest		5340A W 159th St	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		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	Illinois Rts 3&143, #7 Eastgate Plz.	East Alton	62024	
Spoon River	14-2565	210 W. Walnut Street	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. Nellnor	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	
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527	

\*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 Lockport, 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 Lockport, 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.

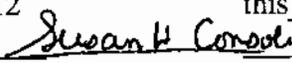
By: 

ITS: Mark Fawcett  
Vice President & Treasurer

By: 

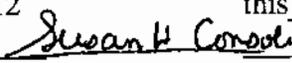
ITS: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

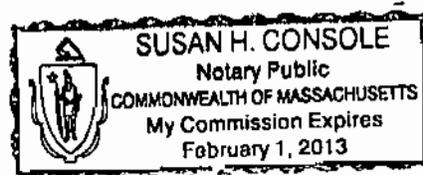
  
Signature of Notary

Seal

Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

  
Signature of Notary

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 8 day of June, 2012

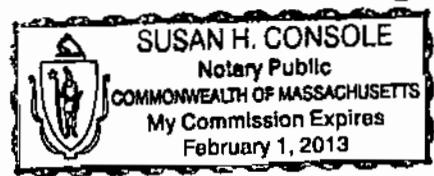
Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

[Signature]  
Signature of Notary

[Signature]  
Signature of Notary

Seal

Seal



## Criterion 1110.230 – Purpose of Project

1. The purpose of this project is to provide access to dialysis services that the residents of Lockport have been highly anticipating since the approval of #09-037, Fresenius Lockport in 2009. This permit was surrendered due to the inability of the developer to move forward with due diligence with the construction of the site. We are, in this application, requesting a permit just across the street from the original site, to establish a facility. The referral source remains the Southwest Nephrology Associates (SWNA) practice group and the applicant is still Fresenius Medical Care Lockport, LLC. A dialysis facility in Lockport (#09-037) was highly supported by the City of Lockport and its residents.
2. The market area that the Fresenius Medical Care Lockport facility will serve is mostly from Will County, HSA 9. However, a small portion of Cook County, HSA 7, will also be included in this market.
3. The 30 minute area contains highly utilized, under utilized and not yet operating facilities due to continual expansions to meet demand for dialysis services. While there are 46 stations not yet operating, DaVita Palos Park, DaVita Silver Cross Hospital, Fresenius Joliet, USR Bolingbrook will serve separate market areas from Lockport and will be supported by separate physician practice groups.
4. Utilization of area facilities is obtained from the Renal Network for the 1<sup>st</sup> quarter of 2012. Pre-ESRD patient referrals for the market area were obtained from SWNA.
5. The goal of Fresenius Medical Care is to keep dialysis access available to this patient population as we continue to monitor the growth of ESRD and provide responsible healthcare planning for the area. 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 quality outcomes as the other Fresenius facilities in Illinois.
  - o 94% of patients had a URR  $\geq$  65%
  - o 96% of patients had a Kt/V  $\geq$  1.2

## Alternatives

### 1) All Alternatives

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

There was only one alternative considered that would entail a lesser scope and cost than the project proposed in this application however it was not determined to be a feasible option. This was the alternative of doing nothing. Surrendering the permit for Fresenius Lockport #09-037, and not reapplying for another Lockport location would leave the ESRD patients in the Lockport area patients without reasonable access to dialysis services that they were promised in 2009 and we are committed to regaining this access for them. 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.

Fresenius Medical Care always maintains control of the governance, assets and operations of a facility it owns as a joint venture. This allows it to provide for financial stability, Medicare Conditions of Coverage compliance, general legal compliance, quality control and that all patients in Illinois are cared for regardless of ability to pay/payer source. Fresenius financial situation and abundant liquidity allow it to support the development of dialysis facilities when physicians or physician groups cannot, and allowing physician investment is a way to take advantage of Fresenius strength in the industry while also providing for physician investment. Fresenius has more than adequate capability to meet all of the expected financial obligations of the joint venture, and does not require any additional funds to meet expected project costs.

#### 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

The option of sending SWNA pre-ESRD patients to underutilized facilities in the area as the require dialysis treatment is not a reasonable option for the patients who live in this market area. The Village of Lockport is not easily accessible. It is bordered on the east by the Des Plaines River and railroad tracks with only one bridge to access the other side. This bridge often comes to a standstill during periods of high traffic. Accessing facilities to the east such as DaVita Palos Park or Orland Park are difficult, with the only route in and out of Lockport being 159<sup>th</sup> street, which is two lanes in some places and highly congested.

Of the closest clinics, Fresenius Joliet is being supported by Dr. Alausa and Germane Nephrology. This facility was established to serve a disadvantaged population in downtown Joliet. Dr. Alausa is also the Medical Director of Fresenius Plainfield, which has grown quickly. After being open just over a year, the facility added four stations in February 2012, and has quickly grown to 84% as of May 2012. It is expected the same will occur for the Joliet facility with patients identified by Dr. Alausa who live in Joliet. Dr. Alausa also stated that in his referral letter to #10-066 (Fresenius Joliet) that he had 26 patients from the Lockport area he would refer to the Lockport facility.

The other closest clinic is DaVita Silver Cross Hospital clinic, which has historically operated at high utilizations and has recently been approved for an additional 5 stations to accommodate patients of Northeast Nephrology that practices in the Joliet area.

The remaining clinics are between 10 and 13 miles away from Lockport and with previously mentioned travel roadblocks, are not easily accessible for this patient population.

D. As discussed further in this application, the most desirable alternative with the ESRD patients in mind is to continue with the proposed previously permitted facility in Lockport. The cost of this project is \$3,388,525.

**2) Comparison of Alternatives**

	<b>Total Cost</b>	<b>Patient Access</b>	<b>Quality</b>	<b>Financial</b>
Maintain Status Quo	\$0	Lockport area patients will continue to face transportation problems getting in and out of Lockport for treatment in other areas.	Patient clinical quality would remain above standards in the Fresenius Medical Care facilities.	Patients could see transportation costs rise due to longer travel distances to facilities outside their healthcare market area.
Pursue Joint Venture	\$2,033,115  \$1,355,410	Cost to Fresenius Medical Care if this were to be a joint venture.  Cost to Partner if this were to be a joint venture.	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. If a JV were formed Fresenius Medical Care would maintain control of the facility and therefore final financial responsibility.
Utilize Area Providers	\$0	Patients are currently traveling to Orland Park for treatment, which is 10 miles away. Patients must travel through heavily congested commercial shopping areas.  Loss of access to treatment schedule times as facilities fill up with identified referrals from other physicians.	If patients are sent out of market area for treatment the result would be loss of continuity of care which would lead to lower patient outcomes and patient satisfaction.	No financial cost to Fresenius Medical Care  Cost of patient's transportation would increase with higher travel times.
Establish Fresenius Medical Care Lockport	\$3,388,525	Dialysis services become accessible to this patient population that is increasingly elderly and experiences transportation difficulties due to Lockport's geographic location.  Lockport Township transportation will take the Lockport patients to their treatment.	Patient clinical quality would remain above standards.  Patient satisfaction would improve with facilities closer to patient's home resulting in decreased travel times and additional transportation options.	This is an expense to Fresenius Medical Care only who is able to support the development of 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 Lockport facility would maintain the same quality outcomes as the other Fresenius facilities in Illinois as listed below:

- 94% of patients had a URR  $\geq$  65%
- 96% of patients had a Kt/V  $\geq$  1.2

**Criterion 1110.234, Size of Project**

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD IN-CENTER HEMODIALYSIS	8,000 (12 Stations)	360-520 DGSF	1,760	No

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

When searching the Lockport area for a suitable site to re-submit the application, it was decided that to expedite the project a building already constructed would be preferred to a vacant lot. A suitable site for exactly the allowable square footage was not found.

Fresenius Medical Care also prefers to have extra space available to expand its facilities when future need arises. Having the extra space to expand at the forefront is more cost effective than having to build a new facility or relocate one.

**Criterion 1110.234, Project Services Utilization**

<b>UTILIZATION</b>					
	<b>DEPT/SERVICE</b>	<b>HISTORICAL UTILIZATION</b>	<b>PROJECTED UTILIZATION</b>	<b>STATE STANDARD</b>	<b>MET STANDARD?</b>
	IN-CENTER HEMODIALYSIS	N/A New Facility	N/A New Facility	80%	
<b>YEAR 1</b>	IN-CENTER HEMODIALYSIS	N/A New Facility	36%	80%	No
<b>YEAR 2</b>	IN-CENTER HEMODIALYSIS	N/A New Facility	92%	80%	Yes

Dr. Hamburger has identified 118 pre-ESRD patients (a total of 83 after accounting for a 30% patient loss prior to dialysis commencement) with lab values indicative of active kidney failure who live in the immediate Lockport area and that are expected to require dialysis services in the first two years after the Lockport facility begins operations.

The above numbers account for a 30% loss of pre-ESRD patients prior to dialysis commencement due to death, transplant, recovery of function or moving out of the area and an estimated 12% yearly loss of dialysis patients. While 92% utilization is high, it can be expected that a number of the identified patients might choose home dialysis. Dr. Hamburger still has ample pre-ESRD patients to bring the facility to 80% utilization by the end of the second year of operation.

**Planning Area Need – Formula Need Calculation:**

**A. Planning Area Need - Formula Need Calculation:**

The proposed Fresenius Medical Care Lockport dialysis facility is located in Lockport in Will County in HSA 9.

According to the May 2012 station inventory there is an excess of 46 stations in this HSA.

**Planning Area Need – Service To Planning Area Residents:**

**2. Planning Area Need – Service To Planning Area Residents:**

- A. The primary purpose of this project is to provide in-center hemodialysis services to the residents of Lockport in HSA 9. 75% of the pre-ESRD patients reside in HSA 9.

<b>County</b>	<b>HSA</b>	<b># Pre-ESRD Patients Who Will Be Referred to Fresenius Medical Care Lockport</b>
Will	9	88 – 75%
Cook	7	30 – 25%

## SOUTHWEST NEPHROLOGY ASSOCIATES, S.C.

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9125 South Pulaski Road, Evergreen Park, Illinois 60805  
Tel (708) 422-7715 – Fax (708) 422-7816  
16605 South 107th Court – Orland Park, Illinois 60467  
Tel (708) 226-9860 – Fax (708) 226-9864

Ronald K. Hamburger, MD  
Ejike O. Obasi, MD, FACP  
Kelly E. Guglielmi, MD  
Abraham Thomas, MD, MPH, FACP  
Akash Ahuja, MD  
Jeanette S. McLaughlin, MD  
Amishi Patel, MD  
Hani Alsharif, MD

June 7, 2012

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

Dear Ms. Avery,

As a nephrologist with Southwest Nephrology Associates, SC (SWNA) and as Medical Director of the Fresenius Crestwood dialysis clinic, I am writing to support the proposed 12 station Fresenius Medical Care Lockport facility, which was previously approved by this Board in December 2009. I have been practicing in the south suburbs for 32 years and have privileges at Little Company of Mary, Palos Community and Christ hospitals. I consistently refer ESRD patients to Fresenius Orland Park, Merrionette Park and Crestwood.

SWNA had 450 in-center hemodialysis patients at the end of 2009, 468 at the end of 2010 and 507 at the end of 2011 as reported to The Renal Network. As of the 1<sup>st</sup> quarter, 2012 SWNA was treating 517 in-center hemodialysis patients. This represents an 8% growth rate for 2011 and 15% overall from 2009 to the first quarter in 2012. Over the past twelve months, the 9 physicians who comprise SWNA have collectively referred 176 patients for dialysis services to Fresenius Alsip, Crestwood, Mokena, Orland Park, Merrionette Park, Southside, DaVita Beverly and Newco Scottsdale. SWNA currently has 118 pre ESRD patients that would likely be referred to Fresenius Lockport within 24 months of the completion of the facility. Due to death, transplant, moving or other reasons I expect that approximately 83 of these patients to actually begin dialysis at this facility. This does not include those patients that present in the emergency room in renal failure who may also be referred to the Lockport facility based upon their place of residence. SWNA also has approximately 39 home dialysis patients, and 8 nursing home patients.

I find it unfortunate that the dialysis patients who reside in and near Lockport have had their anticipated access to treatment delayed by the inability of a developer to construct the building for the clinic and the subsequent denial of the proposed replacement facility across the street. I urge the Board to prevent further delay by once again approving a dialysis facility for our Lockport patients. Thank you for your consideration.

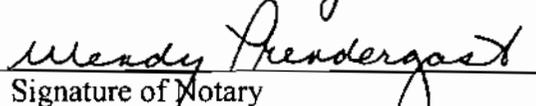
I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other CON application.

Sincerely,

  
Ronald Hamburger, M.D.

Notarization:

Subscribed and sworn to before me  
this 7<sup>th</sup> day of June, 2012

  
Signature of Notary

Seal



**PRE-ESRD PATIENTS SWNA EXPECTS TO REFER TO FRESENIUS  
MEDICAL CARE LOCKPORT IN THE 1<sup>ST</sup> 2 YEARS (24 MONTHS)  
AFTER PROJECT COMPLETION**

Zip Code	Akash Ahuja	Hani Alsharif	Kelly Guglielmi	Ronald Hamburger	Jeanette McLaughlin	Ejikeme Obasi	Chris Sutich	Abraham Thomas	Total
60439	1	5	1	13	1	1		8	30
60440					1	1			2
60441		5	5	2	3			4	19
60446		1	1					1	3
60451	1	7	2	6				4	20
60491	1	13	4	13	2	1	2	8	44
<b>Total</b>	<b>3</b>	<b>31</b>	<b>13</b>	<b>34</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>25</b>	<b>118</b>

**Summary**

HSA	County	Town	Zip Code	Total
7	Cook	Lemont	60439	30
9	Will	Bolingbrook	60440	2
9	Will	Lockport	60441	19
9	Will	Romeoville	60446	3
9	Will	New Lenox	60451	20
9	Will	Homer Glen	60491	44
			<b>Total</b>	<b>118</b>

**NEW REFERRALS OF SWNA FOR THE PAST TWELVE MONTHS  
05/01/2011 THROUGH 04/30/2012**

Zip Code	Fresenius Medical Care						Newco Scottsdale	DaVita Beverly	Total
	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside			
60406		2	1					3	
60409		1	1					2	
60423		1		2				3	
60426		1						1	
60428		2						2	
60430		1						1	
60441				1				1	
60443			1	1				2	
60445		8			1			9	
60446					1			1	
60448				2				2	
60449				1				1	
60451				2				2	
60452		3		1	4			8	
60453	1	4	1	2		1	5	14	
60455		1					3	4	
60456		1					1	2	
60457		3					1	4	
60458							1	1	
60459		1					1	2	
60461							1	1	
60462					11			11	
60463	1	3	1		1		1	7	
60464		2			1			3	
60465		6	1					7	
60467				2				2	
60472		1	1					2	
60477				2	1			3	
60478		1			1			2	
60482		4			1			5	
60487		1		1	1			3	
60491				1				1	
60534							1	1	
60617						1	1	2	
60619						1	1	2	
60620			3			3	2	9	
60628		1	5			1	1	8	
60629			1			2	1	6	
60633			1					1	
60636		3					2	5	
60638							2	2	
60643			4					4	
60644						1		1	
60652			1				7	8	
60655	1	1	2					4	
60803		3	1					4	
60804							1	1	
60805		1	2					3	
60827		1						1	
62846							1	1	
64831							1	1	
<b>Total</b>	<b>3</b>	<b>57</b>	<b>27</b>	<b>18</b>	<b>23</b>	<b>10</b>	<b>34</b>	<b>176</b>	

**PATIENTS OF SWNA AT YEAR END 2009**

Zip Code	Fresenius Medical Care						DSI Scottsdale	DaVita MT. Greenwood	Total
	Merrionette Park	Crestwood	Orland Park	Southside	Mokena	Alsip			
60153	1								1
60406	2	7							9
60409	1								1
60411		1							1
60415	1	4					1		6
60416					1				1
60419	3								3
60422		1							1
60423			1		7				8
60425		1					1		2
60426		4							4
60428		1							1
60429	1								1
60431		1							1
60438		1					1		2
60441		1	2		1				4
60445	1	10							11
60446			1						1
60447		1							1
60448			1		6				7
60449					1				1
60451					1				1
60452		8	1			1	1		11
60453	5	8				1	13	2	29
60456	1	1					4		6
60456							3		3
60457		1					3		4
60459	2						9		11
60462		2	19		1				22
60463	2	4	4				1		11
60464		1							1
60465	1	7	2				1		11
60467			5						6
60469		1							1
60471					1				1
60472		3							3
60473							1		1
60477		3	12		7				22
60482	1	5	1						7
60487			1		1				2
60491			3						3
60609		1							1
60616		1							1
60617	1	1					3		5
60619	2						7	1	10
60620	10	2			1		34	2	49
60621	1				2		2		5
60627		1							1
60628	10	4					4		18
60629	1				3		17	1	22
60632							6		6
60636	1				3		6	1	11
60638							8		8
60639							1		1
60643	14	3					6	1	24
60647							1		1
60649		1					1		2
60652	2	5					15		22
60653					1				1
60665	9	2						1	12
60803	4	5							9
60804			1				1		2
60805	7	1			1		3		12
60827	2	3							6
<b>Total</b>	<b>86</b>	<b>107</b>	<b>54</b>	<b>11</b>	<b>27</b>	<b>2</b>	<b>154</b>	<b>9</b>	<b>450</b>

**PATIENTS OF SWNA AT YEAR END 2010**

Zip	Fresenius Medical Care					DSI	DaVita	Total
	Merrionette Park	Crestwood	Orland Park	Southside	Mokena			
46376					1			1
60406	3	7						10
60409	1							1
60411		1						1
60416		8				1		7
60416					1			1
60419	3							3
60422		1						1
60423					6			6
60425						1		1
60426		3						3
60428		1						1
60429		1						1
60430		1						1
60431		1						1
60436		1				1		2
60439			1					1
60441		1	3		1			5
60446	1	13						14
60448			1		5			6
60449			1		1			2
60451					3			3
60452		6	1					7
60453	7	7				12	1	27
60456		1				8		9
60456						3		3
60457		1	1			3		5
60458						1		1
60459	2					11		13
60462		2	20		1			23
60463	1	5	3			1	2	12
60464	1	1	1					3
60466	1	6	1					8
60466	1							1
60467			6		2			8
60469		2						2
60471					1			1
60472		3						3
60477		3	7		7			17
60478		1						1
60482	1	5	1					7
60487			1		3			4
60491			1					1
60609		1						1
60617	1	1				3		5
60619	1					7		8
60620	7	2		6		33	2	50
60621	1			2	1	2		6
60627		1						1
60628	13	4				4	1	22
60629	1			3		19	1	24
60632						4		4
60636				3		7	1	11
60638						7		7
60639						1		1
60643	18	6				6	1	31
60647						1		1
60649		1						1
60652	1	4				16		21
60653		1		1				2
60655	7	2			1		1	11
60803	5	3			1		1	10
60804			1			1		2
60805	10			1		3		14
60827	4	2				1		7
Total	91	108	60	16	35	167	11	468

**PATIENTS OF SWNA AT YEAR END 2011**

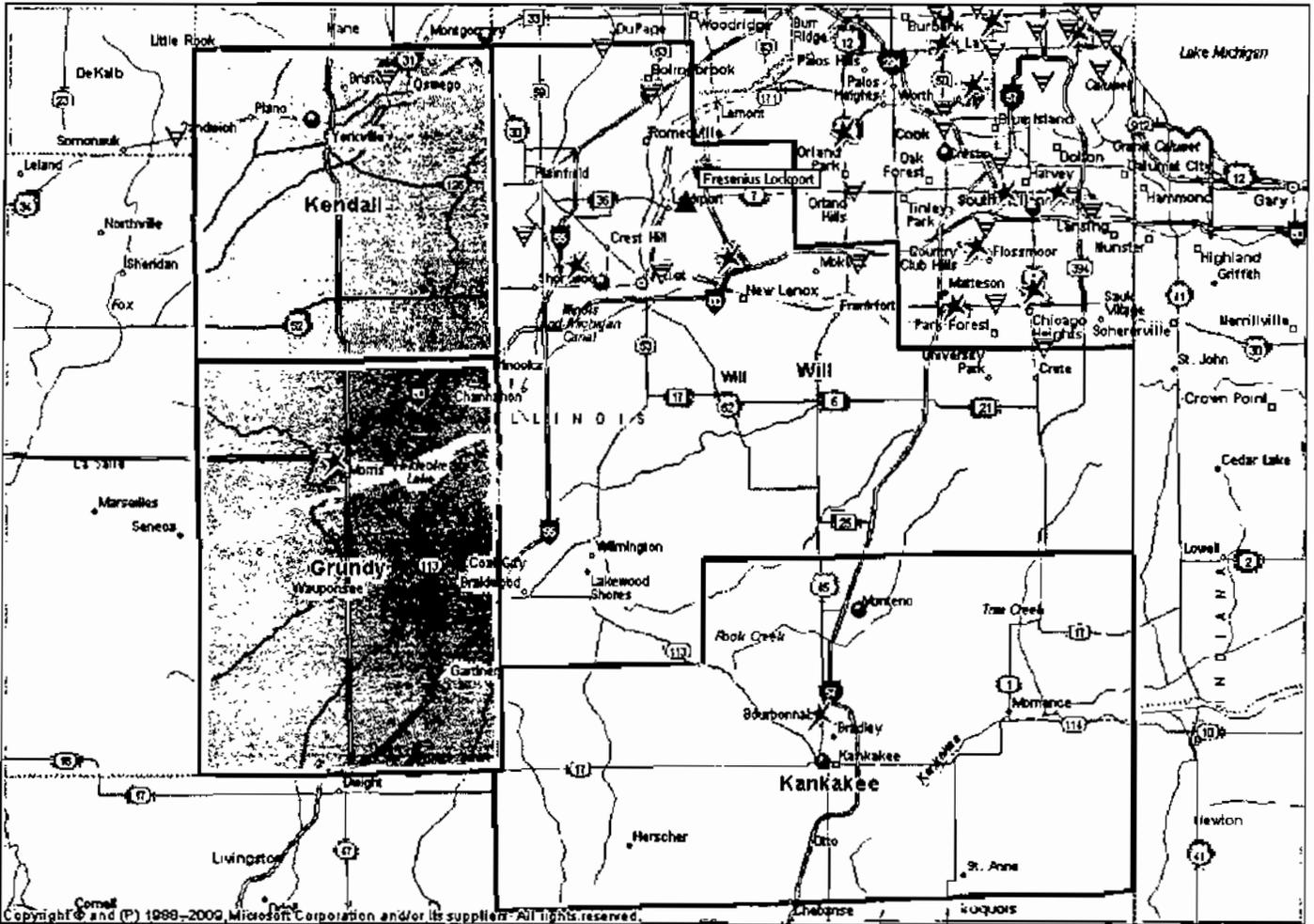
Zip Code	Froenius Medical Care							Newco Scottsdale	DeVita		Total
	Alsip	Crestwood	Evergreen Park	Merrionette Park	Mokena	Orland Park	South Side		Beverly	Mt. Greenwood	
60406		1		4						5	
60409				2		1				3	
60411		1								1	
60415		2						2		4	
60419				2						2	
60423					4	1				5	
60425								1		1	
60426		4								4	
60428		2								2	
60429		1								1	
60431		1								1	
60435						1				1	
60438		1						1		2	
60439						1				1	
60441						3				3	
60443				1						1	
60445		14				1		1	1	17	
60446					1	1				2	
60448					8	1				9	
60449					1	1				2	
60451					2					2	
60452	1	9		1		2				13	
60453	1	7		6	1		1	14		30	
60455		1						2		3	
60456								2		2	
60457		3				1		3		7	
60459								9		9	
60462		1			3	21				25	
60463		5		1		4			1	11	
60464		3				1				4	
60465		8		1		1				10	
60466					1					1	
60467					4	6				10	
60469		2								2	
60471		1			1					2	
60472		3		1						4	
60477		2		1	4	6				13	
60482		10			1	1				12	
60487					2					2	
60491						2				2	
60517					1					1	
60543				1						1	
60609		1		1						2	
60617		1		1				2	1	5	
60619							2	7		9	
60620				10			8	29	1	51	
60621				2	1			1		4	
60625				1						1	
60627				1						1	
60628		5		14			1	8	1	30	
60629				1			5	25		31	
60632								4		4	
60633				1						1	
60636		2		2			3	8	1	16	
60638								10		10	
60639								1		1	
60643		2		19				6	1	28	
60649		1						1		2	
60652		1	1	4			1	28		35	
60653		1								1	
60655		1		7	1				1	10	
60803		5		4						9	
60804								1		1	
60805				10			1	3		14	
60827		4		2	1			1		8	
Total	2	106	1	101	37	56	22	170	3	9	507

**PATIENTS OF SWNA AS OF MARCH 31, 2012**

Zip Code	Fresenius Medical Care						Newco Scottsdale	DaVita		Total
	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside		Beverly	Mt. Greenwood	
60406		1	4							5
60409		1	2		1					4
60410		2					2			4
60411			2							2
60412				5	1					6
60413							1			1
60414		3								3
60415		2								2
60416		1								1
60417		1								1
60418		1								1
60419					1					1
60420		1					1			2
60421					1					1
60422				1	3					4
60423				1						1
60445		17			1		1		1	20
60446				1	1					2
60448				8	1					9
60449					1					1
60451				2						2
60452	1	9	1		4		1			16
60453	1	7	6	1		1	13			29
60455		1					3			4
60456		1					2			3
60457		3			1		3			7
60458							1			1
60459		1					8			9
60461							1			1
60462		1		2	22					25
60463		5	1	1	4					11
60464		4			2					6
60465		8			1					9
60466				1						1
60467				4	5					9
60469		2								2
60471		1		1						2
60472		4	1							5
60477		2	1	6	6					15
60482		9			1					10
60487				2						2
60491					2					2
60534							1			1
60543			1							1
60609		1	1							2
60617		1	1				1	1		4
60619						2	7	1		10
60620			11			9	30	1	3	54
60621			2	1			1			4
60625			1							1
60628		5	16			1	7	1	1	31
60629			1			5	24			30
60632							3			3
60633			1							1
60636		1	2			3	7		1	14
60638							10			10
60639							1			1
60643		1	20				6		1	28
60649		1					1			2
60652		1	4		1	1	27			34
60653		1								1
60655	1	1	5	1					1	9
60803		6	5							11
60804							1			1
60805		1	9			1	3			14
60827		4	2	1			1			8
Total	3	112	100	39	60	23	168	4	8	517

## Service Accessibility – Service Restrictions

Fresenius Medical Care Lockport is located in the far northeast corner of HSA 9 which consists of Will, Kendall, Kankakee and Grundy Counties. As seen in the chart on the next page, facilities in the area are a mix of utilizations near or above 80%, underutilized or not yet operating.



## FACILITIES WITHIN 30 MINUTES TRAVEL TIME OF FRESENIUS LOCKPORT

Facility	Address	City	Zip Code	Mapquest		Adj Time	Ind Trvl Study*	Stations	Mar-12	
				Miles	Time				Pts	Util
Silver Cross Hosp	1900 Silver Cross Blvd	New Lenox	60451	5.57	8	9.2	11.5	19	80	70.18%
Fresenius Joliet	721 E. Jackson Street	Joliet	60432	5.51	10	11.5	12.7	16	0	0.00%
USR Bolingbrook	396 Remington Blvd	Bolingbrook	60440	12.7	17	19.55	19.2	13	0	0.00%
Fresenius Orland Park	9160 W 159th St	Orland Park	60462	10.08	15	17.25	20.5	18	84	77.78%
Fresenius Bolingbrook	538 E. Boughton Rd	Bolingbrook	60440	11.37	16	18.4	23.2	24	121	84.03%
Silver Cross West	1051 Essington Rd	Joliet	60435	9.95	19	21.85	23.3	29	147	84.48%
Sun Health	2121 W Oneida St	Joliet	60435	9.46	18	20.7	23.8	17	55	53.92%
Fresenius Plainfield	2320 Michas Drive	Plainfield	60586	12.15	20	23	26.5	16	71	73.96%
DaVita Palos Park	13155 S La Grange Rd	Orland Park	60464	13.07	20	23	26.5	12	0	0.00%

**\*An independent travel study was performed by a Professional Traffic Engineer.**

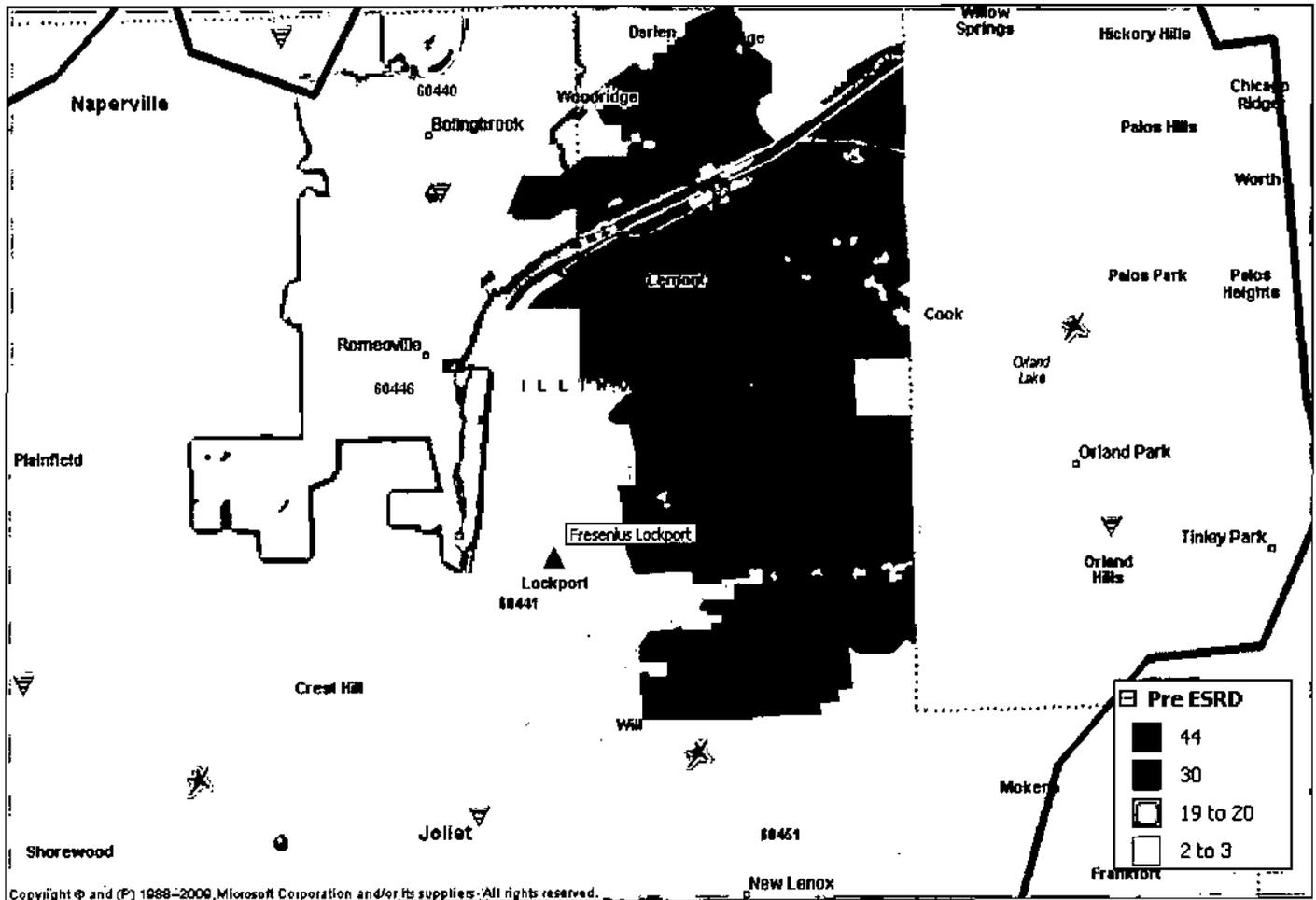
<i>Clinics below exceeded the 30 min drive time according to independent travel study</i>										
Fresenius Naperbrook	2451 S. Washington	Naperville	60565	12.48	24	27.6	30.5	16	0	0.00%
Fresenius Mokena	8910 W 192nd St	Mokena	60448	13.91	17	19.55	30.8	12	42	58.33%
USR Oak Brook	1213 Butterfield Road	Downers Grv	60515	19.84	26	29.9	34	7	13	0.00%
DaVita Olympia Fields	4557 Lincoln Hwy	Matteson	60443	23.14	26	29.9	34.5	24	95	65.97%
Fresenius Hazel Crest	17524 E Carriageway	Hazel Crest	60429	22.14	26	29.9	35.3	16	71	73.96%

Those facilities/stations currently in operation are operating at a combined utilization rate of 74%, not far from the target utilization of 80%. Even when the additional 46 permitted stations (Fresenius Joliet - 16, USR Bolingbrook – 13, DaVita Palos Park – 12, Silver Cross Hosp - 5) become operational, each has identified patients who will bring those facilities/stations to 80% after two years of operation. **In addition, each of these facilities is supported by separate physician groups than that of the Lockport facility which is supported by the Southwest Nephrology Associates (SWNA).**

The above mentioned facilities with not yet operating stations were all permitted **AFTER** the permit was granted for the original Fresenius Lockport site, #09-037. At that time, there was an excess of 51 stations. Currently, HSA 9 has an excess of 46 stations. Access has since been granted to the other patients in the area, however, the residents of Lockport have lost theirs.

Transportation is a major hurdle for the dialysis patient. These patients require treatment three times a week and if not able to drive themselves, have to rely on friends or family members for rides. If the friend or family member cannot stay and wait the 4-5 hours the patient is receiving treatment they then are required to make two round trips a day and six per week. Lockport residents have unique travel barriers such as the Des Plaines River and the railroad tracks to the west, with only the 9<sup>th</sup> Street bridge for access which is highly congested. 159<sup>th</sup> St is the only main road for access in and out of the town to the east. With Lockport's growing elderly population, Mayor Trivedi stated that, Lockport township has a bus service that can transfer these patients to the new Lockport facility, making the clinic location ideal.

**FACILITIES WITHIN 30 MINUTES AND DEMOGRAPHICS OF THE PRE-ESRD PATIENTS IDENTIFIED FOR FRESenius MEDICAL CARE LOCKPORT**



**MEMORANDUM**

**To:** Ms. Lori Wright  
Fresenius Medical Center

**From:** Stephen B. Corcoran, P.E., PTOE  
Director of Traffic Engineering

**Date:** June 13, 2012

**Re:** Travel Time Surveys  
Proposed Fresenius Medical Facility  
1143-1165 E. 9<sup>th</sup> Street  
Lockport, Illinois



This memorandum summarizes the travel time surveys conducted for a proposed Fresenius Medical facility to be located at 1143-1165 E. 9<sup>th</sup> Street in Lockport, Illinois. The purpose of the study was to determine the average one-way travel times between existing/planned dialysis centers and the proposed location pursuant to the methodology required by the Illinois Health Facilities & Services Review Board. The travel surveys were completed for 14 facilities.

Three travel runs were conducted for each facility with two runs occurring in the midday period from 9:30 AM to 3:30 PM. The third run was conducted in the evening peak period from 3:30 PM to 6:30 PM.

The average one-way travel times for each facility are summarized in **Table 1** (attached) and **Tables 2 and 3** provides a detailed listing of each individual travel run.

**Professional Certification**

I hereby certify that these documents were prepared or approved by me, and that I am a duly licensed professional engineer under the laws of the State of Illinois. License No. 062.046487, and Expiration Date: November 30, 2013.

I am Professional Traffic Operations Engineer - No. 380 Expiration Date: November 2014.

Stephen B. Corcoran, P.E., PTOE  
Director of Traffic Engineering



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**Table 1  
Fresenius Medical Care - Lockport Travel Run Summary**

Site	Name	Address	City	Average One-Way Travel Times (minutes)
1	Silver Cross Hospital	1900 Silver Cross Blvd.	New Lennox	11.5
2	Fresenius Joliet	721 E. Jackson Street	Joliet	12.7
3	Fresenius Orland Park	9160 W. 159th Street	Orland Park	20.5
4	Fresenius Bolingbrook	538 E. Boughten Road	Bolingbrook	23.2
5	USR Bolingbrook	396 Remington Blvd.	Bolingbrook	19.2
6	Fresenius Mokena	8910 W. 192nd Street	Mokena	30.8
7	Sun Health	2121 Oneida Street	Joliet	23.8
8	Silver Cross West	1051 Essington Road	Joliet	23.3
9	Fresenius Plainfield	2320 Michas Drive	Plainfield	26.5
10	DavVita Palos Park	13155 S. LaGrange Road	Orland Park	26.5
11	Fresenius Naperbrook	2451 S. Washington	Naperville	30.5
12	USR Oak Brook	1213 Butterfield Road	Downers Grove	34.0
13	DaVita Olympia Fields	4557 Lincoln Highway	Matteson	34.5
14	Fesenius Hazel Crest	17524 E. Carriageway	Hazel Crest	35.3
<b>Average Time for All Locations</b>				<b>25.2 minutes</b>

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**Table 2  
Lockport Travel Runs**

1143 - 1165 E. 9th Street



Direction	Date	Day	Time Start	Time End	One-Way Travel Times (minutes)		Direction	Date	Day	Time Start	Time End	One-Way Travel Times (minutes)	
					Run	Average						Run	Average
<b>1- Silver Cross Hospital</b>							<b>6 - Fesenius Makena</b>						
To Silver Cross Hospital	6/1/2012	Friday	10:14 AM	10:22 AM	8		To FMC Makena	6/12/2012	Tuesday	1:25 PM	2:06 PM	31	
To FMC Lockport	6/1/2012	Friday	10:29 AM	10:39 AM	10		To FMC Lockport	6/12/2012	Tuesday	2:10 PM	2:41 PM	31	
To Silver Cross Hospital	6/1/2012	Friday	12:18 PM	12:31 PM	13		To FMC Makena	6/6/2012	Wednesday	12:20 PM	12:50 PM	30	
To FMC Lockport	6/1/2012	Friday	12:34 PM	12:47 PM	13		To FMC Lockport	6/6/2012	Wednesday	12:51 PM	1:21 PM	30	
To Silver Cross Hospital	6/1/2012	Friday	4:33 PM	4:45 PM	12		To FMC Makena	6/6/2012	Wednesday	4:28 PM	5:01 PM	33	
To FMC Lockport	6/1/2012	Friday	4:47 PM	5:00 PM	13	11.5	To FMC Lockport	6/6/2012	Wednesday	5:02 PM	5:32 PM	30	30.8
<b>2- Fesenius Joliet</b>							<b>7 - Sun Health</b>						
To FMC Joliet	6/1/2012	Friday	10:42 AM	10:55 AM	13		To Sun Health	6/6/2012	Wednesday	10:47 AM	11:09 AM	22	
To FMC Lockport	6/1/2012	Friday	10:56 AM	11:10 AM	14		To FMC Lockport	6/6/2012	Wednesday	11:10 AM	11:34 AM	24	
To FMC Joliet	6/1/2012	Friday	12:49 PM	1:02 PM	13		To Sun Health	6/6/2012	Wednesday	1:33 PM	1:57 PM	24	
To FMC Lockport	6/1/2012	Friday	1:03 PM	1:15 PM	12		To FMC Lockport	6/6/2012	Wednesday	1:59 PM	2:23 PM	24	
To FMC Joliet	6/1/2012	Friday	5:02 PM	5:14 PM	12		To Sun Health	6/6/2012	Wednesday	5:33 PM	5:57 PM	24	
To FMC Lockport	6/1/2012	Friday	5:15 PM	5:27 PM	12	12.7	To FMC Lockport	6/6/2012	Wednesday	5:57 PM	6:22 PM	25	23.8
<b>3 - Fresenius Orland Park</b>							<b>8 - Silver Cross West</b>						
To FMC Orland Park	5/31/2012	Thursday	10:27 AM	10:44 AM	17		To Silver Cross West	6/8/2012	Friday	9:35 AM	9:56 AM	21	
To FMC Lockport	5/31/2012	Thursday	11:35 AM	11:55 AM	20		To FMC Lockport	6/8/2012	Friday	9:58 AM	10:21 AM	23	
To FMC Orland Park	6/1/2012	Friday	9:30 AM	9:50 AM	20		To Silver Cross West	6/8/2012	Friday	12:32 PM	12:57 PM	25	
To FMC Lockport	6/1/2012	Friday	9:51 AM	10:11 AM	20		To FMC Lockport	6/8/2012	Friday	12:58 PM	1:20 PM	22	
To FMC Orland Park	6/1/2012	Friday	5:28 PM	5:51 PM	23		To Silver Cross West	6/8/2012	Friday	3:37 PM	4:05 PM	28	
To FMC Lockport	6/1/2012	Friday	5:59 PM	6:22 PM	23	20.5	To FMC Lockport	6/8/2012	Friday	4:06 PM	4:27 PM	21	23.3
<b>4 - Fresenius Bolingbrook</b>							<b>9 - Fresenius Plainfield</b>						
To FMC Bolingbrook	6/1/2012	Friday	11:20 AM	11:34 AM	14		To FMC Plainfield	6/8/2012	Friday	10:22 AM	10:51 AM	29	
To FMC Lockport	6/1/2012	Friday	11:42 AM	11:57 AM	15		To FMC Lockport	6/8/2012	Friday	10:52 AM	11:17 AM	25	
To FMC Bolingbrook	6/1/2012	Friday	1:23 PM	1:50 PM	27		To FMC Plainfield	6/8/2012	Friday	1:22 PM	1:46 PM	24	
To FMC Lockport	6/1/2012	Friday	2:49 PM	3:18 PM	29		To FMC Lockport	6/8/2012	Friday	1:47 PM	2:11 PM	24	
To FMC Bolingbrook	6/1/2012	Friday	3:37 PM	4:03 PM	26		To FMC Plainfield	6/8/2012	Friday	4:28 PM	4:55 PM	27	
To FMC Lockport	6/1/2012	Friday	4:04 PM	4:32 PM	28	23.2	To FMC Lockport	6/8/2012	Friday	4:56 PM	5:26 PM	30	26.5
<b>5 - USR Bolingbrook</b>							<b>10 - DaVita Palos Park</b>						
To USR Bolingbrook	6/6/2012	Wednesday	9:31 AM	9:47 AM	16		To DaVita Palos Park	5/31/2012	Thursday	2:42 PM	3:10 PM	28	
To FMC Lockport	6/6/2012	Wednesday	9:48 AM	10:04 AM	16		To FMC Lockport	6/8/2012	Friday	2:52 PM	3:14 PM	22	
To USR Bolingbrook	6/6/2012	Wednesday	11:36 AM	11:56 AM	20		To DaVita Palos Park	6/8/2012	Friday	11:20 AM	11:51 AM	31	
To FMC Lockport	6/6/2012	Wednesday	11:58 AM	12:19 PM	21		To FMC Lockport	6/8/2012	Friday	12:03 PM	12:29 PM	26	
To USR Bolingbrook	6/6/2012	Wednesday	3:33 PM	3:54 PM	21		To DaVita Palos Park	6/8/2012	Friday	5:27 PM	5:54 PM	27	
To FMC Lockport	6/6/2012	Wednesday	4:06 PM	4:27 PM	21	19.2	To FMC Lockport	6/8/2012	Friday	5:55 PM	6:20 PM	25	26.5

**Table 3**  
**Lockport Travel Runs**  
 1143-1165 E. 9th Street



Direction	Date	Day	Time Start	End	One-Way Travel Times (minutes)	
					Run	Average
<b>11 - Fersenius Naperbrook</b>						
To FMC Naperbrook	6/7/2012	Thursday	12:35 PM	1:03 PM	28	
To FMC Lockport	6/7/2012	Thursday	1:05 PM	1:34 PM	30	
To FMC Naperbrook	6/7/2012	Thursday	1:36 PM	2:07 PM	31	
To FMC Lockport	6/7/2012	Thursday	2:09 PM	2:42 PM	33	
To FMC Naperbrook	6/7/2012	Thursday	5:28 PM	5:59 PM	31	
To FMC Lockport	6/7/2012	Thursday	6:00 PM	6:30 PM	30	30.5
<b>12 - USR Oak Brook</b>						
To USR Oak Brook	6/7/2012	Thursday	10:00 AM	10:36 AM	36	
To FMC Lockport	6/7/2012	Thursday	10:38 AM	11:15 AM	37	
To USR Oak Brook	6/7/2012	Thursday	11:17 AM	11:55 PM	38	
To FMC Lockport	6/7/2012	Thursday	11:57 AM	12:34 PM	37	
To USR Oak Brook	6/7/2012	Thursday	4:30 PM	4:57 PM	27	
To FMC Lockport	6/7/2012	Thursday	4:58 PM	5:27 PM	29	34.0
<b>13 - DaVita Olympia Fields</b>						
To DaVita Olympia Fields	5/31/2012	Thursday	10:27 AM	11:09 AM	42	
To FMC Lockport	5/31/2012	Thursday	11:11 AM	11:55 AM	44	
To DaVita Olympia Fields	5/31/2012	Thursday	1:37 PM	2:07 PM	30	
To FMC Lockport	5/31/2012	Thursday	2:10 PM	2:41 PM	31	
To DaVita Olympia Fields	5/31/2012	Thursday	3:38 PM	4:07 PM	29	
To FMC Lockport	5/31/2012	Thursday	4:08 PM	4:39 PM	31	34.5
<b>14 - Fersenius Hazel Crest</b>						
To FMC Hazel Crest	5/31/2012	Thursday	9:31 AM	9:57 AM	26	
To FMC Lockport	5/31/2012	Thursday	9:58 AM	10:25 AM	27	
To FMC Hazel Crest	5/31/2012	Thursday	12:20 PM	12:57 PM	37	
To FMC Lockport	5/31/2012	Thursday	12:58 PM	1:32 PM	34	
To FMC Hazel Crest	5/31/2012	Thursday	4:40 PM	5:26 PM	46	
To FMC Lockport	5/31/2012	Thursday	5:30 PM	6:12 PM	42	35.3

### Unnecessary Duplication/Maldistribution

ZIP Code	Population	Stations	Facilities
60189	30,472		
60403	17,529		
60404	17,395		
60410	12,687		
60421	3,968		
60422	9,403		
60423	30,423		
60431	22,577		
60432	21,403	16	Fresenius Joliet
60433	17,160		
60435	48,899	46	Sun Health, Silver Cross West
60436	18,315		
60439	22,919		
60440	52,911	37	Fresenius Bolingbrook, USR Bolingbrook
60441	36,869		
60442	9,924		
60446	39,807		
60451	34,063	19	Silver Cross Hosp
60452	27,969		
60455	16,446		
60457	14,049		
60458	14,428		
60461	4,836		
60462	38,723	18	Fresenius Orland Park
60463	14,671		
60464	9,620	12	DaVita Palos Park
60465	17,495		
60467	26,046		
60471	14,101		
60477	38,161		
60478	16,833		
60480	5,246		
60482	11,063		
60487	26,928		
60490	20,463		
60491	22,743		
60501	11,626		
60514	9,708		
60516	29,084		
60517	32,038		
60521	17,597		
60525	31,168		
60527	27,486		
60532	27,066		
60540	42,910		
60543	36,156		
60544	25,959		
60558	12,960		
60559	24,852		
60561	23,115		
60564	41,312		
60585	22,311		
60586	46,251	16	Fresenius Plainfield
<b>Total</b>	<b>1,248,144</b>	<b>164</b>	<b>1/7,611</b>

1. (A-B-C) The ratio of ESRD stations to population in the zip codes within a 30 minute radius of Fresenius Lockport is 1 station per 7,611 residents according to the 2010 census (based on 1,248,144 residents and 164 stations). The State ratio is 1 station per 3,347 residents (based on US Census 2010 of 12,830,632 Illinois residents and the May 2012 Board stations inventory of 3,834). **Since the ratio of ESRD stations to population is higher in the 30 min zip codes than the State ratio, there is a demonstrated need for additional stations even though the HSA has a determined excess station count.**

According to the 2010 census, Will County was the second fastest growing county in Illinois, increasing in population by zip code by 35%. Also, Will County has had an alarming average ESRD growth rate of 13% over the past two years.

### Unnecessary Duplication/Maldistribution

ZIP Code	Population	Stations	Facilities
60189	30,472		
60403	17,529		
60404	17,395		
60410	12,687		
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60439	22,919		
60440	52,911	37	Fresenius Bolingbrook, USR Bolingbrook
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60458	14,428		
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60465	17,495		
60467	26,046		
60471	14,101		
60477	38,161		
60478	16,833		
60480	5,246		
60482	11,063		
60487	26,928		
60490	20,463		
60491	22,743		
60501	11,626		
60514	9,708		
60516	29,084		
60517	32,038		
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60543	36,156		
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60559	24,852		
60561	23,115		
60564	41,312		
60585	22,311		
60586	46,251	16	Fresenius Plainfield
<b>Total</b>	<b>1,248,144</b>	<b>164</b>	<b>1/7,611</b>

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## FACILITIES WITHIN 30 MINUTES OF FRESENIUS MEDICAL CARE LOCKPORT

Facility	Address	City	Zip Code	Mapquest		Adjusted Time	Ind Travel Study	Stations	Mar-12	
				Miles	Time				Patients	Util
Silver Cross Hosp	1900 Silver Cross Blvd	New Lenox	60451	5.57	8	9.2	11.5	19	80	70.18%
Fresenius Joliet	721 E. Jackson Street	Joliet	60432	5.51	10	11.5	12.7	16	0	0.00%
USR Bolingbrook	396 Remington Blvd	Bolingbrook	60440	12.7	17	19.55	19.2	13	0	0.00%
Fresenius Orland Park	9160 W 159th St	Orland Park	60462	10.08	15	17.25	20.5	18	84	77.78%
Fresenius Bolingbrook	538 E. Boughton Road	Bolingbrook	60440	11.37	16	18.4	23.2	24	121	84.03%
Silver Cross West	1051 Essington Rd	Joliet	60435	9.95	19	21.85	23.3	29	147	84.48%
Sun Health	2121 W Oneida St	Joliet	60435	9.46	18	20.7	23.8	17	55	53.92%
Fresenius Plainfield	2320 Michas Drive	Plainfield	60586	12.15	20	23	26.5	16	71	73.96%
DaVita Palos Park	13155 S La Grange Rd	Orland Park	60464	13.07	20	23	26.5	12	0	0.00%

2. The first three clinics listed above are not options for Dr. Hamburger's identified patients. Silver Cross Hospital has been permitted to expand with identified patients resulting in more than 80% utilization. Fresenius Joliet and USR Bolingbrook are new clinics established to provide treatment to a distinct and separate base of patients, treated by different physicians. When these projects were approved, there was an excess of stations and maldistribution. The SWNA physician's group does not treat patients in these areas. Due to the travel difficulties, the patients encounter traffic congestion crossing the Des Plaines River or driving 159<sup>th</sup> Street, to Orland Park, which is the only main thoroughfare, supporting why a facility is needed in Lockport. The remaining clinics with availability present the same set of travel difficulties as mentioned before for the patients due to their locations.
- 3A. Fresenius Medical Care Lockport will not have an adverse effect on any other area ESRD provider in that the patients identified for this facility are new pre-ESRD patients. No patients will be transferred from any other facility to the Lockport clinic. Furthermore, the SWNA physicians will still refer patients to the other ESRD facilities they currently refer to, on an ongoing basis per the patient's preference and home address. These facilities are Fresenius Orland Park, Mokena, Merrionette Park, Crestwood, Southside, Alsip, Evergreen Park & DaVita Mt. Greenwood, DaVita Beverly & DSI Scottsdale.
  - B. Not applicable – applicant is not a hospital; however the utilization will not be lowered at any other ESRD facility due to the establishment of the Lockport facility.

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Ronald Hamburger is currently the Medical Director for Fresenius Medical Care Crestwood and has been in this capacity for 10 years. Attached is his curriculum vitae.

B. All Other Personnel

Upon opening the facility will hire a Clinic Manager who is a Registered Nurse (RN) from within the company and will hire one Patient Care Technician (PCT). After we have more than one patient, we will hire another RN and another PCT.

Upon opening we will also employ:

- Part-time Registered Dietitian
- Part-time Licensed Master level Social Worker
- Part-time Equipment Technician
- Part-time Secretary

These positions will go to full time as the clinic census increases. As well, the patient care staff will increase to the following:

- One Clinic Manager – Registered Nurse
- Four Registered Nurses
- Ten Patient Care Technicians

- 3) All patient care staff and licensed/registered professionals will meet the State of Illinois requirements. Any additional staff hired must also meet these requirements along with completing a 9 week orientation training program through the Fresenius Medical Care staff education department.

Annually all clinical staff must complete OSHA training, Compliance training, CPR Certification, Skills Competency, CVC Competency, Water Quality training and pass the Competency Exam.

- 4) The above staffing model is required to maintain a 4 to 1 patient-staff ratio at all times on the treatment floor. A RN will be on duty at all times when the facility is in operation.

## CURRICULUM VITAE

Name: Ronald K. Hamburger, M.D.

Home Address:

Business Address: 3650 W. 95th Street  
Evergreen Park, Illinois 60805  
(708) 422-7715

4861 W. Cal Sag Road  
Crestwood, Illinois 60445  
(708) 385-1400

Date of Birth: October 20, 1949

Birthplace: Oklahoma City, Oklahoma

Citizenship: U.S.A.

Marital Status: Married

Social Security:

Illinois License: 36-53761

Specialty Boards: American Board of Internal Medicine 1978  
Subspecialty Board (Nephrology) 1980

Academic Training: College of Wooster (with honors in Chemistry)  
Wooster, Ohio (B.A.) 1971

Medical School: University of Illinois (M.D.) 1975

Internship: University of Illinois (Internal Medicine)  
Chicago, Illinois 1975-1976

Residency: University of Illinois (Internal Medicine)  
Chicago, Illinois 1976-1978

Subspecialty Fellowship: University of Illinois (Nephrology)  
Chicago, Illinois 1978-1980

Hospital Appointments: Associate Staff  
South Suburban Hospital  
Hazel Crest, Illinois 10/04-Present  
Consulting Staff  
Holy Cross Hospital  
Chicago, Illinois 09/83-Present  
Associate Staff  
Christ Hospital and Medical Center  
Oak Lawn, Illinois 08/81-Present  
Active Staff  
Little Company of Mary Hospital  
Evergreen Park, Illinois 07/80-Present  
Associate Staff  
Palos Community Hospital  
Palos Heights, Illinois 06/80-Present

Faculty Appointments: Instructor of Medicine 1980-1996  
Rush Medical College  
Clinical Assistant Professor of Medicine 1995-Present  
University of Illinois at Chicago

Clinical Positions: Medical Director – Christ Hospital Acute Dialysis Unit  
Medical Director – Renal Care Group Dialysis, Crestwood  
President – Palos Dialysis Association

Memberships: National Kidney Foundation of Illinois  
National Kidney Foundation  
Renal Physicians Association  
American Society of Nephrology  
American College of Physicians  
Illinois State Medical Society  
Chicago Medical Society  
American Medical Association  
International Society of Nephrology  
Chicago Heart Association  
International Society for Peritoneal Dialysis

Positions Held and Committees:

*Christ Hospital:* Library Committee, 1997 – Present

Ethics Committee, 1999 – Present

*Palos Hospital:* Nutrition Committee, April 1, 1998 – March 31, 2003

Internal Medicine Privilege Evaluation Committee, April 1, 2003 – March 31, 2004.

Executive Committee; Member at Large, April 1, 2002 – March 31, 2004.

*Little Company of Mary Hospital:* Medicine Committee, 1995 – Present

*National Kidney Foundation of Illinois:* Medical Advisory Board (Chairman), 1995 – 1997

Board of Directors, 1995 – Present

President, Board of Directors, 2000 – 2003

Immediate Past President, Board of Directors, 2003 – Present

*Renal Care Group Mid-America:* Physician Credentialing Committee, 2000 – 2002

Executive Medical Director Committee, 1999 – Present

Community and Civic Activities: Medical Advisory Board, National Kidney Foundation of Illinois, 1993 – Present

College of Wooster Fund-Raising Committee, Renovation of the Chemistry Hall, 1999 – 2001

Chicago Alumni Leadership Committee, College of Wooster, 2002 – Present

Publications:

Nascimento L, Rademacher DR, Hamburger R, Arruda JAL, Kurtzman NA: Mechanism of Lithium Induced Renal Tubular Acidosis. J Lab Clin Med 89: 455-462, 1977.

Staffing – Curriculum Vitae

RONALD K. HAMBURGER, MD

Name of FMCNA Centers (Cont'd)

FMC-South Side, 3134 W. 76<sup>th</sup> Street, Chicago, IL 60652

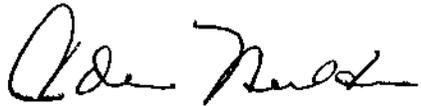
C. Licensure, Certification and Affiliations

<u>Hospital Privileges</u>	<u>Status</u>	<u>From/To</u>	<u>Department/ Category</u>	<u>Approved Renal Center</u>
Holy Cross Hospital 2701 W. 68 <sup>th</sup> Street Chicago, IL 60629	Consulting	09/83-Present	Medicine/ Nephrology	
South Suburban Hospital 17800 S. Kedzie Avenue Hazel Crest, IL 60429	Consulting	10/04-Present	Medicine/ Nephrology	

**Criterion 1110.1430 (e)(5) Medical Staff**

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 Il. Admint Code 1111.1430, and with regards to Fresenius Medical Care Lockport, I certify the following:

Fresenius Medical Care Lockport will be an "open" unit with regards to medical staff. Any Board Licensed nephrologist may apply for privileges at the Lockport facility, just as they currently are able to at all Fresenius Medical Care facilities.



Signature

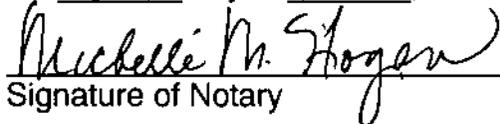
Coleen Muldoon

Printed Name

Regional Vice President

Title

Subscribed and sworn to before me  
this 8th day of June, 2012



Signature of Notary

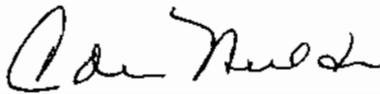
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Criterion 1110.1430 (f) – Support Services

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 II. Admin Code 1110.1430, I certify to the following:

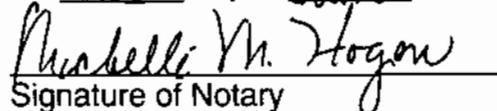
- Fresenius Medical Care utilizes the Proton patient data tracking system in all of its new facilities.
- These support services are will be available at Fresenius Medical Care Lockport during all six shifts:
  - Nutritional Counseling
  - Psychiatric/Social Services
  - Home/self training
  - Clinical Laboratory Services – provided by Spectra Laboratories
- The following services will be provided via referral to Provena St. Joseph Medical Center, Chicago:
  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services



Signature

Coleen Muldoon/Regional Vice President  
Name/Title

Subscribed and sworn to before me  
this 8th day of June, 2012



Signature of Notary

Seal



**Criterion 1110.1430 (g) – Minimum Number of Stations**

Fresenius Medical Care Lockport is located in the Chicago-Naperville-Joliet-Gary, IL-IN-WI Metropolitan Statistical Area (MSA). A minimum of eight dialysis stations is required to establish an in-center hemodialysis center in an MSA. Fresenius Medical Care Lockport will have twelve dialysis stations thereby meeting this requirement.



**PROVENA**

**Saint Joseph Medical Center**

**WE ARE BUILDING EXCELLENCE**

333 North Madison Street • Joliet, Illinois 60435  
(815) 725-7133 • [www.provenasaintjoe.com](http://www.provenasaintjoe.com)

November 12, 2008

Ms. Lori Wright  
Fresenius Medical Care  
One Westbrook Corporate Center  
Tower One, Suite 1000  
Westchester, IL 60154

Dear Ms. Wright:

Provena St. Joseph Medical Center, (Hospital), will serve as a back-up hospital for emergent treatment, evaluation, possible admission, and dialysis services for those patients dialyzing at Fresenius Medical Care Lockport.

Patients with end-stage renal disease from your facility who require emergency treatment or hospitalization as medically determined by the attending physician will be accepted and cared for by Provena St. Joseph Medical Center. Admission is contingent upon bed availability. The Hospital will provide the needed diagnostic or any other physician ordered hospital-based services, which would include rehabilitation, blood bank, psychiatric, and pathological laboratory services.

Provena St. Joseph Medical Center will continue as a back-up hospital for Fresenius Medical Care Lockport with this agreement, until one of the parties notifies the other in writing of a change. This notice will be made 30 days prior to termination of the agreement.

Sincerely,

Beth Hughes  
Executive Vice President/Chief Operating Officer  
Provena Saint Joseph Medical Center

Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 II. Admin Code 1110.1430, and with regards to Fresenius Medical Care Lockport, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Lockport in the first two years of operation, the facility will achieve and maintain the utilization standard, specified in 77 III. Adm. Code 1100, of 80% and;
2. Fresenius Medical Care hemodialysis patients in Illinois have achieved adequacy outcomes of:
  - o 94% of patients had a URR  $\geq$  65%
  - o 96% of patients had a Kt/V  $\geq$  1.2

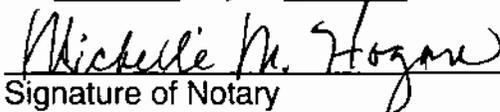
The same is expected for Fresenius Medical Care Lockport.



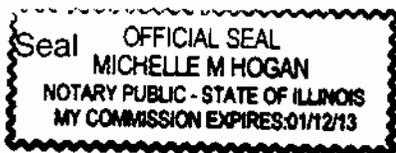
Signature

Coleen Muldoon/Regional Vice President  
Name/Title

Subscribed and sworn to before me  
this 8th day of June, 2012



Signature of Notary





Cushman & Wakefield of  
Illinois, Inc.  
455 N. Cityfront Plaza Drive  
Suite 2800  
Chicago, IL 60611-5555  
(312) 470-1800 Tel  
(312) 470-3800 Fax  
www.cushwake.com

May 17, 2012

Mr. Nathan Glaisner  
Vice President  
Troy Commercial LTD

RE: Fresenius Medical Care Dialysis Center  
The Crossroads of Lockport Proposal

Dear Nate,

Cushman & Wakefield has been exclusively authorized by Fresenius Medical Care (FMC) to secure proposals and assist them in negotiations regarding the acquisition of leased space in the Lockport area. Of the properties we will analyze, your site has been identified as one that potentially meets the necessary requirements. At this time we are pleased to present the following Letter of Intent.

**OWNERSHIP:**

Matt Tilton  
Archer Bank  
4970 S Archer Ave  
Chicago, IL 60632

**LOCATION:**

1143-1165 East 9<sup>th</sup> Street  
Lockport, IL 60441

**SPACE**  
**REQUIREMENTS:**

8,000 SF of contiguous rentable square space. Tenant shall have beneficial occupancy, at no cost throughout the initial term and any option periods of an adjacent 400 sq.ft. of space.

**HOURS OF OPERATION:**

Please be advised that FMC may have employees and / or patients on site 24 hours per day 6 days per week. FMC is not open on Sundays.

**PRIMARY TERM:**

Ten (10) years.

**POSSESSION &**  
**COMMENCEMENT DATE:**

Possession and Lease Commencement shall be on the date FMC is awarded the CON.

**OPTION TO RENEW:**

FMC desires three (3) five (5) year options to renew the lease. Options based upon pre-established rates.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

**BASE RATE:** \$16.00 Net.

**ESCALATION:** Rent shall escalate \$.70 per year beginning in the second lease year.

**CONCESSIONS:** FMC shall receive 12 months of Base Net Rent abatement beginning on the commencement date.

**COMMON AREA EXPENSES AND REAL ESTATE TAXES:** Taxes and Common Area Expenses are approximately \$5.00 per square foot per year.

**TENANT IMPROVEMENTS:** As stated in the Concessions section, in lieu of Tenant Improvements, Landlord shall provide Tenant with 12 months of Base Net Rent abatement.

FMC shall not be required to remove their tenant improvements at the end of the term.

**DEMISED PREMISES SHELL:** Landlord shall deliver the building in "as-is" condition.

**FIRE SUPPRESSION:** Landlord shall furnish a sprinkler system prior to delivery of premises to tenant.

**SPACE PLANNING/ ARCHITECTURAL AND MECHANICAL DRAWINGS:** FMC will provide all space planning and architectural and mechanical drawings required to build out the tenant improvements, including construction drawings stamped by a licensed architect and submitted for approvals and permits. All building permits shall be the Tenant's responsibility.

**PRELIMINARY IMPROVEMENT PLAN:** At this time, please provide one-eighth inch architectural drawings of the proposed demised premises and detailed building specifications. Please email AutoCads to [loren.guzik@cushwake.com](mailto:loren.guzik@cushwake.com)

**PARKING:** FMC's standard parking ratio is 1 parking stall / 250 sq.ft.

**CORPORATE IDENTIFICATION:** Please indicate all signage available to FMC, on the building and at the entrance to its space.

**ASSIGNMENT/**

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

**SUBLETTING:**

FMC requires the right to assign or sublet all or a portion of the demised premises to any subsidiary or affiliate without landlord's consent. Any other assignment or subletting will be subject to landlord's prior consent, which shall not be unreasonably withheld or delayed.

**ZONING AND RESTRICTIVE COVENANTS:**

Please indicate if the current property zoning is acceptable for use as a Dialysis Clinic and if there are any restrictive covenants imposed by the development, owner, and/or municipality.

**FINANCING:**

FMC will require a non-disturbance agreement.

**ENVIRONMENTAL:**

Please confirm that there is no asbestos present in the building and that there are no contaminants or environmental hazards in or on the property. Also include a brief narrative of any tenants and their activities as they relate to the generation of hazardous materials.

**CON CONTINGENCY:**

Landlord and FMC understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, FMC cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless FMC obtains a Certificate of Need (CON) permit from the Illinois Health Facilities Planning Board (the "Planning Board"). FMC agrees to proceed using its commercially reasonable best efforts to submit an application for a CON permit and to prosecute said application to obtain the CON permit from the Planning Board. Based on the length of the Planning Board review process, FMC does not expect to receive a CON permit prior to September 1, 2012. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to the approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective pending CON approval. Assuming CON permit approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the Planning Board does not award FMC a CON permit to establish a dialysis center on the Premises by August 16, 2011, neither party shall have any further obligation to the other party with regard to the negotiations, lease or Premises contemplated by this Letter of Intent.

**SECURITY:**

Fresenius Medical Care Holding will fully guarantee the lease.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

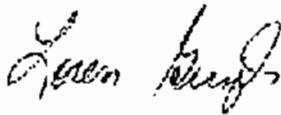
**BROKERAGE FEE:**

Per separate agreement.

This offer is not intended to be contractual in nature and only an executed lease delivered to both parties can bind the parties to this transaction. It is expressly understood, agreed, and hereby acknowledged, that only upon the proper execution of a fully completed, formal lease contract, with all the lease terms and conditions clearly defined and included therein, will there then be any obligation, of any kind or nature, incurred or created between the herein parties in connection with the referenced property.

You may email the proposal to [loren.guzik@cushwake.com](mailto:loren.guzik@cushwake.com). Thank you for your time and cooperation in this matter, should you have any questions please call me at 312.470.1897.

Sincerely,



Loren Guzik  
Senior Director  
Office Group  
Phone: 312-470-1897  
Fax: 312-470-3800  
e-mail: [loren.guzik@cushwake.com](mailto:loren.guzik@cushwake.com)

CC: Mr. Bill Popken

**AGREED AND ACCEPTED** this \_\_\_\_ day of \_\_\_\_\_, 2012

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

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

**AGREED AND ACCEPTED** this \_\_\_\_ day of \_\_\_\_\_, 2012

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

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

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

EXHIBIT 1

LEASE SCHEDULE NO. 759-0002103-015  
(True Lease)

LESSOR: SIEMENS FINANCIAL SERVICES, INC.  
("Lessor")

Address: 170 Wood Ave South  
Iselin, NJ 08830

LESSEE: NATIONAL MEDICAL CARE, INC.  
a Delaware corporation  
("Lessee")  
Address: 920 Winter Street  
Waltham, MA 02451

1. Lessor and Lessee have entered into a Master Equipment Lease Agreement dated as of March 10, 2006 ("Master Lease"), including this Schedule (together, the "Lease"), pursuant to which Lessor and Lessee have agreed to lease the equipment described in Exhibit A hereto (the "Equipment"). Lessee and Lessor each reaffirm all of its respective representations, warranties and covenants set forth in the Master Lease, all of the terms and provisions of which are incorporated herein by reference, as of the date hereof. Lessee further certifies to Lessor that Lessee has selected the Equipment and prior to the execution of this Schedule has received and approved a purchase order, purchase agreement or supply contract under which the Equipment will be acquired for purposes of this Lease.

2. The Acquisition Cost of the Equipment is: \$ 3,673,373.64

3. The Equipment will be located at the location specified in Exhibit A hereto, unless the Equipment is of the type normally used at more than one location (such as vehicular equipment, construction machinery or the like), in which case the Equipment will be used in the area specified on Exhibit A hereto.

4. TERM OF LEASE: The term for which the Equipment shall be leased shall be for 72 months (the "Initial Lease Term"), commencing on the Lease Term Commencement Date as set forth in the Acceptance Certificate to this Schedule, and expiring 03/30/2016, unless renewed, extended, or sooner terminated in accordance with the terms of the Lease.

5. RENT: (a) Payable in monthly installments on the 28th day of each month during the Initial Lease Term as follows:

Rental Payment Number	Number of Rental Payments	Amount of Each Rental Payment
1-72	72	\$53,954.37

Lessor will invoice Lessee for all sales, use and/or personal property taxes as and when due and payable in accordance with applicable law, unless Lessee delivers to Lessor a valid exemption certificate with respect to such taxes. Delivery of such certificate shall constitute Lessee's representation and warranty that no such tax shall become due and payable with respect to the Equipment and Lessee shall indemnify and hold harmless Lessor from and against any and all liability or damages, including late charges and interest which Lessor may incur by reason of the assessment of such tax.

6. OTHER PAYMENTS:

(a) Lessee agrees to pay Rental Payments in advance.

7. **EARLY TERMINATION OPTION:** So long as no Event of Default under the Lease, nor any event which upon notice or lapse of time or both would constitute such an Event of Default has occurred and is continuing, Lessee shall have the option to terminate the Lease for all, but not less than all, of the Equipment on the rental payment date for the twenty-fourth (24th) monthly rental payment (the "Early Termination Date"). Lessee shall notify Lessor in writing of Lessee's intention to exercise such termination option at least ninety (90) days prior to the Early Termination Date of such Lease. Lessee shall pay to Lessor on the Early Termination Date an aggregate amount (the "Termination Amount") equal to: (i) all rental payments, late charges and other amounts due and owing under the Lease, including the rental payment due on the Early Termination Date; plus (ii) any and all taxes, assessments and other charges due in connection with the termination of the Lease; plus (iii) 64% of the original Acquisition Cost of the Equipment as set forth herein.

In addition to the payment of the Termination Amount, Lessee shall return all of the Equipment to Lessor on the Early Termination Date pursuant to and in the condition required by the terms of the Lease.

In the event Lessee shall not pay the Termination Amount on the Early Termination Date and return the Equipment to Lessor pursuant to, and in the condition required by the Lease, then the Lease Term for the Equipment shall continue in full force and effect and this Early Termination Option shall be null and void and of no further force or effect.

8. **EARLY PURCHASE OPTION:** So long as no Event of Default under the Lease, nor any event which upon notice or lapse of time or both would constitute such an Event of Default has occurred and is continuing, Lessee shall have the option to terminate the Lease and purchase all, but not less than all, of the Equipment on the rental payment date for the sixtieth (60th) monthly rental payment (the "Early Purchase Option Date"). Lessee shall notify Lessor in writing of Lessee's intention to exercise such early purchase option at least ninety (90) days prior to the Early Purchase Option Date of such Lease. Lessee shall pay to Lessor on the Early Purchase Option Date an aggregate amount (the "Purchase Price") equal to: (i) all rental payments, late charges and other amounts due and owing under the Lease, including the rental payment due on the Early Purchase Option Date; plus (ii) any and all taxes, assessments and other charges due in connection with the termination of the Lease and the purchase of the Equipment; plus (iii) 28.62% of the original Acquisition Cost of the Equipment as set forth herein.

Provided that Lessor shall have received the Purchase Price on the Early Purchase Option Date, Lessor shall convey all of its right, title and interest in and to the Equipment to Lessee on the Early Purchase Option Date, on an "AS-IS", "WHERE-AS" BASIS WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, and without recourse to Lessor; provided however, that notwithstanding anything else herein to the contrary, Lessor shall warrant that the Equipment is free and clear of all liens, charges and encumbrances created by, through or under Lessor, and that Lessor has good and lawful right, power and authority to sell said Equipment to Lessee.

In the event Lessee shall not pay the Purchase Price on the Early Purchase Option Date then the initial Lease Term or any renewal term for the Equipment shall continue in full force and effect and this Early Purchase Option shall be null and void and of no further force or effect.

9. **PURCHASE OPTION:** So long as no Event of Default, nor any event which upon notice or lapse of time or both would constitute an Event of Default, has occurred and is continuing under the Lease, and the Lease has not been earlier terminated, and upon not less than ninety (90) days prior written notice, Lessee shall have the option, upon expiration of the initial Lease Term, renewal term or Extended Term, to purchase all, but not less than all, of Lessor's right, title and interest in and to the Equipment at the end of the Lease Term for a Purchase Option Price (hereinafter defined), on the last day of the Lease Term, in immediately available funds.

The Purchase Option Price shall be equal to the Fair Market Value of the Equipment (hereinafter defined) plus any sales, use, property or excise taxes on or measured by such sale, any other amounts accrued and unpaid under the Lease and any other expenses of transfer including UCC termination fees.

The "Fair Market Value" of the Equipment, shall be determined on the basis of, and shall be equal in amount to the value which would be obtained in, an arm's-length transaction between an informed and willing buyer-user (other than a lessee currently in possession or a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. For purposes of determining Fair Market Value it will be assumed that as of the date of determination that the Equipment is in at least the condition required by the Lease. If during or after the period of thirty (30) days from Lessor's receipt of the aforesaid written notice from Lessee of Lessee's intention to exercise said purchase option, Lessor and Lessee determine that they cannot agree upon such fair market value, then such value shall be determined in accordance with the foregoing definition by a qualified independent appraiser as selected by mutual agreement between Lessor and Lessee, or failing such agreement, by a panel of three independent appraisers, one of whom shall be selected by Lessor, the second by Lessee and the third designated by the first two selected. If any party refuses or fails to appoint an appraiser or a third appraiser cannot be agreed upon by the other two appraisers, such appraiser or appraisers shall be selected in accordance with the rules for commercial arbitration of the

015 Exhibit 12.doc

American Arbitration Association. The appraisers shall be instructed to make such determination within a period of twenty (20) days following appointment, and shall promptly communicate such determination in writing to Lessor and Lessee. The determination of Fair Market Value so made by the sole appraiser or by a majority of the appraisers, if there is more than one, shall be conclusively binding upon both Lessor and Lessee. All appraisal costs, fees and expenses shall be payable by Lessee. The sale of the Equipment by Lessor to Lessee shall be on an AS-IS, WHERE-IS basis, without recourse to, or warranty by, Lessor; provided however, that notwithstanding anything else herein to the contrary, Lessor shall warrant that the Equipment is free and clear of all liens, charges and encumbrances created by, through or under Lessor, and that Lessor has good and lawful right, power and authority to sell said Equipment to Lessee.

Lessee shall be deemed to have waived this Purchase Option unless it provides Lessor written notice of its irrevocable election to exercise this option within fifteen (15) days after Lessee is advised of the Fair Market Value of the Equipment.

Lessee may elect to return all, but not less than all, of the Equipment at the end of the initial Lease Term or any renewal term, provided that such return will only be permitted if (i) the Lessee provides the Lessor with written notice of its intention to return the Equipment not less than ninety (90) days prior to the end of the initial Term, and (ii) the return of the Equipment is in accordance with the terms of the Lease and any Schedules, Acceptance Certificate, Riders, Exhibits and Addenda thereto.

If, for any reason whatsoever, the Lessee does not purchase the Equipment at the end of the initial Lease Term or any renewal term in accordance with the foregoing, or exercises their option to return the Equipment as set forth above, the lease term of the Equipment shall and without further action on the part of Lessee be extended on a month-to-month basis with rentals payable monthly calculated at one hundred five percent (105%) of the highest monthly rental payable during the initial Lease Term (the "Extended Term"). At the end of each Extended Term, the Lessee shall have the option to either: (i) return the Equipment to the Lessor in accordance with the terms of the Lease; or (ii) purchase the Equipment for its then Fair Market Value as determined in accordance with the provisions set forth above. The Extended Term shall continue until (a) Lessee provides Lessor with not less than ninety (90) days prior written notice of the anticipated date Lessee will return the Equipment and Lessee returns the Equipment in accordance with the return provisions of this Lease, or (b) Lessee provides Lessor with not less than ninety (90) days prior written notice of Lessee's exercise of its Fair Market Value purchase option with respect to the Equipment.

10. STIPULATED LOSS VALUES:

Rental Payment #	Percentage of Acquisition Cost	Rental Payment #	Percentage of Acquisition Cost
1	101.47	37	60.22
2	100.61	38	58.94
3	99.65	39	57.66
4	98.56	40	56.37
5	97.55	41	55.08
6	96.53	42	53.78
7	95.48	43	52.47
8	94.41	44	51.16
9	93.33	45	49.84
10	92.25	46	48.51
11	91.16	47	47.18
12	90.05	48	45.84
13	88.95	49	44.50
14	87.83	50	43.16
15	86.71	51	41.79
16	85.58	52	40.43
17	84.44	53	39.06
18	83.29	54	37.69
19	82.14	55	36.31

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Rental Payment #	Percentage of Acquisition Cost	Rental Payment #	Percentage of Acquisition Cost
20	80.87	56	34.92
21	79.81	57	33.63
22	78.63	58	32.13
23	77.45	59	30.72
24	76.26	60	29.31
25	75.06	61	27.89
26	73.86	62	26.47
27	72.65	63	25.04
28	71.44	64	23.61
29	70.22	65	22.17
30	68.99	66	20.72
31	67.76	67	19.27
32	66.52	68	17.82
33	65.27	69	16.35
34	64.01	70	14.88
35	62.75	71	13.40
36	61.49	72	11.92

Stipulated Loss Values are due in addition to the Rental Payment due on the same date.

IN WITNESS WHEREOF, the parties hereto certify that they have read, accepted and caused this Individual Leasing Record to be duly executed by their respective officers thereunto duly authorized.

Dated: 3/29/09

LESSOR:

Siemens Financial Services, Inc.

By: Carol Walters

Name: CAROL WALTERS  
 Title: VICE PRESIDENT DOCUMENTATION

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



Ernest Errigo  
 Sr. Transaction Coordinator

LESSEE:

National Medical Care, Inc.

By: Mark Pawlett

Name: MARK PAWLETT  
 Title: TREASURER

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

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**DELL****QUOTATION**

QUOTE #: 485293558

Customer #: 84405601

Contract #: 70137

Customer Agreement #: Dell Std Terms

Quote Date: 4/22/09

Date: 4/22/09 12:33:14 PM

Customer Name: FRESENIUS MEDICAL CARE N A

<b>TOTAL QUOTE AMOUNT:</b>	<b>\$975.02</b>		
<b>Product Subtotal:</b>	<b>\$864.59</b>		
<b>Tax:</b>	<b>\$46.43</b>		
<b>Shipping &amp; Handling:</b>	<b>\$64.00</b>		
<b>Shipping Method:</b>	<b>Ground</b>	<b>Total Number of System Groups:</b>	<b>1</b>

GROUP: 1	QUANTITY: 1	SYSTEM PRICE: \$584.51	GROUP TOTAL: \$584.51
<b>Base Unit:</b>	OptiPlex 760 Small Form Factor Base Standard PSU (224-2219)		
<b>Processor:</b>	OptiPlex 760, Core 2 Duo E7300/2.66GHz, 3M, 1066FSB (311-9514)		
<b>Memory:</b>	2GB, Non-ECC, 800MHz DDR2, 2X1GB OptiPlex (311-7374)		
<b>Keyboard:</b>	Dell USB Keyboard, No Hot Keys English, Black, OptiPlex (330-1987)		
<b>Monitor:</b>	Dell UltraSharp 1708FP BLK w/AdjStn, 17 inch, 1x08FP BLK OptiPlex, Precision and Latitude (320-7682)		
<b>Video Card:</b>	Integrated Video, GMA 4500, Dell OptiPlex 760 and 960 (320-7407)		
<b>Hard Drive:</b>	80GB SATA 3.0Gb/s and 8MB DataBurst Cache, Dell OptiPlex (341-8008)		
<b>Floppy Disk Drive:</b>	No Floppy Drive with Optical Filler Panel, Dell OptiPlex Small Form Factor (341-4609)		
<b>Operating System:</b>	Windows XP PRO SP3 with Windows Vista Business License English, Dell OptiPlex (420-9570)		
<b>Mouse:</b>	Dell USB 2 Button Optical Mouse with Scroll, Black OptiPlex (330-2733)		
<b>NIC:</b>	ASF Basic Hardware Enabled Systems Management (330-2901)		
<b>CD-ROM or DVD-ROM Drive:</b>	24X24 CDRW/DVD Combo, with CyberLink Power2Go, No Media Media, Dell OptiPlex 960 Small Form Factor (313-7071)		
<b>CD-ROM or DVD-ROM Drive:</b>	CyberLink Power2Go B.1, with Media, Dell OptiPlex/Precision (420-9179)		
<b>Sound Card:</b>	Heat Sink, Mainstream, Dell OptiPlex Small Form Factor (311-9620)		
<b>Speakers:</b>	Dell AX610 black Sound Bar for UltraSharp Flat Panel Displays Dell OptiPlex/Precision/Latitude (313-8414)		
<b>Cable:</b>	OptiPlex 760 Small Form Factor Standard Power Supply (330-1984)		
<b>Documentation Diskette:</b>	Documentation, English, Dell OptiPlex (330-1710)		
<b>Documentation Diskette:</b>	Power Cord, 125V, 2M, C13, Dell OptiPlex (330-1711)		
<b>Factory Installed Software:</b>	No Dell Energy Smart Power Management Settings, OptiPlex (467-3664)		
<b>Feature:</b>	Resource DVD contains Diagnostics and Drivers for Dell OptiPlex 760 Vista (330-2019)		
<b>Service:</b>	ProSupport for IT: Next Business Day Parts and Labor Onsite Response Initial Year (991-6370)		
<b>Service:</b>	ProSupport for IT: Next Business Day Parts and Labor Onsite Response 2 Year Extended (991-3642)		
<b>Service:</b>	Dell Hardware Limited Warranty Plus Onsite Service Initial Year (992-6607)		
<b>Service:</b>	Dell Hardware Limited Warranty Plus Onsite Service Extended Year(s) (992-6608)		
<b>Service:</b>	ProSupport for IT: 7x24 Technical Support for certified IT Staff, Initial (884-8640)		
<b>Service:</b>	ProSupport for IT: 7x24 Technical Support for certified IT Staff, 2 Year Extended (884-0002)		
	Thank you choosing Dell ProSupport. For tech support, visit <a href="http://support.dell.com/ProSupport">http://support.dell.com/ProSupport</a>		

Service:	or call 1-866-616-31 (989-3448)
Installation:	Standard On-Site Installation Declined (800-9987)
Installation:	Standard On-Site Installation Declined (900-9987)
Misc:	Shipping Material for System Cypher Small Form Factor,Dell OptiPlex (330-2193)
	Vista Premium Downgrade Relationship Desktop (310-9161)
	CFI Routing SKU (365-0257)
	CFI,Rollup,Integration Service,Image Load (366-1416)
	CFI,Rollup,Custom Project,Fee for ESLH (366-1551)
	CFI,Rollup,Integration Services,BIOS Setting (366-1666)
	CFI,Information,Vista To WXP ONLY,Factory Install (372-6272)
	CFI,Software,Image,Quick Image,Titan,Factory Install (372-9740)
	CFI,BIOS,Across Line Of Business,Wakeup-on-lan, Enable,Factory Install (374-4558)
	CFI,Information,OptiPlex 760 Only,Factory Install (374-8402)

## SOFTWARE &amp; ACCESSORIES

Product	Quantity	Unit Price	Total
Office 2007 Sngl C 021-07777 (A0748570)	1	\$259.68	\$259.68
Windows Server CAL 2008 Sngl MVL Device CAL C R18-02830 (A1511502)	1	\$20.40	\$20.40
Number of S & A Items: 2		S&A Total Amount: \$280.08	

SALES REP:	PHIL CLINTON	PHONE:	1800-274-3355
Email Address:	Phil_Clinton@Dell.com	Phone Ext:	723-3128

For your convenience, your sales representative, quote number and customer number have been included to provide you with faster service when you are ready to place your order. Orders may be faxed to the attention of your sales representative to 1-866-230-4217. You may also place your order online at [www.dell.com/qto](http://www.dell.com/qto)

This quote is subject to the terms of the agreement signed by you and Dell, or absent such agreement, to Dell's Terms of Sale.

Prices and tax rates are valid in the U.S. only and are subject to change.

**\*\*Sales/use tax is a destination charge, i.e. based on the "ship to" address on your purchase order. Please indicate your taxability status on your PO. If exempt, please fax exemption certificate to Dell Tax Department at 888-863-8778, referencing your customer number. If you have any questions regarding tax please call 800-433-9019 or email Tax\_Department@dell.com. \*\***

All product and pricing information is based on latest information available. Subject to change without notice or obligation.

LCD panels in Dell products contain mercury, please dispose properly. Please contact Dell Financial Services' Asset Recovery Services group for EPA compliant disposal options at [US\\_Dell\\_ARS\\_Requests@dell.com](mailto:US_Dell_ARS_Requests@dell.com). Minimum quantities may apply.

Shipments to California: For certain products, a State Environmental Fee Of Up to \$10 per item may be applied to your invoice as early as Jan 1, 2005. Prices in your cart do not reflect this fee. More Info: or refer to URL [www.dell.com/environmentalfee](http://www.dell.com/environmentalfee)

## **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.



# Fresenius Medical Care

To: Illinois CON

August 31, 2011

Fresenius Medical Care Holdings, Inc (the Company or FMCH) summary of discussion points with Illinois CON for the meeting in early August, 2011. We discussed several points related to the rating and credit quality of the Company as follows:

1. Most ratings of the Company are higher than the ratings for our Senior Notes. Our Senior Secured ratings are investment grade and our Accounts Receivable Commercial Paper Facility is structured to a AA rating. See ratings summary below:

	Standard & Poor's	Moody's	Fitch
Corporate Credit Rating	BB	Ba1	BB+
Outlook	Positive	stable	stable
Secured Debt	BBB-	Baa3	BBB
Unsecured Debt	BB	Ba2	BB+

2. The market's evaluation of the Company's bonds is far more positive than the rating agencies assessment would indicate. The Company's yields trade in line with BBB investment grade rated companies and much lower than the index for BB rated companies. That chart was on Page 7 of our presentation.
3. Moody's has published its standards for investment grade ratings. Of the six criteria, the Company meets or exceeds four of the criteria.
4. The company has substantial liquidity (over a billion \$'s) to meet all of its obligations in Illinois and elsewhere.

Additionally, in the discussion following our presentation, the topic of the company's size was brought up as a negative. We did not have the opportunity to address that issue during the meeting, so we will address it here. During the credit crisis, many of the physician practices and related health care businesses in our industry (and others) had difficulty growing and raising capital. The financial markets were closed to many health care businesses, both for profit and not for profit. However, due to our size and strength of our credit, the banking and capital markets were still open to us, allowing us to continue to grow to meet the needs of end stage renal disease patients in our clinic setting and to invest in the pharmaceutical and medical equipment industries necessary to serve this patient population. We have been a strong and committed business in Illinois, willing to continue to invest capital, provide access to care, add jobs and grow in the State.

Mark Fawcett  
 Vice President, Treasurer  
 Fresenius Medical Care NA

## Fresenius Medical Care North America

Corporate Headquarters: 320 Winter St. Waltham, MA 02451 (781) 699-2668



**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
AND SUBSIDIARIES**

Consolidated Financial Statements

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
AND SUBSIDIARIES**

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KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

## Independent Auditors' Report

The Shareholders  
Fresenius Medical Care Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of Fresenius Medical Care Holdings, Inc. and subsidiaries (the Company) as of December 31, 2011 and 2010 and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

**KPMG LLP**

Boston, Massachusetts  
May 11, 2012

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
AND SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2011 and 2010

(Dollars in thousands)

Assets	<u>2011</u>	<u>2010</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 204,142	163,292
Trade accounts receivable, less allowances of \$222,524 in 2011 and \$209,791 in 2010	1,188,700	1,176,849
Receivables from affiliates	1,448,895	322,676
Inventories	409,831	335,103
Deferred income taxes	233,272	291,074
Other current assets	580,058	464,688
Total current assets	<u>4,064,898</u>	<u>2,753,682</u>
Property, plant and equipment, net	1,397,813	1,384,114
<b>Other assets:</b>		
Goodwill	7,677,810	7,162,623
Other intangible assets, net	497,678	497,792
Investment in equity method investees	85,542	27,946
Other assets and deferred charges	140,798	191,461
Total other assets	<u>8,401,828</u>	<u>7,879,822</u>
Total assets	<u>\$ 13,864,539</u>	<u>12,017,618</u>
<b>Liabilities and Equity</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 17,445	546,612
Current portion of long-term debt and capital lease obligations	1,148,034	107,967
Current portion of borrowings from affiliates	13,040	231,974
Accounts payable	309,345	223,901
Accrued liabilities	862,567	774,154
Accrued special charge for legal matters	115,694	115,828
Accounts payable to affiliates	1,218	43,669
Accrued income taxes	132,675	140,456
Total current liabilities	<u>2,600,018</u>	<u>2,184,561</u>
Long-term debt	973,580	1,363,138
Noncurrent borrowings from affiliates	416,133	494,231
Capital lease obligations	1,794	2,001
Long-term mandatorily redeemable preferred securities	665,500	665,500
Deferred income taxes	533,487	467,135
Other liabilities	286,000	279,423
Total liabilities	<u>5,476,512</u>	<u>5,455,989</u>
Noncontrolling interests subject to put provisions	404,015	273,022
<b>Equity:</b>		
Preferred stock, \$1 par value	2,524,622	1,379,916
Common stock, \$1 par value	90,000	90,000
Additional paid-in capital	1,840,621	1,906,036
Retained earnings	3,530,707	2,909,317
Accumulated other comprehensive loss	(104,624)	(82,678)
Total Fresenius Medical Care Holdings Inc. equity	<u>7,881,326</u>	<u>6,202,591</u>
Noncontrolling interests not subject to put provisions	<u>102,686</u>	<u>86,016</u>
Total equity	<u>7,984,012</u>	<u>6,288,607</u>
Total liabilities and equity	<u>\$ 13,864,539</u>	<u>12,017,618</u>

See accompanying notes to consolidated financial statements.

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
AND SUBSIDIARIES**

Consolidated Statements of Operations  
Years ended December 31, 2011 and 2010  
(Dollars in thousands)

	<b>2011</b>	<b>2010</b>
<b>Net revenues:</b>		
Health care services	\$ 7,271,998	7,248,628
Medical supplies	753,386	774,958
	8,025,384	8,023,586
<b>Expenses:</b>		
Cost of health care services	4,394,822	4,568,136
Cost of medical supplies	605,487	529,610
General and administrative expenses	1,220,477	1,106,513
Provision for doubtful accounts	223,822	209,001
Depreciation and amortization	304,778	285,481
Research and development	37,782	30,879
Equity investment income	(5,055)	(6,737)
Interest expense, net, and related financing costs (including \$83,570 and \$170,956 of interest with affiliates, respectively)	102,421	210,871
	6,884,534	6,933,754
Income before income taxes	1,140,850	1,089,832
Provision for income taxes	422,427	407,535
Net income	718,423	682,297
Less net income attributable to noncontrolling interests	97,204	76,767
Net income attributable to Fresenius Medical Care Holdings, Inc.	\$ 621,219	605,530

See accompanying notes to consolidated financial statements.

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
AND SUBSIDIARIES**

Consolidated Statements of Comprehensive Income

Years ended December 31, 2011 and 2010

(Dollars in thousands)

	<b>2011</b>	<b>2010</b>
Net income	\$ 718,423	682,297
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(1,245)	2,492
Pension liability adjustments, (net of deferred tax of \$29,600 and \$8,377, respectively)	(45,320)	(12,883)
Derivative instruments, (net of deferred tax of (\$15,990) and (\$26,779), respectively)	24,619	41,187
Total other comprehensive (loss) income	(21,946)	30,796
Total comprehensive income	696,477	713,093
Comprehensive income attributable to noncontrolling interests	97,204	76,767
Comprehensive income attributable to Fresenius Medical Care Holdings, Inc.	\$ 599,273	636,326

See accompanying notes to consolidated financial statements.

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
AND SUBSIDIARIES**

Consolidated Statements of Changes in Equity

Years ended December 31, 2011 and 2010

(Dollars in thousands, except share data)

	Preferred stock		Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total FMCH, Inc. shareholders' equity	Noncontrolling interests not subject to put provisions	Total equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2009	5,000,000	\$ 1,487,731	90,000,000	\$ 90,000	1,909,976	2,304,412	(113,474)	5,678,645	86,791	5,765,436
Net income	—	—	—	—	—	605,530	—	605,530	47,929	653,459
Other comprehensive income	—	—	—	—	—	—	30,796	30,796	—	30,796
Exercise of stock options and related tax effects	—	—	—	—	—	—	—	5,618	—	5,618
Compensation expense related to stock options	—	—	—	—	20,330	—	—	20,330	—	20,330
Series C Preferred Stock – marked to market	—	(107,815)	—	—	—	—	—	(107,815)	—	(107,815)
Cash contributions noncontrolling interests	—	—	—	—	—	—	—	—	3,700	3,700
Dividends paid noncontrolling interests	—	—	—	—	—	—	—	—	(53,721)	(53,721)
Purchase (sale) of noncontrolling interests	—	—	—	—	(5,669)	—	—	(5,669)	1,305	(4,364)
Changes in fair value of noncontrolling interests subject to put provisions	—	—	—	—	(24,223)	—	—	(24,223)	—	(24,223)
Other reclassifications	—	—	—	—	4	(625)	—	(621)	12	(609)
Balance, December 31, 2010	5,000,000	1,379,916	90,000,000	90,000	1,906,036	2,909,317	(82,678)	6,202,591	86,016	6,288,607
Net income	—	—	—	—	—	621,219	—	621,219	54,348	675,567
Other comprehensive income	—	—	—	—	—	—	(21,946)	(21,946)	—	(21,946)
Exercise of stock options and related tax effects	—	—	—	—	6,025	—	—	6,025	—	6,025
Compensation expense related to stock options	—	—	—	—	20,767	—	—	20,767	—	20,767
Series C Preferred Stock – marked to market	—	(43,684)	—	—	—	—	—	(43,684)	—	(43,684)
Issuance of Series E Preferred Stock	2,653,560	663,390	—	—	—	—	—	663,390	—	663,390
Issuance of Series F Preferred Stock	2,100,000	525,000	—	—	—	—	—	525,000	—	525,000
Cash contributions noncontrolling interests	—	—	—	—	—	—	—	—	1,354	1,354
Dividends paid noncontrolling interests	—	—	—	—	—	—	—	—	(52,033)	(52,033)
Purchase (sale) of noncontrolling interests	—	—	—	—	(5,928)	—	—	(5,928)	12,994	7,066
Changes in fair value of noncontrolling interests subject to put provisions	—	—	—	—	(86,233)	—	—	(86,233)	—	(86,233)
Other reclassifications	—	—	—	—	(46)	171	—	125	7	132
Balance, December 31, 2011	9,753,560	\$ 2,524,622	90,000,000	\$ 90,000	1,840,621	3,530,707	(104,624)	7,881,326	102,686	7,984,012

See accompanying notes to consolidated financial statements.

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**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

Years ended December 31, 2011 and 2010

(Dollars in thousands)

	<b>2011</b>	<b>2010</b>
Cash flows from operating activities:		
Net income	\$ 718,423	682,297
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	304,778	285,481
Provision for doubtful accounts	223,822	209,001
Deferred income taxes	132,396	44,481
Gain on sale of interest in investments and divestitures	(4,550)	(1,694)
Amortization of discount on Senior Note	1,607	887
Equity investment income	(5,055)	(6,737)
Loss on disposal of properties and equipment	4,055	3,129
Compensation expense related to stock options	20,767	20,330
Amortization of discount on investments	322	587
Loss on forward sale and currency exchange agreements	67,586	20,267
Changes in operating assets and liabilities, net of effects of purchase acquisitions:		
Increase in trade accounts receivable	(220,541)	(316,706)
(Increase) decrease in inventories	(70,721)	17,588
Increase in other current assets	(32,914)	(19,037)
Decrease in other assets and deferred charges	203,506	6,993
Increase in accounts payable	74,340	36,807
Increase (decrease) in accrued income taxes	2,294	(17,627)
(Decrease) increase in accrued liabilities	(25,093)	15,571
Decrease in accrued special charge for legal matters	(142)	(142)
Decrease in other long-term liabilities	(13,998)	(12,345)
Net changes due to/from affiliates	(58,350)	(81,908)
Distributions received on equity investments	4,590	6,000
Other, net	6,220	7,974
Net cash provided by operating activities	1,333,342	901,197
Cash flows from investing activities:		
Capital expenditures, net of proceeds	(283,929)	(278,399)
Acquisitions and investments, net of cash acquired	(755,874)	(125,921)
Proceeds from sale of interests and divestitures	8,159	10,288
Equity contributions	(60,922)	(1,800)
Net cash used in investing activities	(1,092,566)	(395,832)
Cash flows from financing activities:		
Net (decrease) increase in borrowings from affiliates	(1,391,042)	5,448
Net increase from receivable financing facility	24,500	296,000
Net increase (decrease) on debt and capital leases	80,897	(714,429)
Distributions to noncontrolling interests	(95,138)	(92,685)
Debt issuance costs	(13,856)	(21,815)
Proceeds from issuance of preferred stock	1,188,390	—
Contributions from noncontrolling interests	8,575	8,989
Proceeds from sale of noncontrolling interests	19,334	17,384
Purchases of noncontrolling interests	(21,281)	(10,366)
Tax benefit on stock options	(47)	13,313
Net cash used in financing activities	(199,668)	(498,161)
Effects of changes in foreign exchange rates	(258)	2,785
Change in cash and cash equivalents	40,850	9,989
Cash and cash equivalents at beginning of year	163,292	153,303
Cash and cash equivalents at end of year	\$ 204,142	163,292

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Consolidated Statements of Cash Flows  
Years ended December 31, 2011 and 2010  
(Dollars in thousands)

	<b>2011</b>	<b>2010</b>
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 141,585	233,073
Interest on mandatorily redeemable preferred securities	23,938	50,884
Income taxes, net	314,209	389,912
Details for acquisitions:		
Assets acquired	\$ (615,711)	(166,328)
Liabilities assumed	29,112	5,050
Noncontrolling Interests	47,666	17,782
Notes assumed in connection with acquisition	(15,494)	15,606
Cash paid	(554,427)	(127,890)
Less cash acquired	32,555	1,969
Net cash paid for acquisitions	\$ (521,872)	(125,921)

See accompanying notes to consolidated financial statements.

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
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Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

**(1) The Company**

Fresenius Medical Care Holdings, Inc., a New York corporation (the Company or FMCH) is a subsidiary of Fresenius Medical Care AG & Co. KGaA, a German partnership limited by shares (FMCAG & KGaA or the Parent Company). The Company conducts its operations through five principal subsidiaries, National Medical Care, Inc. (NMC), Fresenius USA Marketing, Inc., Fresenius USA Manufacturing, Inc. and SRC Holding Company, Inc., all Delaware corporations and Fresenius USA, Inc., a Massachusetts corporation.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and those financial statements where the Company controls professional corporations in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidation*. The consolidated financial statements include all companies in which the Company has legal or effective control. Noncontrolling interest represents the proportionate equity interest of owners in the Company's consolidated entities that are not wholly owned.

The Company is primarily engaged in (i) providing kidney dialysis services and clinical laboratory testing (ii) manufacturing and distributing products and equipment for kidney dialysis treatment and (iii) providing other medical ancillary services.

**(a) Basis of Presentation**

Certain items in the prior years' consolidated financial statements may have been reclassified to conform with the current year's presentation. Net operating results have not been affected by the reclassifications.

The Company has evaluated subsequent events through May 11, 2012, which is the date these consolidated financial statements were issued. See note 2(u).

**(b) Basis of Consolidation**

The consolidated financial statements in this report at December 31, 2011 and 2010 and for the years then ended have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). These consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary for the fair presentation of the consolidated results for all periods presented.

In accordance with current accounting principles, the Company consolidates certain clinics that it manages and financially controls. The equity method of accounting is used for investments in associated companies over which the Company has significant exercisable influence, even when the Company holds less than 50% ownership. Noncontrolling interests represent the proportionate equity interests of owners in the Company's consolidated entities that are not wholly owned. Noncontrolling interests of recently acquired entities are valued at fair value. All significant intercompany transactions and balances have been eliminated.

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
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December 31, 2011 and 2010

(Dollars in thousands)

**(2) Summary of Significant Accounting Policies**

**(a) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash funds and all short-term, highly liquid investments with original maturities of up to three months.

**(b) Allowance for Doubtful Accounts**

Estimates for allowances for accounts receivable are based on an analysis of collection experience, recognizing the difference between payors and aging of accounts receivable. From time to time, accounts receivable are reviewed for changes from the historic collection experience to ensure the appropriateness of the allowances.

**(c) Inventories**

Inventories are stated at the lower of cost (determined by using the average or first-in, first-out method) or market value (see note 4).

**(d) Property, Plant and Equipment**

Property, plant, and equipment are stated at cost less accumulated depreciation (see note 10). Significant improvements are capitalized; repairs and maintenance costs that do not extend the useful lives of the assets are charged to expense as incurred. Property, plant and equipment under capital leases are stated at the present value of future minimum lease payments at the inception of the lease, less accumulated depreciation. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss is included in income when the assets are disposed.

The cost of property, plant and equipment is depreciated over estimated useful lives on a straight-line basis as follows: buildings – 20 to 40 years, equipment and furniture – 3 to 10 years, equipment under capital leases and leasehold improvements – the shorter of the lease term or useful life of the asset. For income tax purposes, depreciation is calculated using accelerated methods to the extent permitted.

The Company capitalizes interest on borrowed funds during construction periods. Interest capitalized during 2011 and 2010 was \$3,245 and \$4,854, respectively.

**(e) Intangible Assets and Goodwill**

Intangible assets such as noncompete agreements, lease agreements, tradenames, certain qualified management contracts, technology, patents, distribution rights, software, acute care agreements and licenses acquired in a purchase method business combination are recognized and reported apart from goodwill.

Goodwill and identifiable intangibles with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment. The

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
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(Dollars in thousands)

Company identified tradenames and certain qualified management contracts as intangible assets with indefinite useful lives because, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which those assets are expected to generate net cash inflows for the Company. Intangible assets with finite useful lives are amortized over their respective useful lives to their residual values. The Company amortizes noncompete agreements over their average useful life of 8 years. Technology is amortized over its useful life of 15 years. The iron products distribution and manufacturing agreement is amortized over its ten-year contractual license period based upon the annual estimated units of sale of the licensed product. All other intangible assets are amortized over their individual estimated useful lives between 3 and 25 years. Intangible assets with finite useful lives are evaluated for impairment when events have occurred that may give rise to an impairment.

To perform the annual impairment test of goodwill, the Company identifies its reporting units and determines their carrying value by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. A reporting unit is defined one level below the segment level based on regions or legal entities. In prior years, two reporting units were identified. In 2011, as a result of the magnitude of the impact that the Medicare bundled reimbursement environment has on the Company's business components, the business is fully integrated and the Company deemed it appropriate to aggregate the components into one reporting unit. As a result, for 2011, only one reporting unit was identified.

In a first step, the Company compares its fair value to its carrying amount. Fair value is determined using estimated future cash flows discounted by an after-tax weighted average cost of capital (WACC). Estimating the discounted future cash flows involves significant assumptions, especially regarding future reimbursement rates and sales prices, number of treatments, sales volumes and costs. In determining discounted cash flows, the Company utilizes its three-year budget, projections for years 4 to 10 and a representative growth rate for all remaining years. Projections for up to ten years are possible due to the stability of the Company's business which, results from the nondiscretionary nature of the healthcare services we provide, the need for products utilized to provide such services and the availability of government reimbursement for a substantial portion of our services. The expected growth rate for the period beyond ten years was 1%. The discount factor is determined by the Company's WACC. The Company's WACC consists of a basic rate of 6.29% for 2011.

In the case that the fair value is less than its book value, a second step is performed which compares the fair value of goodwill to the carrying value of its goodwill. If the fair value of the goodwill is less than the book value, the difference is recorded as an impairment.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Company compares the fair values of intangible assets with their carrying values. An intangible asset's fair value is determined using a discounted cash flow approach or other methods, if appropriate.

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In connection with its annual impairment tests, the Company determined that there was no impairment of goodwill or other intangible assets. Accordingly the Company did not record any impairment charges during 2011 and 2010.

**(f) Derivative Instruments and Hedging Activities**

The Company accounts for derivatives and hedging activities by recognizing all derivative instruments as either assets or liabilities in the consolidated balance sheets at their respective fair values. For derivatives designated as hedges, changes in the fair value are either offset against the change in fair value of the assets and liabilities through earnings, or recognized in accumulated other comprehensive income until the hedged item is recognized in earnings.

For all hedging relationships the Company formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in accumulated other comprehensive income to the extent that the derivative is effective as a hedge, until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a derivative instrument that qualifies as a cash-flow hedge is reported in earnings.

The Company discontinues hedge accounting prospectively when it is determined that the derivative is no longer effective in offsetting cash flows of the hedged item, the derivative expires or is sold, terminated, or exercised, the derivative is designated as a hedging instrument, because it is unlikely that a forecasted transaction will occur, or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued and the derivative is retained, the Company continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in earnings. When it is probable that a hedged forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income.

**(g) Foreign Currency Translation**

For purposes of these consolidated financial statements, the U.S. dollar is the reporting currency. Substantially all assets and liabilities of the Company's non-U.S. subsidiaries are translated at year-end exchange rates, while revenue and expenses are translated at exchange rates prevailing during the year. Adjustments for foreign currency translation fluctuations are excluded from net income and are reported in accumulated other comprehensive income (loss). In addition, the translation of certain intercompany borrowings denominated in foreign currencies, which are

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considered foreign equity investments, are reported in accumulated other comprehensive income (loss).

Gains and losses resulting from the translation of revenues and expenses and intercompany borrowings, which are not considered equity investments, are included in the consolidated statements of operations within general and administrative expenses. Foreign exchange (losses) and gains amounted to (\$3,495) and \$4,773 for the years ended December 31, 2011 and 2010, respectively.

**(h) Revenue Recognition**

Dialysis care revenues are recognized on the date services and related products are provided and are recorded at amounts estimated to be received under reimbursement arrangements with third-party payors, including Medicare and Medicaid. The Company establishes appropriate allowances based upon factors surrounding credit risks of specific third-party payors, historical trends and other information. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Dialysis product revenues are recognized when title to the product passes to the customers either at the time of shipment, upon receipt by the customer or upon terms that clearly define passage of title. As product returns are not typical, no return allowances are established. In the event a return is required, the appropriate reductions to sales, accounts receivables and cost of sales are made. Sales are stated net of discounts and rebates.

Net revenues from machines sales for 2011 and 2010 include \$87.2 million and \$80.0 million, respectively, of net revenues for machines sold to a third-party leasing company which are utilized by the Fresenius Medical Services division to provide services to customers. The profits on these sales are deferred and amortized to earnings over the lease terms.

Any tax assessed by a governmental authority that is incurred as a result of a revenue transaction (e.g., sales tax) is excluded from revenues and reported on a net basis.

**(i) Research and Development**

Research and development costs are expensed as incurred.

**(j) Income Taxes**

The Company recognizes deferred tax assets and liabilities for future consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis as well as on consolidation procedures affecting net income and tax loss carryforwards which are more likely than not to be utilized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce the carrying amount of the deferred tax assets unless it is more likely than not that such assets will be realized (see note 9).

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(Dollars in thousands)

It is the Company's policy to recognize interest and penalties related to its tax positions as income tax expense.

**(k) Impairment**

The Company reviews the carrying value of its long-lived assets or asset groups with definite useful lives to be held and used for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying value of an asset to the future net cash flow directly associated with the asset. If assets are considered to be impaired, the impairment recognized is the amount by which the carrying value exceeds the fair value of the asset. The Company uses a discounted cash flow approach or other methods, if appropriate, to assess fair value.

Long-lived assets to be disposed of by sale are reported at the lower of carrying value or fair value less cost to sell and depreciation is ceased. Long-lived assets to be disposed of other than by sale are considered to be held and used until disposal. No impairment charges were taken during the year.

**(l) Debt Issuance Costs**

Costs related to the issuance of debt are amortized over the term of the related obligation (see note 6).

**(m) Self-Insurance Programs**

The Company is partially self-insured for professional, product and general liability, auto liability and worker's compensation claims under which the Company assumes responsibility for incurred claims up to predetermined amounts above which third-party insurance applies. Reported balances for the year include estimates of the anticipated expense for claims incurred (both reported and incurred but not reported) based on historical experience and existing claim activity. This experience includes both the rate of claims incidence (number) and claim severity (cost) and is combined with individual claim expectations to estimate the reported amounts.

**(n) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(o) Concentration of Credit Risk**

The Company is engaged in providing kidney dialysis services, clinical laboratory testing, and other medical ancillary services, and in the manufacture and sale of products for all forms of kidney dialysis, principally to healthcare providers. The Company performs ongoing evaluations of its customers' financial condition and, generally, requires no collateral.

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Approximately 47% in 2011 and 48% in 2010 of the Company's revenues were earned and subject to regulations under governmental healthcare programs, Medicare and Medicaid, administered by various states and the United States government.

**(p) Comprehensive Income**

Comprehensive income consists of net income, foreign currency translation adjustments, pension liability adjustments and changes in derivative instruments and is presented in the consolidated statements of comprehensive income.

**(q) Employee Benefit Plans**

The Company recognizes the underfunded status of its defined benefit plans, measured as the difference between plan assets at fair value and the benefit obligation, as a liability. Changes in the funded status of a plan, net of tax, resulting from actuarial gains or losses and prior service costs or credits that are not recognized as components of the net periodic benefit cost will be recognized through accumulated other comprehensive income in the year in which they occur. Actuarial gains or losses and prior service costs are subsequently recognized as components of net periodic benefit cost pursuant to the recognition and amortization provisions of those standards. The Company uses December 31 as the measurement date when measuring the funded status of all plans.

**(r) Stock Option Plans**

Effective January 1, 2006, the Company adopted the provisions of the accounting standards for share-based payments using the modified prospective transition method. Under this transition method, compensation cost recognized in 2006 includes applicable amounts of: (a) compensation cost of all stock-based payments granted prior to, but not yet vested as of January 1, 2006 and (b) compensation cost for all stock-based payments subsequent to January 1, 2006 based on the grant-date fair value estimated in accordance with the provisions of these standards.

**(s) Legal Contingencies**

From time to time, during the ordinary course of the Company's operations, the Company is party to litigation and arbitration and is subject to investigations relating to various aspects of its business (see note 17). The Company regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including the estimated legal expenses and consulting services in connection with these matters, as appropriate. The Company utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for loss accrual, the Company considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that accrual of a loss is appropriate.

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**(f) Recent Pronouncements**

**Recently Implemented Accounting Statements**

In July 2011, the FASB issued Accounting Standards Update 2011-07 (ASU 2011-07), *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue*, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities in order to provide financial statement users with greater transparency about a healthcare entity's net patient service revenue and the related allowance for doubtful accounts. The amendments require healthcare entities that recognize significant amounts of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations. The provision for bad debts must be reclassified from an operating expense to a deduction from patient service revenue. Additionally, these healthcare entities are required to provide enhanced disclosures about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts.

For public entities, the disclosures required under ASU 2011-07 are effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The amendments to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented. The Company adopted the provisions of ASU 2011-07 as of January 1, 2012. Had the Company adopted ASU 2011-07 as of January 1, 2011, this would have resulted in a reduction of its 2011 revenue by approximately \$224,000 with a corresponding reduction to the provision for doubtful accounts expense. At December 31, 2012, the Company will restate its 2011 Revenue to \$7,800,839 and its provision for doubtful accounts expense to (\$723) to reflect the retrospective adoption of this Standard in 2012.

In December 2011, the FASB issued Accounting Standards Update 2011-11 (ASU 2011-11), *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*. This amendment requires disclosing and reconciling gross and net amounts for financial instruments that are offset in the balance sheet, and amounts for financial instruments that are subject to master netting arrangements and other similar clearing and repurchase arrangements. ASU 2011-11 is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Company is currently evaluating the impact of AUS 2011-11 on its consolidated financial statements.

Also in August 2010, the FASB issued ASU No. 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), which eliminates the practice of netting claim liabilities with expected related insurance recoveries for balance sheet presentation. Claim liabilities are to be determined with no regard for recoveries and presented gross. Expected recoveries are presented separately. ASU 2010-24 is effective for the

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Company's fiscal year beginning January 1, 2011 and resulted in an increase of \$82,090 in other current assets and accrued liabilities in the consolidated balance sheet as of December 31, 2011.

**(u) Subsequent Events**

**Currency Exchange Agreements**

On January 26, 2012, the Company entered into three currency exchange agreements with Fresenius Medical Care US Finance II, Inc. (US Finance II). The notional principal amounts of the currency exchange agreements are \$800,000, \$700,000 and \$105,000 respectively, and a Euro amount with an equal market value applying the market foreign exchange rate at the time of the exchange agreements were entered into. The currency exchange agreements require that at each periodic settlement date, the Company is obligated to pay US Finance II, Euro interest on the Euro equivalent of \$800,000, \$700,000 and \$105,000, respectively. Conversely, at the periodic settlement date, US Finance II is obligated to pay the Company, the interest on the \$800,000, \$700,000 and \$105,000.

Upon maturity (July 2019 and January 2022) the Company is obligated to pay to US Finance II, the Euro equivalent of each exchange agreement converted at a spot rate and US Finance II will pay to the Company the final settlement amount of \$800,000, \$700,000 and \$105,000 (plus any outstanding interest payments). These instruments will be reflected in the consolidated balance sheets at fair value as derivative assets at the reporting date with changes in fair value recognized in earnings.

**Acquisition of Liberty Dialysis Holdings**

On February 28, 2012, the Company acquired 100% of the equity of Liberty Dialysis Holdings, Inc. (LD Holdings), the owner of Liberty Dialysis and owner of a 51% stake in Renal Advantage Partners, LLC (the Liberty Acquisition) and accounted for this transaction as a business combination, subject to finalization of the acquisition accounting which will be finalized when certain information arranged to be obtained has been received. LD Holdings mainly provides dialysis services in the United States through the 263 clinics it owns (the Acquired Clinics).

Total consideration for the Liberty Acquisition was approximately \$2,161,000. Prior to the Liberty Acquisition, the Company had a 49% equity investment in Renal Advantage Partners, LLC (RAI). In addition to the Company's investment, it also had a loan receivable of approximately \$279,000 comprised of principle and interest, which was retired as part of the transaction. The note was originally issued in 2011 when the Company made its initial 49% investment in RAI.

**Divestitures**

In accordance with a consent order issued by the United States Federal Trade Commission in connection with its clearance of the Liberty Acquisition, the Company was required to divest 62 clinics. In March 2012, 49 clinics were sold of which 15 were legacy clinics. The remaining 13 clinics are expected to be sold during 2012 and 2013 once the necessary approvals for change of ownership by state regulatory authorities have been obtained.

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The Company received cash consideration of approximately \$176,000 for all centers divested. The sale of the legacy clinics resulted in a pre-tax gain of approximately \$9,200. The Company incurred an income tax expense related to the sale of the legacy clinics of approximately \$6,600 resulting in a net gain of \$2,600. The sale of 34 Acquired Clinics will not have any profit or loss impact for the Company.

**(3) Acquisitions**

During 2011, the Company made acquisitions of dialysis centers, vascular access centers and a medical device company totaling \$521,872.

Within the 2011 acquisitions, the Company purchased American Access Care Holdings, Inc. LLC, which operates vascular access centers and Hemo Metrics, Inc. which is a medical device company with a base of patents in optical technology.

During 2010, the Company made acquisitions mainly of dialysis centers totaling \$125,921.

The assets and liabilities of all acquisitions were recorded at their estimated fair values at the dates of the acquisitions and are included in the Company's consolidated financial statements and operating results from the effective date of acquisition.

**(4) Other Balance Sheet Items**

**(a) Inventories**

As of December 31, 2011 and 2010, inventories consisted of the following:

	<b>2011</b>	<b>2010</b>
Inventories:		
Raw materials	\$ 93,557	100,878
Manufactured goods in process	16,069	14,018
Manufactured and purchased inventory available for sale	197,760	130,450
	307,386	245,346
Health care supplies	102,445	89,757
Total	\$ 409,831	335,103

Under the terms of certain unconditional purchase commitments, the Company is obligated to purchase raw materials and healthcare supplies of \$2,330,056 of which \$384,800 is committed at December 31, 2011 for fiscal year 2012. The terms of these agreements run 1 to 14 years.

Inventories as of December 31, 2011 and 2010 include \$47,654 and \$32,987, respectively, of Erythropoietin (EPO), which is supplied by a single source supplier.

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**(b) Related Party Services**

Related-party transactions pertaining to services performed and products purchased/sold between affiliates are recorded as net accounts payable to affiliates on the consolidated balance sheets.

**(5) Sale of Accounts Receivable**

The Company has an asset securitization facility (the A/R Facility) which was most recently renewed on August 18, 2011 for a term expiring on July 31, 2014 and with the available borrowings increasing from \$700,000 to \$800,000. As the A/R Facility was renewed annually in the past, it has historically been classified as a short-term borrowing. Since the recent renewal extended the due date to 2014, the A/R Facility has been reclassified into long-term debt. At December 31, 2011 there are outstanding borrowings under the A/R Facility of \$534,500.

Under the A/R Facility, certain receivables are sold to NMC Funding Corporation (NMC Funding), a wholly owned subsidiary. NMC Funding then assigns percentage ownership interests in the accounts receivable to certain bank investors. Under the terms of the A/R Facility, NMC Funding retains the right, at any time, to recall all the then outstanding transferred interests in the accounts receivable. Consequently, the receivables remain on the Company's Consolidated Balance Sheet and the proceeds from the transfer of percentage ownership interests are recorded as long-term debt.

NMC Funding pays interest to the bank investors calculated based on the commercial paper rates for the particular tranches selected. The average interest rate during 2011 and 2010 was 1.29% and 1.86% respectively. Refinancing fees, which include legal costs and bank fees, are amortized over the term of the facility.

**(6) Short Term Borrowings and Long-Term Debt**

**Short-Term Borrowings**

At December 31, 2011 and 2010, short-term borrowings consisted of the following:

	December 31	
	2011	2010
AR Facility	\$ —	510,000
Commercial paper	9,627	10,985
Other	7,818	25,627
Total short-term borrowings	\$ 17,445	546,612

**Long-Term Debt**

**(a) Amended 2006 Senior Credit Agreement**

FMCAG & KGaA, FMCH, and certain other subsidiaries of the Company that are borrowers and/or guarantors thereunder, including Fresenius Medical Care Deutschland GmbH (D-GmbH), entered

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into a \$4,600,000 syndicated credit facility (the 2006 Senior Credit Agreement) with Bank of America, N.A.; Deutsche Bank AG New York Branch; The Bank of Nova Scotia, Credit Suisse, Cayman Islands Branch; JPMorgan Chase Bank, National Association; and certain other lenders (collectively, the Lenders) on March 31, 2006 which replaced its prior credit agreement.

Since entering into the 2006 Senior Credit Agreement, the Company arranged several amendments with the Lenders and effected voluntary prepayments of the term loans, which led to a change in the total amount available under this facility. Pursuant to an amendment together with an extension arranged on September 29, 2010 the revolving facility was increased from \$1,000,000 to \$1,200,000 and the Term Loan A facility by \$50,000 to \$1,365,000. The maturity for both tranches was extended from March 31, 2011 to March 31, 2013.

In addition, this amendment and subsequent amendments have included increases in certain types of permitted borrowings outside of the Amended 2006 Senior Credit Agreement, provide further flexibility for certain types of investments and acquisitions and included changes in the definition of the Parent Company's Consolidated Leverage Ratio, which is used to determine the applicable margin.

As of December 31, 2011, after consideration of all amendments and repayments to date, the Amended 2006 Senior Credit Agreement consists of:

- a \$1,200,000 revolving credit facility (with specified sub-facilities for letters of credit, borrowings in certain non-U.S. currencies, and swing line loans in U.S. dollars and certain non-U.S. currencies, with the total outstanding under those sub-facilities not exceeding \$1,200,000) which will be due and payable on March 31, 2013.
- a term loan facility (Term Loan A) of \$1,215,000 also scheduled to mature on March 31, 2013. Quarterly repayments of \$30,000 are required at the end of each quarter with the remaining balance outstanding due on March 31, 2013.
- a term loan facility (Term Loan B) of \$1,521,619 scheduled to mature on March 31, 2013 with 1 quarterly repayment of \$4,036 followed by 4 quarterly repayments of \$379,396 each due at the end of its respective quarter.

Interest on these facilities will be, at the Parent Company's option, depending on the interest periods chosen, at a rate equal to either (i) LIBOR plus an applicable margin or (ii) the higher of (a) Bank of America's prime rate or (b) the U.S. Federal Funds rate plus 0.5%, plus an applicable margin.

The applicable margin is variable and depends on the Parent Company's Consolidated Leverage Ratio which is a ratio of its Consolidated Funded Debt less all cash and cash equivalents to Consolidated EBITDA (as these terms are defined in the Amended 2006 Senior Credit Agreement).

In addition to scheduled principal payments, indebtedness outstanding under the Amended 2006 Senior Credit Agreement will be reduced by mandatory prepayments utilizing portions of the net cash proceeds from certain sales of assets, securitization transactions other than the Company's

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existing A/R Facility, the issuance of subordinated debt other than certain intercompany transactions, certain issuances of equity and excess cash flow.

Obligations under the Amended 2006 Senior Credit Agreement are secured by pledges of capital stock of certain material subsidiaries in favor of the Lenders. The Amended 2006 Senior Credit Agreement contains affirmative and negative covenants with respect to the Parent Company and its subsidiaries and other payment restrictions. Certain of the covenants limit indebtedness of the Parent Company and investments by the Parent Company, and require the Parent Company to maintain certain financial ratios defined in the agreement. As of December 31, 2011, the Parent Company is in compliance with all covenants under the Amended 2006 Senior Credit Agreement.

The Parent Company incurred fees of approximately \$85,828 in conjunction with the 2006 Senior Credit Agreement and fees of approximately \$21,115 in conjunction with the Amended 2006 Senior Credit Agreement which are being amortized over the life of this agreement.

The following table shows the outstanding amounts of the Company under the Amended 2006 Senior Credit Agreement at December 31, 2011 and 2010:

	<b>Balance outstanding</b>	
	<b>December 31</b>	
	<u>2011</u>	<u>2010</u>
Revolving credit facility	\$ 58,970	81,126
Loan A	—	85,000
Loan B	1,521,619	1,292,764
	<u>\$ 1,580,589</u>	<u>1,458,890</u>

In addition, at December 31, 2011 and 2010, \$180,766 and \$121,518, respectively, were utilized as letters of credit which are not included as part of the balances outstanding at those dates.

In conjunction with the Amended 2006 Senior Credit Agreement and the related variable rate based interest payments, the Company entered into additional interest rate swaps in the notional amount of \$1,215,000 with FMCAG & KGaA. As of December 31, 2011 and 2010 the Company had total interest rates swaps in the notional amount of \$1,150,000 and \$900,000, respectively. These instruments, designated as cash flow hedges, effectively convert forecasted LIBOR-based interest payments into fixed rate based interest payments which fix the interest rate on \$1,150,000 of the financing under the Amended 2006 Senior Credit Agreement at a weighted average rate of 4.66% plus an applicable margin. These swaps are denominated in U.S. dollars and expire at various dates between 2011 and 2013.

The weighted average interest rate for all Company debt outstanding as of December 31, 2011 and 2010 was approximately 4.71% and 4.91%, respectively, including the effects of interest rate swaps in effect during the period.

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**(b) Long-Term Debt**

At December 31, 2011 and 2010, long-term debt consisted of the following:

	December 31	
	2011	2010
Amended 2006 Senior Credit Agreement	\$ 1,580,589	1,458,890
AR Facility	534,500	—
Iron License Agreement (see note 7(a))	5,485	11,830
Other	715	124
	2,121,289	1,470,844
Less amounts classified as current	1,147,709	107,706
	\$ 973,580	1,363,138

**(c) (Receivables) Borrowings from Affiliates**

The Company has various outstanding borrowings with KGaA and affiliates. The funds were used for general corporate purposes. The loans are due at various maturities.

At December 31, 2011 and 2010, (receivables) borrowings from affiliates consisted of the following:

	December 31	
	2011	2010
(Receivables) borrowings from affiliates consists of:		
Fresenius Medical Care AG & Co. KGaA borrowings (receivables) primarily at interest rates approximating 0.76% and 0.0%, respectively	\$ (800,000)	298
RTC Holdings International, Inc. borrowings at a fixed interest rate of 0.77% and 0.97%, respectively	13,040	12,961
Fresenius Medical Care Trust Finance S.a.r.l. borrowings at fixed interest rate of 8.25%	—	218,715
FMC Finance III S.A. borrowings, net of discounts at a fixed rate of 7.019%	—	494,231
FMC US Finance borrowings, net of discounts at a fixed rate of 1.39%	6,752	—
FMC Finance II borrowings, net of discounts at a fixed rate of 7.00%	408,942	—
FMC Finance II borrowings, net of discounts at a rate of LIBOR plus 1.125%	438	—

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	December 31	
	2011	2010
Fresenius Medical Care North America Holdings Limited Partnership receivables at a rate of LIBOR plus 1%	\$ (616,686)	(322,676)
	(987,514)	403,529
Less amounts classified as current	(1,403,647)	(90,702)
Total	\$ 416,133	494,231

Scheduled maturities of long-term debt and borrowings (receivables) from affiliates are as follows:

2012	\$ (255,938)
2013	439,080
2014	534,500
2015	—
2016	—
2017 and thereafter	416,133
Total	\$ 1,133,775

**(7) Goodwill and Other Intangible Assets**

At December 31, 2011 and 2010, the carrying value and accumulated amortization of other intangible assets consisted of the following:

	December 31, 2011			December 31, 2010		
	Gross carrying value	Accumulated amortization	Carrying value	Gross carrying value	Accumulated amortization	Carrying value
Amortizable intangible assets:						
Noncompete agreements	\$ 241,046	(181,289)	59,757	228,663	(163,951)	64,712
Acute care agreements	139,849	(132,406)	7,443	140,190	(130,334)	9,856
License and distribution agreements	54,984	(15,819)	39,165	52,984	(11,033)	41,951
Technology	65,536	(21,960)	43,576	65,536	(17,640)	47,896
Other intangibles	109,923	(34,327)	75,596	92,501	(22,635)	69,866
Construction in progress	60,212	—	60,212	50,894	—	50,894
	671,550	(385,801)	285,749	630,768	(345,593)	285,175

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	December 31, 2011			December 31, 2010		
	Gross carrying value	Accumulated amortization	Carrying value	Gross carrying value	Accumulated amortization	Carrying value
Nonamortizable intangible assets:						
Tradename	\$ 208,766	—	208,766	209,454	—	209,454
Management contracts	3,163	—	3,163	3,163	—	3,163
	211,929	—	211,929	212,617	—	212,617
Net intangibles	\$ 883,479	(385,801)	497,678	843,385	(345,593)	497,792

Amortization expense for amortizable intangible assets for the years ended December 31, 2011 and 2010 was \$41,328 and \$37,200, respectively. Amortization expense is estimated to be \$41,000 for 2012, \$42,000 for 2013, \$43,000 for 2014, \$44,000 for 2015 and \$45,000 for 2016.

**(a) License and Distribution Agreement**

In July 2008, the Parent Company, entered into two separate and independent license and distribution agreements, one for the United States and one for certain countries in Europe and the Middle East, to market and distribute Galenica's intravenous iron products, such as Venofer® and Ferinject® for dialysis treatment. In North America, the license agreement among FMCH, Luitpold Pharmaceuticals, Inc., American Regent, and Vifor (International), Inc. provides FMCH with exclusive rights to manufacture and distribute Venofer® to freestanding (nonhospital based) U.S. dialysis facilities. In addition, it grants FMCH similar rights for Injectafer® (ferric carboxymaltose), a proposed new IV iron medication currently under clinical study in the U.S. The U.S. license agreement has a term of ten years, includes FMCH extension options, and requires payment by FMCH over the ten-year term of aggregate royalties of approximately \$2,000,000 which the Company will expense as incurred (based upon the annual estimated units of sale of the licensed product), subject to certain early termination provisions. In addition to these payments, the Company will pay a total of approximately \$47,000 over a four-year period of which \$41,444 has been paid as of December 31, 2011. The Company has a liability for the balance. The cost of the agreement and related transaction costs of \$5,947 are being amortized over the 10-year expected useful life (based upon annual estimated units of sale of the licensed product).

**(b) Goodwill**

A change in New York state regulations allowed for the direct ownership of facilities in that state, which had previously been prohibited by state law. Due to this prohibition, the Company had historically used a combination of administrative service contracts, stock option agreements, and asset acquisitions to qualify for consolidation of such facilities under guidance originally issued as Emerging Issues Task Force 97-2, *Application of FASB Statement No. 94 and APB Opinion No. 16 to Physicians Practice Management Entities and Certain Other Entities with Contractual Management Arrangements*, which is now included within FASB Accounting Standards Codification Topic 810-10, *Consolidation: Overall*. In such qualifying transactions, a portion of the purchase

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price was allocated to identifiable intangible assets with the remainder classified as an "Administrative Services Agreement" intangible asset that was accounted for in the same manner as goodwill and was shown on the Consolidated Balance Sheets at December 31, 2009, under the category Management Contracts within Intangible Assets. With the regulatory approval gained on April 1, 2010, the Company obtained the full ownership of these facilities and reclassified the \$214,706 of Administrative Services Agreement intangible asset to goodwill effective April 1, 2010, to be consistent with other clinic acquisitions where the Company obtained control via legal ownership.

Changes in the reporting unit's carrying amount of goodwill for the years ended December 31, 2011 and 2010 are as follows:

	December 31	
	2011	2010
Carrying value as of beginning of year	\$ 7,162,623	6,832,695
Goodwill acquired	513,552	118,650
Other reclassifications	1,635	211,278
Carrying value as of end of year	\$ 7,677,810	7,162,623

**(8) Special Charge for Legal Matters**

In 2001, the Company recorded a \$258,159 special charge to address legal matters relating to transactions pursuant to the Agreement and Plan of Reorganization dated as of February 4, 1996 by and between W. R. Grace & Co. and Fresenius AG (the Merger), estimated liabilities and legal expenses arising in connection with the W. R. Grace & Co. Chapter 11 proceedings (the Grace Chapter 11 Proceedings) and the cost of resolving pending litigation and other disputes with certain commercial insurers. During the second quarter of 2003, the court supervising the Grace Chapter 11 Proceedings approved a definitive settlement agreement entered into among the Company, the committee representing the asbestos creditors and W. R. Grace & Co. Under the settlement agreement, the Company will pay \$115,000, without interest, upon plan confirmation (see note 17c). With the exception of the proposed \$115,000 payment under the Settlement Agreement, all other matters included in the special charge have been resolved.

At December 31, 2011, there is a remaining balance of \$115,694 for the accrual for the special charge for legal matters. During the years ended December 31, 2011 and 2010, \$134 and \$142, respectively, in charges were applied against the accrued special charge for legal matters.

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**(9) Income Taxes**

Income before income taxes is as follows:

	<b>Year ended December 31</b>	
	<b>2011</b>	<b>2010</b>
Domestic	\$ 1,134,194	1,090,111
Foreign	6,656	(279)
Total income before income taxes	<u>\$ 1,140,850</u>	<u>1,089,832</u>

The provisions for income taxes are as follows:

	<b>Year ended December 31</b>	
	<b>2011</b>	<b>2010</b>
Current tax expense:		
Federal	\$ 230,650	304,737
State	57,872	57,330
Foreign	1,509	987
Total current	<u>290,031</u>	<u>363,054</u>
Deferred tax expense (benefit):		
Federal	128,834	28,243
State	2,735	15,043
Foreign	827	1,195
Total deferred tax expense	<u>132,396</u>	<u>44,481</u>
Total provision	<u>\$ 422,427</u>	<u>407,535</u>

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The provision for income taxes for the years ended December 31, 2011 and 2010 differed from the amount of income taxes determined by applying the applicable statutory federal income tax rate to pre-tax earnings as a result of the following differences:

	<b>Year ended December 31</b>	
	<b>2011</b>	<b>2010</b>
Statutory federal tax rate	35.0%	35.0%
State income taxes, net of federal tax benefit	4.2	4.1
Provision for tax audit liability	0.9	0.7
Noncontrolling partnership interests	(3.0)	(2.5)
Foreign losses and taxes	—	0.1
Manufacturing deduction	(0.2)	(0.2)
Other	0.1	0.2
Effective tax rate	<u>37.0%</u>	<u>37.4%</u>

Deferred tax liabilities (assets) are comprised of the following:

	<b>December 31</b>	
	<b>2011</b>	<b>2010</b>
Reserves and other accrued liabilities	\$ (128,172)	(188,555)
Depreciation and amortization	565,637	486,898
Special charge not currently deductible	(44,030)	(44,030)
Derivatives	(7,523)	(23,513)
Pension valuation	(64,281)	(34,681)
Stock based compensation expense	(21,267)	(20,058)
Other	(149)	—
Net deferred tax liabilities	<u>\$ 300,215</u>	<u>176,061</u>

The Company has established valuation allowances for deferred tax assets of \$22,847 and \$15,209 at December 31, 2011 and 2010, respectively.

The net increase (decrease) in the valuation allowance for deferred tax assets was \$7,638 and \$3,470 for the years ended December 31, 2011 and 2010 respectively. The changes aforementioned relate to activities incurred in foreign jurisdictions.

It is the Company's expectation that it is more likely than not to generate future taxable income to utilize its remaining deferred tax assets.

At December 31, 2011, there is a federal net operating loss carryover of \$11,964 the majority of which will begin to expire in 2021. In addition, there is a Federal Tax Credit of \$1,270 which will begin to expire in

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2020. State net operating loss carryovers are \$250,927 with varying expiration dates and foreign net operating losses are \$22,792, the majority of which expire within seven years.

Provision has not been made for additional federal, state, or foreign taxes on \$38,216 of undistributed earnings of foreign subsidiaries. Prior to a decision on the evaluation discussed below, those earnings have been and will continue to be reinvested. The earnings could be subject to additional tax if they were remitted as dividends, if foreign earnings were loaned to the Company or a U.S. affiliate or if the Company should sell its stock in these subsidiaries. The Company estimates that the distribution of these earnings would result in \$14,320 of additional foreign withholding tax and U.S. federal income taxes.

The Company adopted ASC 740, *Income Taxes* (ASC 740), formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*, as of January 1, 2007. ASC 740 prescribes a two-step approach to the recognition and measurement of all tax positions taken or expected to be taken in a tax return. The enterprise must determine whether it is more-likely than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. If the threshold is met, the tax position is measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement and is recognized in the financial statements.

The Company filed claims for refunds contesting the Internal Revenue Service's (IRS) disallowance of FMCH's civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, the Company received a partial refund in September 2008 of \$37,000, inclusive of interest and preserved the right to continue to pursue claims in the United States Courts for refunds of all other disallowed deductions. On December 22, 2008, we filed a complaint for a complete refund in the United States District Court for the District of Massachusetts, styled as FMCH v. United States. The court has denied motions for summary judgment by both parties and the litigation is proceeding towards trial. The unrecognized tax benefit relating to these deductions is included in the total unrecognized tax benefit noted below.

The IRS tax audits of FMCH for the years 2002 through 2008 have been completed. On January 23, 2012, the Company executed a closing agreement with the IRS with respect to the 2007-2008 tax audit. The agreement reflected a full allowance of interest deductions on intercompany mandatorily redeemable preferred shares for the 2007-2008 tax years. In addition, on February 16, 2012, the Company executed a closing agreement with IRS Appeals that reflects the full allowance of interest deductions associated with, mandatorily redeemable shares for the years 2002-2006. All other IRS proposed other adjustments for the 2007-2008 tax audit have been recognized in the consolidated financial statements.

In the U.S., fiscal years 2009, 2010 and 2011 are open to audit. FMCH is also subject to audit in various state jurisdictions. A number of these audits are in progress and various years are open to audit in various state jurisdictions.

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The following table shows the reconciliation of the beginning and ending amounts of unrecognized tax benefits:

	<b>2011</b>	<b>2010</b>
Unrecognized tax benefits (net of interest):		
Balance at January 1	\$ 70,725	100,928
Increases in unrecognized tax benefits prior periods	11,016	11,346
Decreases in unrecognized tax benefits prior periods	(5,932)	(9,880)
Increases in unrecognized tax benefits current periods	3,198	1,510
Changes related to settlements with tax authorities	(9,883)	(33,051)
Reductions due to statute of limitations	(3,100)	(128)
Balance at December 31	\$ 66,024	70,725

Included in the balance at December 31, 2011 is \$43,205 of unrecognized tax benefits which would affect the effective tax rate if recognized. The Company is currently not in a position to forecast the timing and magnitude of changes in the unrecognized tax benefits.

During the year ended December 31, 2011, the Company recognized \$7,922 in interest and penalties. The Company paid \$17,464 in interest and penalties during 2011.

**(10) Property, Plant and Equipment**

As of December 31, 2011 and 2010, property, plant and equipment consisted of the following:

	<b>December 31</b>	
	<b>2011</b>	<b>2010</b>
Land and improvements	\$ 12,145	12,034
Buildings	185,366	181,233
Capital lease property	3,587	363
Leasehold improvements	1,115,402	1,039,337
Equipment and furniture	1,227,023	1,149,540
Construction in progress	146,246	156,470
	2,689,769	2,538,977
Accumulated depreciation and amortization	(1,291,956)	(1,154,863)
Property, plant and equipment, net	\$ 1,397,813	1,384,114

Depreciation expense relating to property, plant and equipment amounted to \$263,450 and \$248,281 for the years ended December 31, 2011 and 2010, respectively.

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Included in property, plant and equipment as of December 31, 2011 and 2010 were \$100,474 and \$81,477, respectively, of peritoneal dialysis cyclor machines which the Company leases to customers with end-stage renal disease on a month-to-month basis. Rental income for the peritoneal dialysis cyclor machines was \$7,357 and \$8,202, for the years ended December 31, 2011 and 2010, respectively.

**Leases**

The Company leases buildings and machinery and equipment under various lease agreements expiring on dates through 2019. Rental expense for operating leases was \$419,117 and \$400,626 for the years ended December 31, 2011 and 2010, respectively. Amortization of properties under capital leases amounted to \$2,090 and \$2 for the years ended December 31, 2011 and 2010, respectively.

Future minimum payments under noncancelable leases (principally for clinics, offices and equipment) for the five years succeeding December 31, 2011 and thereafter are as follows:

	<u>Operating leases</u>	<u>Capital leases</u>	<u>Total</u>
2012	\$ 383,658	568	384,226
2013	348,853	579	349,432
2014	296,828	591	297,419
2015	253,640	441	254,081
2016	205,074	184	205,258
2017 and beyond	496,482	310	496,792
Total minimum payments	<u>\$ 1,984,535</u>	2,673	<u>\$ 1,987,208</u>
Less interest and operating costs		<u>554</u>	
Present value of minimum lease payments (\$325 payable in 2012)		<u>\$ 2,119</u>	

Lease agreements frequently include renewal options and require that the Company pay for utilities, taxes, insurance and maintenance expenses. Options to purchase are also included in some lease agreements, particularly capital leases.

**(11) Mandatorily Redeemable Preferred Securities**

FMCA & KGaA issued Trust Preferred Securities through Fresenius Medical Care Capital Trusts, statutory trusts organized under the laws of the state of Delaware. FMCA & KGaA owns all of the common securities of these trusts. The sole asset of each trust is a senior subordinated note of FMCA & KGaA or a wholly owned subsidiary of FMCA & KGaA. FMCA & KGaA, Fresenius Medical Care Deutschland GmbH (D-GmbH) and FMCH have guaranteed payment and performance of the senior subordinated notes to the Fresenius Medical Care Capital Trusts. The Trust Preferred Securities are

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guaranteed by FMCAG & KGaA through Series of undertakings by FMCAG & KGaA and FMCH and D-GmbH.

The table below provides information for the remaining Redeemable Preferred Securities for the periods indicated:

	December 31	
	2011	2010
Mandatorily redeemable preferred securities:		
Series A preferred stock, 100 shares	\$ 665,500	665,500
Total mandatorily redeemable	665,500	665,500
Less amounts classified as current	—	—
Long-term mandatorily redeemable	\$ 665,500	665,500

These securities are similar in substance except for the order of preference both as to dividends and liquidation, dissolution or winding-up of the subsidiary. In addition, the holders of the Redeemable Preferred Securities are entitled to receive dividends in an amount of dollars per share that varies from approximately 3% to 5% of the purchase price depending on the Series. The dividends will be declared and paid in cash at least annually. All the Redeemable Preferred Securities have a par value of \$0.01 per share.

Upon liquidation or dissolution or winding up of the issuer of the Redeemable Preferred Securities, the holders of the Redeemable Preferred Securities are entitled to an amount equal to the liquidation preference for each share of stock plus an amount equal to all accrued and unpaid dividends thereon through the date of distribution. The liquidation preference is the sum of the issuance price plus, for each year or portion thereof, an amount equal to one-half of one percent of the issue price, not to exceed 5% of the issue price in the aggregate.

The Series A Redeemable Preferred Securities plus any accrued and unpaid dividends will be sold back to the Company. Series A was offered in March 2007 and has a redemption date in March 2013.

Dividends accrued were recorded and classified as part of interest expense in the consolidated statements of operations in the amounts of \$23,390 and \$31,253, for the years ended December 31, 2011 and 2010, respectively. During the years ended December 31, 2011 and 2010, cash dividend payments were made totaling \$23,938 and \$40,543, respectively.

The holders of the Redeemable Preferred Securities have the same participation rights as the holders of all other classes of capital stock of the issuing subsidiary.

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**(12) Pension and Other Post Retirement Benefits**

**(a) National Medical Care, Inc. Defined Benefit Pension Plan**

The Company has a noncontributory, defined benefit pension plan (NMC plan). Each year the Company contributes at least the minimum required by the Employee Retirement Income Security Act of 1974, as amended. Plan assets consist primarily of publicly traded common stock, fixed income securities and cash equivalents.

Prior to 2010, the Company curtailed its defined benefit and supplemental executive retirement plans. Under the curtailment amendment for substantially all employees eligible to participate in the plan, benefits have been frozen as of the curtailment date and no additional defined benefits for future services will be earned. The Company has retained all employee benefit obligations as of the curtailment date. There was no minimum funding requirement for FMCH for the defined benefit plan in 2011 and 2010. The Company did not contribute any amounts for the years ended December 31, 2011 and 2010. Expected funding for 2012 is \$11,000.

The following table shows the changes in benefit obligations, the changes in plan assets, and the funded status of the NMC plan:

	<b>Year ended December 31</b>	
	<b>2011</b>	<b>2010</b>
<b>Change in benefit obligation:</b>		
Benefit obligation at beginning of year	\$ 271,873	251,147
Service cost	1,782	1,625
Interest cost	16,006	15,086
Actuarial loss	58,765	11,586
Benefits paid	(9,161)	(7,571)
Benefit obligation at end of year	<u>339,265</u>	<u>271,873</u>
<b>Change in plan assets:</b>		
Fair value of plan assets at beginning of year	232,325	236,633
Actual return on plan assets	(4,174)	3,191
Employer contribution	—	72
Benefits paid	(9,161)	(7,571)
Fair value of plan assets at end of year	<u>218,990</u>	<u>232,325</u>
Funded status at year-end	<u>\$ (120,275)</u>	<u>(39,548)</u>

The pension liability recognized as of December 31, 2011, is equal to the amount shown as 2011 funded status at end of year in the table above. The funded status of \$120,275 is recorded as other liabilities in the consolidated balance sheets.

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The accumulated benefit obligation for the NMC plan was \$336,137 and \$269,212 at December 31, 2011 and 2010, respectively. The accumulated benefit obligation for the NMC plan with an obligation in excess of plan assets was \$117,147 and \$36,887 at December 31, 2011 and 2010, respectively. The related plan assets had a fair value of \$218,990 and \$232,325 at December 31, 2011 and 2010, respectively.

The pre-tax changes in the table below for 2011 and 2010 reflect actuarial losses in other comprehensive income relating to pension liabilities. As of December 31, 2011 there are no cumulative effects of prior service costs included in other comprehensive income.

	<b>Actuarial losses</b>
Adjustments related to pensions at January 1, 2010	\$ 63,184
Additions	25,848
Releases	(5,032)
Adjustments related to pensions at December 31, 2010	84,000
Additions	80,688
Releases	(7,261)
Adjustments related to pensions at December 31, 2011	\$ <u>157,427</u>

The actuarial loss expected to be amortized from other comprehensive income into net periodic pension cost over the next year is \$16,092.

The following weighted average assumptions were utilized in determining benefit obligations as of December 31:

	<b>2011</b>	<b>2010</b>
Discount rate	5.03%	5.80%
Rate of compensation increase	4.00	4.50

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The NMC plan net periodic benefit costs are comprised of the following components:

	<b>2011</b>	<b>2010</b>
Components of net periodic benefit cost:		
Service cost	\$ 1,782	1,625
Interest cost	16,006	15,086
Expected return on plan assets	(17,750)	(17,453)
Settlement	—	—
Amortization of unrealized losses	7,263	5,032
Net periodic benefit cost	\$ 7,301	4,290

The discount rates for the plan are derived from an analysis and comparison of yields of portfolios of equity and highly rated debt instruments with maturities that mirror the plan's benefit obligation. The Company's discount rate is the weighted average of these plans based upon their benefit obligations at December 31, 2011. The following weighted average assumptions were used in determining net periodic benefit cost for the years ended December 31:

	<b>2011</b>	<b>2010</b>
Discount rate	5.80%	6.00%
Expected return on plan assets	7.50	7.50
Rate of compensation increase	4.50	4.50

Expected benefit payments for the NMC plan for the next five years and in the aggregate for the five years thereafter are as follows:

2012	\$ 11,742
2013	12,541
2014	13,600
2015	14,684
2016	15,669
2017 through 2021	94,649

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**Plan Assets**

The following table presents the fair values of the Company's pension plan assets at December 31, 2011 and 2010:

	Fair value measurements at December 21, 2011			Fair value measurements at December 21, 2010		
	Total	Quoted prices in active markets for identical assets		Total	Quoted prices in active markets for identical assets	
		Level 1	Significant observable inputs Level 2		Level 1	Significant observable inputs Level 2
Asset category:						
Equity investments:						
Common stocks	\$ —	—	—	2,565	2,565	—
Index funds <sup>1</sup>	55,538	—	55,538	65,621	—	65,621
Fixed income investments:						
Government securities <sup>2</sup>	6,612	5,025	1,587	4,479	1,967	2,512
Corporate bonds <sup>3</sup>	143,782	—	143,782	152,564	—	152,564
Other bonds <sup>4</sup>	483	—	483	2,442	—	2,442
U.S. Treasury money market funds <sup>5</sup>	6,600	6,600	—	4,232	4,232	—
Other types of investments:						
Cash, money market and mutual funds <sup>6</sup>	5,975	5,975	—	422	422	—
Total	<u>\$ 218,990</u>	<u>17,600</u>	<u>201,390</u>	<u>232,325</u>	<u>9,186</u>	<u>223,139</u>

- 1 This category comprises low-cost equity index funds not actively managed that track the S&P 500, S&P 400, Russell 2000, MSCI Emerging Markets Index and the Morgan Stanley International EAFE Index.
- 2 This category comprises fixed income investments by the U.S. Government and government sponsored entities.
- 3 This category represents investment grade bonds of U.S. issuers from diverse industries.
- 4 This category comprises private placement bonds as well as collateralized mortgage obligations.
- 5 This category represents funds that invest in treasury obligations directly or in treasury-backed obligations.
- 6 This category represents cash, money market funds as well as mutual funds comprised of high grade corporate bonds.

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The methods and inputs used to measure the fair value of plan assets are as follows:

Common stocks and index funds are valued at their market prices as of the balance sheet date.

Index funds are valued based on market quotes.

Government bonds are valued based on market quotes.

Corporate bonds and other bonds are valued based on market quotes as of the balance sheet date.

Cash is stated at nominal value which equals the fair value.

U.S. Treasury money market funds as well as other money market and mutual funds are valued at their market price.

**Plan Investment Policy and Strategy**

The Company periodically reviews the assumption for long-term expected return on pension plan assets. As part of the assumptions review, independent consulting actuaries determine a range of reasonable expected investment returns for the pension plan as a whole based on their analysis of expected future returns for each asset class weighted by the allocation of the assets. The range of returns developed relies both on forecasts, which include the actuarial firm's expected long-term rates of return for each significant asset class or economic indicator, and on broad-market historical benchmarks for expected return, correlation, and volatility for each asset class. As a result, the Company's expected rate of return on pension plan assets was 7.50% for 2011 and 2010.

The Company's overall investment strategy is to achieve a mix of approximately 96% of investments for long-term growth and 4% for near-term benefit payments with a wide diversification of asset types, fund strategies and fund managers.

The investment policy, utilizing a revised target investment allocation of 35% equity and 65% long-term U.S. bonds, considers that there will be a time horizon for invested funds of more than 5 years. The total portfolio will be measured against a policy index that reflects the asset class benchmarks and the target asset allocation. The NMC Plan policy does not allow investments in securities of the Company or other related-party securities. The performance benchmarks for the separate asset classes include: S&P 500 Index, S&P 400 Index, Russell 2000 Growth Index, MSCI EAFE Index, MSCI Emerging Markets Index, Barclays Capital Long Term Government Index and Barclays Capital 20 Year U.S. Treasury Strip Index.

**(b) Supplemental Executive Retirement Plan**

The Company's supplemental executive retirement plan provides certain key executives with benefits in excess of normal pension benefits. This plan was also curtailed prior to 2010. The projected benefit obligation was \$13,031 and \$10,919 at December 31, 2011 and 2010, respectively. Pension expense for this plan, for the years ended December 31, 2011 and 2010 was \$1,173 and \$876, respectively. The Company has recorded \$5,097 and \$3,604 to accumulated other

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comprehensive income to recognize the additional liability for this plan at December 31, 2011 and 2010, respectively. The Company contributed \$556 and \$528 to this plan during 2011 and 2010, respectively. Expected funding for 2012 is \$790.

The pension liability recognized as of December 31, 2011 of \$13,031, includes a current portion of \$771 which is recognized as a current liability in the line item "accrued liabilities" within the consolidated balance sheets. The noncurrent portion of \$12,260 is recorded as noncurrent pension liability in "other liabilities" within the consolidated balance sheet.

The Company does not provide any post retirement benefits to its employees other than those provided under its pension plan and supplemental executive retirement plan.

**(c) Defined Contribution Plans**

Most of the Company's employees are eligible to join a 401(k) savings plan. Employees can deposit up to 75% of their pay up to a maximum of \$16.5 if under 50 years old (\$22.0 if 50 or over) under this savings plan. The Company will match 50% of the employee deposit up to a maximum Company contribution of 3% of the employee's pay. The Company's total expense under this defined contribution plan for the years ended December 31, 2011 and 2010 was \$33,741 and \$31,583, respectively.

**(13) Noncontrolling Interests Subject to Put Provisions**

The Company has potential obligations to purchase the noncontrolling interests held by third parties in certain of its consolidated subsidiaries. These obligations are in the form of put provisions and are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase all or part of third-party owners' noncontrolling interests at the appraised fair value at the time of exercise. The methodology the Company uses to estimate the fair values of the noncontrolling interest subject to put provisions assumes the greater of net book value or a multiple of earnings, based on historical earnings, development stage of the underlying business and other factors. The estimated fair values of the noncontrolling interests subject to these put provisions can also fluctuate and the implicit multiple of earnings at which these noncontrolling interest obligations may ultimately be settled could vary significantly from our current estimates depending upon market conditions.

As of December 31, 2011 and 2010 the Company's potential obligations under these put options are \$404,015 and \$273,022, respectively, of which, at December 31, 2011, \$107,318 were exercisable. In the last two fiscal years ending December 31, 2011 one put has been exercised for a total consideration of \$99.

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Following is a rollforward of noncontrolling interests subject to put provisions for the years ended December 31, 2011 and 2010:

	<b>2011</b>	<b>2010</b>
Beginning balance	\$ 273,022	231,303
Dividends paid	(43,104)	(38,964)
Purchase/sale of noncontrolling interests	37,786	22,333
Contributions from noncontrolling interests	7,222	5,289
Changes in fair value of noncontrolling interests	86,233	24,223
Net income	42,856	28,838
Ending balance	\$ 404,015	273,022

**(14) Equity**

**(a) Preferred Stock \$1.00 Par Value**

During 2006, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 5,000,000 shares at \$1.00 par value of Series C Preferred Stock. The Company received proceeds of \$1,250,000. Simultaneous to the issuance of the securities, the Company entered into a conditional forward sale contract on the shares with DLP (see note 16 (d)). At each reporting period, the securities are marked to market at the Euro spot rate. Changes in the fair value are recognized in earnings.

During the first quarter of 2011, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 2,653,560 shares at \$1.00 par value of Series E Preferred stock. The Company received proceeds of \$663,390.

During the second quarter of 2011, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 2,100,000 shares at \$1.00 par value of Series F Preferred stock. The Company received proceeds of \$525,000.

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At December 31, 2011 and 2010, the components of the Company's preferred stocks as presented in the consolidated balance sheets consisted of the following:

	December 31	
	2011	2010
Preferred stock \$1.00 par value:		
Class C; 5,000,000 shares authorized, issued and outstanding.	\$ 1,336,232	1,379,916
Class E; 2,653,560 shares authorized, issued and outstanding.	663,390	—
Class F; 2,100,000 shares authorized, issued and outstanding.	525,000	—
Total Preferred Stock	\$ 2,524,622	1,379,916

**(b) Stock Options**

In connection with its stock option program, the Company incurred compensation expense of \$20,767 and \$20,330 for the years ended December 31, 2011 and 2010, respectively. There were no capitalized compensation costs in any of the two years presented. The Company also recorded a related deferred income tax of \$8,193 and \$8,020 for the years ended December 31, 2011 and 2010, respectively.

On May 12, 2011, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011 (2011 SOP) was established by resolution of the Parent Company's annual general meeting (AGM). The 2011 SOP, together with the Phantom Stock Plan 2011, which was established by resolution of the General Partner's Management and Supervisory Boards, forms the Parent Company's Long Term Incentive Program 2011 (2011 Incentive Program). Under the 2011 Incentive Program, participants may be granted awards, which will consist of a combination of stock options and phantom stock. Awards under the 2011 Incentive Program will be granted over a five year period and can be granted on the last Monday in July and/or the first Monday in December each year. Prior to the respective grant, the participants will be able to choose how much of the granted value is granted in the form of stock options and phantom stock in a predefined range of 75:25 to 50:50, stock options vs. phantom stock. The number of phantom shares that plan participants may choose to receive instead of stock options within the aforementioned predefined range is determined on the basis of a fair value assessment pursuant to a binomial model. With respect to grants made in July, this fair value assessment will be conducted on the day following the Parent Company's AGM and with respect to the grants made in December, on the first Monday in October.

The awards under the 2011 Incentive Program are subject to a four-year vesting period. The vesting of the awards granted is subject to achievement of performance targets measured over a four-year period beginning with the first day of the year of the grant. For each such year, the performance target is achieved if the Parent Company's adjusted basic income per ordinary share (Adjusted EPS),

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as calculated in accordance with the 2011 Incentive Program, increases by at least 8% year over year during the vesting period or, if this is not the case, the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year of the Adjusted EPS during the four-year vesting period. At the end of the vesting period, one-fourth of the awards granted is forfeited for each year in which the performance target is not achieved. All awards are considered vested if the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year during the four-year vesting period. Vesting of the portion or portions of a grant for a year or years in which the performance target is met does not occur until completion of the four-year vesting period.

The exercise price of stock options granted under the 2011 Incentive Program shall be the average stock exchange price on the Frankfurt Stock Exchange of the Parent Company's ordinary shares during the 30 calendar days immediately prior to each grant date. Stock options granted under the 2011 Incentive Program have an eight-year term and can be exercised only after a four-year vesting period. Stock options granted under the 2011 Incentive Program to US participants are nonqualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2011 Incentive Program are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or disposed of otherwise.

In 1996, FMCAG adopted a stock incentive plan (the FMCAG Plan) under which the Parent Company and the Company's key management and executive employees are eligible. Under the FMCAG Plan, eligible employees will have the right to acquire preference shares of FMCAG. Options granted under the FMCAG Plan will be evidenced by a nontransferable convertible bond and corresponding nonrecourse loan to the employee, secured solely by the bond with which it was made. The bonds mature in ten years and are generally fully convertible after three to five years. Each convertible bond, which is deutsche mark (DM) denominated, entitles the holder thereof to convert the bond in preference shares equal to the face amount of the bond divided by the preference share's nominal value.

During 1998, FMCAG adopted a new stock incentive plan (FMCAG 98 Plan) under which the Parent Company and the Company's key management and executive employees are eligible. Under the FMCAG 98 Plan, eligible employees will have the right to acquire Preference Shares of FMCAG. Options granted under the FMCAG 98 Plan will be evidenced by a nontransferable convertible bond and a corresponding nonrecourse loan to the employee, secured solely by the bond with which it was made. Each convertible bond, which is DM denominated, will entitle the holder thereof to convert the bond in Preference Shares equal to the face amount of the bond divided by the preference share's nominal value. Effective September 2001, no additional grants or options will be awarded under the FMCAG 98 Plan.

On May 23, 2001, by resolution of the FMCAG shareholders, the FMCAG 98 Plan was replaced by a new plan (FMCAG International Plan). Under the FMCAG International Plan, options in the form of convertible bonds with a principal of up to 10,240 Euros were issued to the members of the FMCAG Management Board and other employees of the Company representing grants for up to 4 million nonvoting preference shares. The convertible bonds originally had a par value of 2.56

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Euros and bear interest at a rate of 5.5%. In connection with the share split effected in 2007, the principal amount was adjusted in the same proportion as the share capital out of the capital increase and the par value of the convertible bonds was adjusted to 0.85 Euros without affecting the interest rate. Except for the members of the FMCAG Management Board, eligible employees may purchase the bonds by issuing a nonrecourse note with terms corresponding to the terms of and secured by the bond. The Parent Company has the right to offset its obligation on a bond against the employee's obligation on the related note; therefore, the convertible bond obligations and employee note receivables represent stock options issued by the Parent Company and are not reflected in the Parent Company's consolidated financial statements. The options expire ten years from issuance and can be exercised beginning two, three or four years after issuance.

Upon issuance of the option, the employees had the right to choose options with or without a stock price target. The conversion price of options subject to a stock price target corresponds to the stock exchange quoted price of the preference shares upon the first time the stock exchange quoted price exceeds the initial value by at least 25%. The initial value (Initial Value) is the average price of the preference shares during the last 30 trading days prior to the date of grant. In the case of options not subject to a stock price target, the number of convertible bonds awarded to the eligible employee would be 15% less than if the employee elected options subject to the stock price target. The conversion price of the options without a stock price target is the Initial Value. Each option entitles the holder thereof, upon payment of the respective conversion price, to acquire one preference share. Effective May 2006, no further grants can be issued under the FMCAG International Plan and no options were granted under the FMCAG International Plan after 2005.

On May 9, 2006 as amended on May 15, 2007 the FMCAG & KGaA Stock Option Plan 2006 (the 2006 Amended Plan) was established by resolution of the FMCAG & KGaA annual general meeting with a conditional capital increase up to 15,000 Euros subject to the issue of up to fifteen million no par value bearer ordinary shares with a nominal value of 1.00 euros each. Under the 2006 Amended Plan, up to 15 million options can be issued to members of the management board and to other employees of FMCAG and the Company.

Options under the 2006 Amended Plan can be granted the last Monday in July and/or the first Monday in December. The exercise price of the options granted under the 2006 Amended Plan shall be the average closing price on the Frankfurt Stock Exchange of FMCAG & KGaA ordinary shares during the 30 calendar days immediately prior to each grant date. Options granted under the 2006 Amended Plan have a seven-year term but can be exercised only after a three-year vesting period. The vesting of options granted is subject to satisfaction of performance targets measured over a three-year period from the grant date. The performance targets for 2011 and 2010 were met. Vesting of a portion or portions of a grant for a year in which the performance target is met does not occur until completion of the entire three-year vesting period. Upon the exercise of vested options, FMCAG & KGaA has the right to issue ordinary shares it owns or that it purchases on the market in place of increasing capital by the issuance of new shares.

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Options granted under the 2006 Amended Plan to U.S. participants are nonqualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2006 Amended Plan are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or otherwise disposed of.

The table below provides reconciliations for options outstanding at December 31, 2011, as compared to December 31, 2010.

	<u>Options (In thousands)</u>		<u>Weighted average exercise price</u>
<b>Ordinary shares:</b>			
Balance at December 31, 2010	7,766	\$	45.21
Granted	1,338		67.87
Exercised	(1,336)		42.24
Forfeited	<u>(149)</u>		44.74
Balance at December 31, 2011	<u>7,619</u>		49.73
<b>Preference shares:</b>			
Balance at December 31, 2010	59	\$	24.83
Exercised	(9)		29.14
Forfeited	<u>(1)</u>		23.56
Balance at December 31, 2011	<u>49</u>		24.12

The following table provides a summary of fully vested options outstanding and exercisable for both preference and ordinary shares at December 31, 2011:

	<u>Fully vested outstanding and exercisable options</u>			<u>Aggregate intrinsic value</u>
	<u>Number of options</u> (In thousands)	<u>Weighted average remaining contractual life in years</u>	<u>Weighted average exercise price</u>	
Options for ordinary shares	2,498	2.91	\$	41.56
Options for preference shares	49	2.80		24.11
				1,538

At December 31, 2011, there is \$37,472 of total unrecognized compensation costs related to nonvested options granted under all plans. These costs are expected to be recognized over a weighted average period of 1.9 years.

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During the years ended December 31, 2011 and 2010, the Company received cash of \$60,972 and \$70,638, respectively, from the exercise of stock options. The intrinsic value of options exercised for the years ended December 31, 2011 and 2010 were \$32,978 and \$33,746, respectively. The Company recorded a related tax benefit of \$6,025 and \$5,618 for the years ended December 31, 2011 and 2010, respectively.

**(c) Fair Value Information**

The Company used a binomial option-pricing model in determining the fair value of the awards under the 2011 SOP and the 2006 Plan. Option valuation models require the input of subjective assumptions including expected stock price volatility. The Company's assumptions are based upon its past experiences, market trends and the experiences of other entities of the same size and in similar industries. Expected volatility is based on historical volatility of the Company's shares. To incorporate the effects of expected early exercise in the model, an early exercise of vested options was assumed as soon as the share price exceeds 155% of the exercise price. The Company's stock options have characteristics that vary significantly from traded options and changes in subjective assumptions can materially affect the fair value of the option.

The assumptions used to determine the fair value of the 2011 and 2010 grants are as follows:

	<u>2011</u>	<u>2010</u>
Expected dividend yield	1.62%	1.98%
Risk-free interest rate	2.55	2.28
Expected volatility	22.22	22.92
Expected life of options	8 years	7 years
Weighted average exercise price	\$ 67.87	57.07

**(15) Financial Instruments**

As a supplier of dialysis services and products, the Company is faced with a concentration of credit risks due to the nature of the reimbursement system which are often provided by the governments of the jurisdictions in which the Company operates. Changes in reimbursement rates or scope of coverage could have a material adverse effect on the Company's business, financial condition and results of operations and thus on its capacity to generate cash flow. In the past the Company experienced and also expects in the future generally stable reimbursements for its dialysis services. This includes the balancing of favorable and unfavorable reimbursement changes. Due to the fact that a large portion of the Company's reimbursement is provided by public healthcare organizations and private insurers, the Company expects that most of its accounts receivables will be collectable.

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***Nonderivative Financial Instruments***

The following table presents the carrying amounts and fair values of the Company's nonderivative financial instruments at December 31, 2011 and 2010:

	December 31, 2011		December 31, 2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Nonderivatives:				
Assets:				
Cash and cash equivalents	\$ 204,142	204,142	163,292	163,292
Accounts receivables	1,188,700	1,188,700	1,176,849	1,176,849
Receivables from affiliates	1,448,895	1,448,895	322,676	322,676
Long term notes receivable	234,490	233,514		
Liabilities:				
Accounts payable	\$ 309,345	309,345	267,570	267,570
Short-term borrowings	17,445	17,445	546,612	546,612
Long-term debt and capital lease obligations, excluding Amended 2006 Senior Credit Agreement	542,819	542,819	14,216	14,216
Amended 2006 Senior Credit Agreement	1,580,589	1,572,957	1,458,890	1,448,390
Mandatorily redeemable preferred securities	665,500	665,500	665,500	665,500
Borrowings from affiliates	429,173	429,173	726,205	726,205
Noncontrolling interests subject to put provisions	\$ 404,015	404,015	273,022	273,022

The carrying amounts in the table are included in the consolidated balance sheets under the indicated captions.

The significant methods and assumptions used in estimating the fair values of financial instruments are as follows:

Cash and cash equivalents are stated at nominal value which equals the fair value.

Short-term financial instruments such as accounts receivable, accounts payable and short-term borrowings are valued at their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

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The valuation of the long-term notes receivable is determined using significant unobservable inputs (Level 3). It is valued using a constructed index based upon similar instruments with comparable credit ratings, terms, tenor, interest rates and that are within the Company's industry. The Company tracked the prices of the constructed index from the note issuance date to the reporting date to determine fair value.

The fair values of the long-term debt and capital lease obligations are calculated on the basis of market information. Instruments for which market quotes are available are measured using these quotes. The fair values of the other long-term financial liabilities are calculated at the present value of the respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Company as of the balance sheet date are used.

The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs (Level 3). See note 13 for a discussion of the Company's methodology for estimating the fair value of these noncontrolling interests subject to put obligations.

Currently, there is no indication that a decrease in the value of the Company's financing receivables is probable. Therefore, the allowances on credit losses of financing receivables are immaterial.

**(16) Derivative Financial Instruments**

The Company is exposed to market risk from changes in interest rates and foreign exchange rates. In order to manage the risk of interest rate and currency exchange rate fluctuations, the Company enters into various hedging transactions with highly rated financial institutions as authorized by the Parent Company. On a quarterly basis an assessment of the Company counterparty credit risk is performed, which the Company considers to be low. The Company does not use financial instruments for trading purposes.

The Company established guidelines for risk assessment procedures and controls for the use of financial instruments. They include a clear segregation of duties with regard to execution on one side and administration, accounting and controlling on the other.

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The table below summarizes the derivative financial instruments pre-tax and after-tax effect on accumulated other comprehensive income (loss) in equity for the years ended December 31, 2011 and 2010:

	<b>Year ended December 31</b>	
	<b>2011</b>	<b>2010</b>
	(Dollars in millions)	
Interest rate swaps:		
Pre-tax (gain)	\$ (49.9)	(57.0)
After-tax (gain)	(30.2)	(34.6)
Forecasted raw material product purchases and other obligations:		
Pre-tax loss/(gain)	\$ 9.2	(0.2)
After-tax loss/(gain)	5.6	(0.1)
Euro denominated mandatorily redeemable preferred stock:		
Pre-tax (gain)	\$ —	(10.7)
After-tax (gain)	—	(6.5)

The interest rate swaps are designated as cash flow hedges effectively converting certain variable interest rate payments into fixed interest rate payments. After-tax gains and losses were deferred in other comprehensive income and subsequently reclassified to earnings when the hedged item also affects earnings. Interest payable and receivable under the swap terms are accrued and recorded as adjustments to interest expense at each reporting date.

The Company enters into forward rate agreements that are designated and effective as hedges of forecasted raw material purchases and other obligations. After-tax gains and losses were deferred in other comprehensive income and will be reclassified into cost of sales in the period during which the hedged transactions affect earnings. All deferred amounts will be reclassified into earnings within the next twelve months.

The Company entered into a forward sale agreement related to preference shares (Preferred Stock) of FMCH issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP). This instrument is reflected in the consolidated balance sheets at fair value as part of Preferred Stock with changes in fair value recognized in earnings. Pre-tax gains and (losses) recorded in the consolidated statements of operations for the years ended December 31, 2011 and 2010 were \$43.7 million and \$107.8 million, respectively. After-tax gains and (losses) recorded in the consolidated statements of operations for the years ended December 31, 2011 and 2010 were \$27.4 million and \$68.1 million, respectively.

Upon maturity (March 31, 2013) or termination of the exchange agreement, DLP is obligated to pay to FMCH, the Euro equivalent of \$1.25 billion converted at spot rate and FMCH will pay to DLP the final settlement amount of \$1.25 billion (plus any outstanding period interest payments). This instrument is

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reflected in the consolidated balance sheets at fair value as a derivative asset at the reporting date with changes in fair value recognized in earnings. Pre-tax (losses) and gains recorded in the consolidated statements of operations for the years ended December 31, 2011 and 2010 were (\$96.4) million and (\$104.8) million, respectively. After-tax (losses) and gains recorded in the consolidated statements of operations for the years ended December 31, 2011 and 2010 were (\$60.8) million and (\$66.2) million, respectively.

Periodically, the Company enters into derivative instruments with related parties to form a natural hedge for currency exchange rate exposures on intercompany obligations. These instruments are reflected in the consolidated balance sheets at fair value with changes in fair value recognized in earnings. Pre-tax gains and (losses) recorded in the consolidated statements of operations for the years ended December 31, 2011 and 2010 were \$1.1 million and (\$1.1) million, respectively.

**(a) Foreign Currency Contracts**

The Company uses foreign exchange contracts as a hedge against foreign exchange risks associated with the settlement of foreign currency denominated payables and firm commitments. At December 31, 2011 and 2010, the Company had outstanding foreign currency contracts for the purchase of Euros (EUR) totaling 78,171 and 53,783, respectively, contracts for the purchase of 279,000 and 225,860 Mexican pesos, respectively, and contracts for the sale of 6,323 and 12,856 Canadian dollars, respectively. The contracts outstanding at December 31, 2011 include forward contracts for purchase of EUR at rates ranging from \$1.282 to \$1.408 per EUR, forward contracts for the purchase of Mexican Pesos at rates ranging from \$11.834 to \$12.266 per U.S. dollar, and outright sale contracts for Canadian dollars at rates ranging from \$1.050 to \$0.948 per Canadian dollar. All contracts are for periods between January 2012 and May 2013.

The fair value of currency contracts are the estimated amounts that the Company would receive or pay to terminate the agreements at the reporting date, taking into account the current exchange rates and the current creditworthiness of the counterparties in addition to the Company's own nonperformance risk. At December 31, 2011, the Company would have paid approximately \$7,267 to terminate these contracts and at December 31, 2010, the Company would have received approximately \$715 to terminate these contracts.

**(b) Interest Rate Agreements**

The Company enters into derivatives, particularly interest rate swaps to hedge interest exposures arising from long-term debt at floating rates by effectively swapping them into fixed rates.

At December 31, 2011, the Company had interest rate swaps outstanding with various commercial banks for notional amounts totaling \$1,150,000. All of these agreements were solely entered into for interest rate hedging purposes.

For a notional amount of \$1,150,000, the interest rate swaps effectively change the Company's interest rate exposure on its variable-rate loans under the FMCH Credit Agreement (drawn as of June 30, 2011: \$1,150,000 Loan B) to fixed rates of interest approximating 4.66%.

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The fair value of the interest rate swaps and options is the estimated amount that the Company would receive or pay to terminate the agreements at the reporting date, taking into account the current exchange rates and the current creditworthiness of the counterparties in addition to the Company's own nonperformance risk. The fair value of these agreements at December 31, 2011 and 2010 would generate a negative cash flow of \$11,725 and \$61,582, respectively. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions significantly affect the estimates.

**(c) Credit Risk**

The Company is exposed to credit risk to the extent of potential nonperformance by counterparties on financial instruments. As of December 31, 2011, the Company's credit exposure was insignificant and limited to the fair value stated above; the Company believes the risk of incurring losses due to credit risk is remote. Also, the Company does not require collateral or other security to support financial instruments subject to credit risk. The Company's standard contracts do not contain credit-risk-related contingent features whereby the Company would be required to post cash collateral as a result of a credit event.

**(d) Forward Sale and Currency Exchange Agreements**

The Company entered into a conditional forward sale agreement related to preference shares (Preferred Stock) issued to DLP. The conditional aspects of the contract are not certain to occur and are related to dissolution or reorganization of DLP. However, if the conditions were to occur, the forward sale agreement requires that the Company redeem the securities at the same Euro value that was used to acquire the shares when initially issued plus any accumulated and declared but unpaid dividends at the spot rate in effect on the settlement date.

The Company also entered into a currency exchange agreement with DLP. The notional principal amount of the currency exchange agreement is \$1.25 billion and a Euro amount with equal market value applying the market foreign exchange rate at the time the exchange agreement was entered into. The currency exchange agreement requires that at each periodic settlement date, DLP is obligated to pay to FMCH, Euro interest on the Euro equivalent of \$1.25 billion. Conversely, at the periodic settlement date, FMCH is obligated to pay DLP, the interest on \$1.25 billion in U.S. dollars.

Upon maturity (March 31, 2013) or execution of the currency exchange agreement, DLP is obligated to pay to FMCH, the Euro equivalent of \$1.25 billion converted at the spot rate and FMCH will pay to DLP the final settlement amount of \$1.25 billion (plus any outstanding period interest payments).

This instrument is reflected in other assets and deferred charges within the consolidated balance sheets at fair value as a derivative asset at the reporting date with changes in fair value recognized in earnings. At December 31, 2011 and 2010, the fair value of the derivative asset was \$184 million and \$130 million, respectively.

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The following table shows the Company's derivatives at December 31, 2011 and 2010:

	<b>2011</b>		<b>2010</b>	
	<u>Assets (2)</u>	<u>Liabilities (2)</u>	<u>Assets (2)</u>	<u>Liabilities (2)</u>
Derivatives in cash flow hedging relationships (1):				
Current:				
Foreign currency contracts	\$ 494	(6,186)	2,256	(2,167)
Dollar interest rate hedges	—	(11,725)	—	(1,372)
Noncurrent:				
Foreign currency contracts	57	(185,471)	130,533	(49)
Dollar interest rate hedges	—	—	—	(60,211)
Total	<u>\$ 551</u>	<u>(203,382)</u>	<u>132,789</u>	<u>(63,799)</u>

- (1) As of December 31, 2011 and 2010, the valuation of the Company's derivatives was determined using Significant Other Observable inputs (Level 2) in accordance with the fair value hierarchy levels established in U.S. GAAP.
- (2) Derivative instruments are marked to market each reporting period resulting in carrying amounts being equal to fair values at each reporting date.

The carrying amounts for the current portion of derivatives indicated as assets in the table above are included in other current assets in the consolidated balance sheets while the current portion of those indicated as liabilities are included in other current liabilities. The noncurrent portions indicated as assets or liabilities are included in the consolidated balance sheets in other assets or other liabilities, respectively.

The significant methods and assumptions used in estimating the fair values of derivative financial instruments are as follows:

The fair value of interest rate swaps is calculated by discounting the future cash flows on the basis of the market interest rates applicable for the remaining term of the contract as of the balance sheet date. To determine the fair value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the remaining term of the contract as of the balance sheet date. The result is then discounted on the basis of the market interest rates prevailing at the balance sheet date for the applicable currency.

The Company includes its own credit risk when measuring the fair value of derivative financial instruments.

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**The Effect of Derivatives on the Consolidated Financial Statements**

	Amount of gain or (loss) recognized in OCI on derivatives (effective portion)		Location of gain (loss) reclassified from OCI in income (effective portion)	Amount of gain (loss) reclassified from OCI in income (effective portion) for the twelve months ended	
	December 31			December 31	
	2011	2010		2011	2010
Dollar interest rate hedges	\$ (12,326)	(41,077)	Interest income/expense	\$ 62,184	98,124
Foreign currency contracts	(6,975)	(11,849)	General and administrative expenses	—	18,232
			Cost of medical supplies	(2,274)	4,536
	<u>\$ (19,301)</u>	<u>(52,926)</u>		<u>\$ 59,910</u>	<u>120,892</u>

The Company expects to recognize \$11,878 of losses deferred in accumulated other comprehensive income at December 31, 2011, in earnings during the next twelve months.

As of December 31, 2011, the Company had foreign currency contracts with maturities of up to 17 months and dollar interest rate hedges with maturities of up to 3 months.

**(17) Legal Proceedings**

**(a) Commercial Litigation**

The Company was originally formed as a result of a series of transactions it completed pursuant to the Agreement and Plan of Reorganization dated as of February 4, 1996, by and between W.R. Grace & Co. and Fresenius SE (the Merger). At the time of the Merger, a W.R. Grace & Co. subsidiary known as W.R. Grace & Co.-Conn. had, and continues to have, significant liabilities arising out of product-liability related litigation (including asbestos-related actions), pre-Merger tax claims and other claims unrelated to National Medical Care, Inc. (NMC), which was W.R. Grace & Co.'s dialysis business prior to the Merger. In connection with the Merger, W.R. Grace & Co.-Conn. agreed to indemnify the Company, FMCH, and NMC against all liabilities of W.R. Grace & Co., whether relating to events occurring before or after the Merger, other than liabilities arising from or relating to NMC's operations. W.R. Grace & Co. and certain of its subsidiaries filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code (the Grace Chapter 11 Proceedings) on April 2, 2001.

Prior to and after the commencement of the Grace Chapter 11 Proceedings, class action complaints were filed against W.R. Grace & Co. and FMCH by plaintiffs claiming to be creditors of W.R. Grace & Co.-Conn., and by the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate in the Grace Chapter 11 Proceedings, alleging among other things that the Merger was a fraudulent conveyance, violated the uniform fraudulent transfer act and constituted a conspiracy. All such cases have been stayed and transferred to or are pending before the U.S. District Court as part of the Grace Chapter 11 Proceedings.

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In 2003, the Company reached agreement with the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate and W.R. Grace & Co. in the matters pending in the Grace Chapter 11 Proceedings for the settlement of all fraudulent conveyance and tax claims against it and other claims related to the Company that arise out of the bankruptcy of W.R. Grace & Co. Under the terms of the settlement agreement as amended (the Settlement Agreement), fraudulent conveyance and other claims raised on behalf of asbestos claimants will be dismissed with prejudice and the Company will receive protection against existing and potential future W.R. Grace & Co. related claims, including fraudulent conveyance and asbestos claims, and indemnification against income tax claims related to the non-NMC members of the W.R. Grace & Co. consolidated tax group upon confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that contains such provisions. Under the Settlement Agreement, the Company will pay a total of \$115,000 without interest to the W.R. Grace & Co. bankruptcy estate, or as otherwise directed by the Court, upon plan confirmation. No admission of liability has been or will be made. The Settlement Agreement has been approved by the U.S. District Court. In January and February 2011, the U.S. Bankruptcy Court entered orders confirming the joint plan of reorganization and the confirmation orders were affirmed by the U.S. District Court on January 31, 2012.

Subsequent to the Merger, W.R. Grace & Co. was involved in a multi-step transaction involving Sealed Air Corporation (Sealed Air, formerly known as Grace Holding, Inc.). The Company is engaged in litigation with Sealed Air to confirm its entitlement to indemnification from Sealed Air for all losses and expenses incurred by the Company relating to pre-Merger tax liabilities and Merger-related claims. Under the Settlement Agreement, upon final confirmation of a plan of reorganization that satisfies the conditions of the Company's payment obligation, this litigation will be dismissed with prejudice.

On April 4, 2003, FMCH filed a suit in the U. S. District Court for the Northern District of California, styled Fresenius USA, Inc., et al., v. Baxter International Inc., et al., Case No. C 03-1431, seeking a declaratory judgment that FMCH does not infringe patents held by Baxter International Inc. and its subsidiaries and affiliates (Baxter), that the patents are invalid, and that Baxter is without right or authority to threaten or maintain suit against FMCH for alleged infringement of Baxter's patents. In general, the asserted patents concern the use of touch screen interfaces for hemodialysis machines. Baxter filed counterclaims against FMCH seeking more than \$140,000 in monetary damages and injunctive relief, and alleging that FMCH willfully infringed on Baxter's patents. On July 17, 2006, the court entered judgment on a jury verdict in favor of FMCH finding that all the asserted claims of the Baxter patents are invalid as obvious and/or anticipated in light of prior art.

On February 13, 2007, the court granted Baxter's motion to set aside the jury's verdict in favor of FMCH and reinstated the patents and entered judgment of infringement. Following a trial on damages, the court entered judgment on November 6, 2007 in favor of Baxter on a jury award of \$14,300. On April 4, 2008, the court denied Baxter's motion for a new trial, established a royalty payable to Baxter of 10% of the sales price for continuing sales of FMCH's 2008K hemodialysis machines and 7% of the sales price of related disposables, parts and service beginning November 7, 2007, and enjoined sales of the touchscreen-equipped 2008K machine effective January 1, 2009. The

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Company appealed the court's rulings to the United States Court of Appeals for the Federal Circuit (Federal Circuit). In October 2008, the Company completed design modifications to the 2008K machine that eliminate any incremental hemodialysis machine royalty payment exposure under the original District Court order. On September 10, 2009, the Federal Circuit reversed the district court's decision and determined that the asserted claims in two of the three patents at issue are invalid. As to the third patent, the Federal Circuit affirmed the district court's decision; however, the Court also vacated the injunction and award of damages. These issues were remanded to the District Court for reconsideration in light of the invalidity ruling on most of the claims. As a result, FMCH is no longer required to fund the court-approved escrow account set up to hold the royalty payments ordered by the district court. Funds of \$70,000 were contributed to the escrow fund. In the parallel reexamination of the last surviving patent, the U.S. Patent and Trademark Office (USPTO) and the Board of Patent Appeals and Interferences ruled that the remaining Baxter patent is invalid. Baxter appealed the Board's ruling to the Federal Circuit.

On October 17, 2006, Baxter and DEKA Products Limited Partnership (DEKA) filed suit in the U.S. District Court for the Eastern District of Texas which was subsequently transferred to the Northern District of California, styled Baxter Healthcare Corporation and DEKA Products Limited Partnership v. Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America and Fresenius USA, Inc., Case No. CV 438 TJW. The complaint alleged that FMCH's Liberty™ cyclor infringes nine patents owned by or licensed to Baxter. During and after discovery, seven of the asserted patents were dropped from the suit. On July 28, 2010, at the conclusion of the trial, the jury returned a verdict in favor of FMCH finding that the Liberty™ cyclor does not infringe any of the asserted claims of the Baxter patents. The District Court denied Baxter's request to overturn the jury verdict and Baxter appealed the verdict and resulting judgment to the United States Court of Appeals for the Federal Circuit. On February 13, 2012, the Federal Circuit affirmed the District Court's noninfringement verdict.

**(b) Other Litigation and Potential Exposures**

Renal Care Group, Inc. (RCG), which the Company acquired in 2006, is named as a nominal defendant in a complaint originally filed September 13, 2006 in the Chancery Court for the State of Tennessee Twentieth Judicial District at Nashville styled Indiana State District Council of Laborers and Hod Carriers Pension Fund v. Gary Bruhardt et al. Following the trial court's dismissal of the complaint, plaintiff's appeal in part, and reversal in part by the appellate court, the cause of action purports to be a class action on behalf of former shareholders of RCG and seeks monetary damages only against the individual former directors of RCG. The individual defendants, however, may have claims for indemnification and reimbursement of expenses against the Company. The Company expects to continue as a defendant in the litigation, which is proceeding toward trial in the Chancery Court, and believes that defendants will prevail.

On July 17, 2007, resulting from an investigation begun in 2005, the United States Attorney filed a civil complaint in the United States District Court for the Eastern District of Missouri (St. Louis) against RCG, its subsidiary RCG Supply Company, and FMCH in its capacity as RCG's current corporate parent. The complaint seeks monetary damages and penalties with respect to issues arising

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out of the operation of RCG's Method II supply company through 2005, prior to FMCH's acquisition of RCG in 2006. The complaint is styled United States of America ex rel. Julie Williams et al. vs. Renal Care Group, Renal Care Group Supply Company and FMCH. On August 11, 2009, the Missouri District Court granted RCG's motion to transfer venue to the United States District Court for the Middle District of Tennessee (Nashville). On March 22, 2010, the Tennessee District Court entered judgment against defendants for approximately \$23,000 in damages and interest under the unjust enrichment count of the complaint but denied all relief under the six False Claims Act counts of the complaint. On June 17, 2011, the District Court entered summary judgment against RCG for \$82,643 on one of the False Claims Act counts of the complaint. On June 23, 2011, the Company appealed to the United States Court of Appeals for the Sixth Circuit. Although the Company cannot provide any assurance of the outcome, the Company believes that RCG's operation of its Method II supply company was in compliance with applicable law, that no relief is due to the United States, that the decisions made by the District Court on March 22, 2010 and June 17, 2011 will be reversed, and that its position in the litigation will ultimately be sustained.

On November 27, 2007, the United States District Court for the Western District of Texas (El Paso) unsealed and permitted service of two complaints previously filed under seal by a qui tam relator, a former FMCH local clinic employee. The first complaint alleged that a nephrologist unlawfully employed in his practice an assistant to perform patient care tasks that the assistant was not licensed to perform and that Medicare billings by the nephrologist and FMCH therefore violated the False Claims Act. The second complaint alleged that FMCH unlawfully retaliated against the relator by constructively discharging her from employment. The United States Attorney for the Western District of Texas declined to intervene and to prosecute on behalf of the United States. On March 30, 2010, the District Court issued final judgment in favor of the defendants on all counts based on a jury verdict rendered on February 25, 2010 and on rulings of law made by the Court during the trial. The plaintiff has appealed the District Court judgment.

On February 15, 2011, a qui tam relator's complaint under the False Claims Act against FMCH was unsealed by order of the United States District Court for the District of Massachusetts and served by the relator. The United States has not intervened in the case United States ex rel. Chris Drennen v. Fresenius Medical Care Holdings, Inc., 2009 Civ. 10179 (D. Mass.). The relator's complaint, which was first filed under seal in February 2009, alleges that the Company seeks and receives reimbursement from government payors for serum ferritin and hepatitis B laboratory tests that are medically unnecessary or not properly ordered by a physician. FMCH has filed a motion to dismiss the complaint. On March 6, 2011, the United States Attorney for the District of Massachusetts issued a Civil Investigative Demand seeking the production of documents related to the same laboratory tests that are the subject of the relator's complaint. FMCH is cooperating fully in responding to the additional Civil Investigative Demand, and will vigorously contest the relator's complaint.

On June 29, 2011, FMCH received a subpoena from the United States Attorney for the Eastern District of New York (E.D.N.Y.). On December 6, 2011, a single Company facility in New York received a subpoena from the OIG that was substantially similar to the one issued by the U.S. Attorney for the E.D.N.Y. These subpoenas are part of a criminal and civil investigation into

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

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relationships between retail pharmacies and outpatient dialysis facilities in the State of New York and into the reimbursement under government payor programs in New York for medications provided to patients with ESRD. Among the issues encompassed by the investigation is whether retail pharmacies may have provided or received compensation from the New York Medicaid program for pharmaceutical products that should be provided by the dialysis facilities in exchange for the New York Medicaid payment to the dialysis facilities. The Company is cooperating in the investigation.

The Company filed claims for refunds contesting the Internal Revenue Service's (IRS) disallowance of FMCH's civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, the Company received a partial refund in September 2008 of \$37,000, inclusive of interest and preserved our right to pursue claims in the United States Courts for refunds of all other disallowed deductions. On December 22, 2008, the Company filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v. United States. The court has denied motions for summary judgment by both parties and the litigation is proceeding towards trial.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, like other healthcare providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. The Company must also comply with the Anti-Kickback Statute, the False Claims Act, the Stark Law, and other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from the Company's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states.

In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence "qui tam" or "whistle blower" actions. In May 2009, the scope of the False Claims Act was expanded and additional protections for whistle blowers and procedural provisions to aid whistle blowers' ability to proceed in a False Claims Act case were added. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, investigative demands, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company may not always be aware that an inquiry or action has begun, particularly in the case of "whistle blower" actions, which are initially filed under court seal.

**FRESENIUS MEDICAL CARE HOLDINGS, INC.  
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Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

The Company operates many facilities throughout the United States and other parts of the world. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of these employees. On occasion, the Company may identify instances where employees or other agents deliberately, recklessly or inadvertently contravene the Company's policies or violate applicable law. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law and the False Claims Act, among other laws, and comparable laws of other countries.

Physicians, hospitals and other participants in the healthcare industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

**(c) *Accrued Special Charge for Legal Matters***

At December 31, 2001, the Company recorded a pre-tax special charge of \$258,159 to reflect anticipated expenses associated with the defense and resolution of pre-Merger tax claims, Merger-related claims, and commercial insurer claims. The costs associated with the Settlement Agreement and settlements with insurers have been charged against this accrual. With the exception of the proposed \$115,000 payment under the Settlement Agreement, all other matters included in the special charge have been resolved. While the Company believes that its remaining accrual reasonably estimates its currently anticipated costs related to the continued defense and resolution of this matter, no assurances can be given that its actual costs incurred will not exceed the amount of this accrual (see note 8).

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

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		\$142.50			8,000			\$1,140,000	\$1,140,000
Contingency		14.38			8,000			115,040	115,040
TOTALS		156.88			8,000			1,255,000	1,255,000

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

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

#### Year 2016

Salaries	\$567,430
Benefits	141,858
Supplies	<u>123,120</u>
Total	\$832,408

Annual Treatments 8,986

Cost Per Treatment \$93.00

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

#### Year 2016

Depreciation/Amortization	\$78,959
Interest	<u>0</u>
CAPITAL COSTS	\$78,959

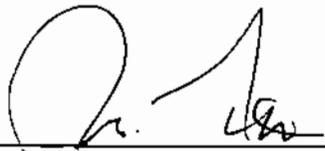
Treatments: 8,986

Capital Cost per treatment \$8.79

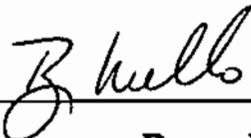
**Criterion 1120.310(a) Reasonableness of Financing Arrangements**

Fresenius Medical Care Lockport, 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: 

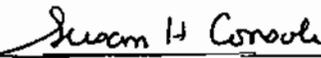
Title: Mark Fawcett  
Vice President & Treasurer

By: 

Title: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

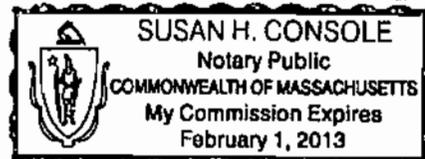
Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

  
Signature of Notary

Signature of Notary

Seal

Seal



**Criterion 1120.310(a) Reasonableness of Financing Arrangements**

Fresenius Medical Care Holdings, Inc.

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: 

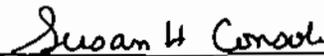
Title: Mark Fawcett  
Vice President & Asst. Treasurer

By: 

Title: Bryan Mello  
Assistant Treasurer

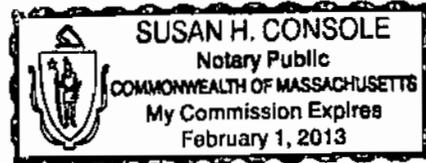
Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

  
Signature of Notary

Seal

Seal



**Criterion 1120.310(b) Conditions of Debt Financing**

Fresenius Medical Care Lockport, 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

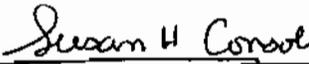
The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

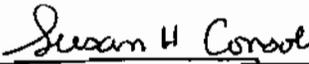
By:   
ITS: Mark Fawcett  
Vice President & Treasurer

By:   
ITS: Bryan Mello  
**Assistant Treasurer**

Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

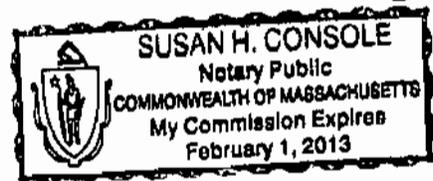
Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

  
Signature of Notary

  
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:

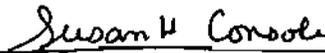
There is no debt financing. The project will be funded with cash and leasing arrangements; and

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.

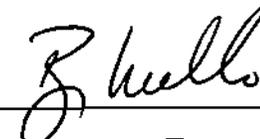
By: 

ITS: Mark Fawcett  
Vice President & Asst. Treasurer

Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

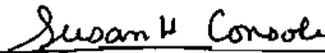
  
Signature of Notary

Seal

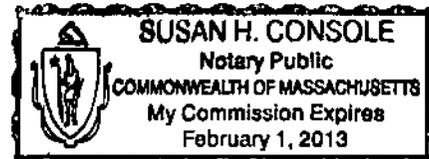
By: 

ITS: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this 8 day of June, 2012

  
Signature of Notary

Seal



## Safety Net Impact Statement

The establishment of the Fresenius Medical Care Lockport dialysis facility will not have any impact on safety net services in the Lockport community. 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 provides care to all patients regardless of their ability to pay. There are a number of 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 below shows the amount of "self-pay" care provided for the 3 fiscal years prior to submission of the application for all Fresenius Medical Care facilities in Illinois and the amount of care provided to Medicaid patients for the three fiscal years prior to submission of the application for all Fresenius Medical Care facilities in Illinois.

SAFETY NET INFORMATION			
<b>CHARITY CARE (Uncompensated Care)</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>
Charity (# Uncomp patients)	282	243	143
Charity (# Uncomp treatments)	14,557	15,457	7,047
Charity (Uncomp) Cost	3,402,665	3,489,213	1,307,433
<b>MEDICAID</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>
Medicaid (Patients)	1,561	1,723	1,809
Medicaid (Treatments)	122,615	132,658	154,591
Medicaid (Revenue)	36,159,588	39,748,886	43,795,183

There is no other information directly relevant to safety net services.

(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. The applicant(s) are for profit corporations and do not (as defined by the HFSRB) 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 Illinois 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. 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.

The applicants accept all patients regardless of payer source. 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

## Uncompensated Care By Facility

Facility	Uncompensated Treatments			Uncompensated Costs		
	2008	2009	2010	2008	2009	2010
Fresenius Alsip	33	0	0	9,960	0	0
Fresenius Antioch	73	102	0	21,689	28,682	0
Fresenius Aurora	314	83	87	67,864	18,818	21,087
Fresenius Austin Community	26	140	0	8,284	40,504	0
Fresenius Berwyn	713	715	228	199,885	163,817	52,363
Fresenius Blue Island	77	174	80	21,901	49,341	22,611
Fresenius Bolingbrook	143	48	21	31,451	12,317	5,081
Fresenius Bridgeport	395	528	45	99,428	118,493	10,991
Fresenius Burbank	248	721	49	63,286	185,201	12,597
Fresenius Carbondale	10	79	42	2,500	20,723	11,262
Fresenius Chicago	243	328	45	66,732	89,972	14,202
Fresenius Chicago Westside	162	146	0	77,512	46,548	0
Fresenius Congress Parkway	237	176	14	63,900	46,511	3,760
Fresenius Crestwood	219	67	320	59,373	17,034	84,179
Fresenius Decatur	0	0	0	0	0	0
Fresenius Deerfield	N/A	N/A	0	N/A	N/A	0
Fresenius Downers Grove	137	20	233	31,380	4,878	56,124
Fresenius Du Page West	196	76	34	43,409	18,336	9,290
Fresenius Du Quoin	0	37	10	0	10,433	2,756
Fresenius East Peoria	217	52	0	55,285	12,238	0
Fresenius Elk Grove	343	127	53	75,105	29,711	12,642
Fresenius Evanston	214	194	215	58,821	49,319	63,059
Fresenius Evergreen Park	93	510	197	23,541	140,975	52,782
Fresenius Garfield	311	177	54	97,761	45,903	14,915
Fresenius Glendale Heights	365	159	15	81,125	35,089	3,681
Fresenius Glenview	83	87	46	18,692	19,974	10,095
Fresenius Greenwood	190	251	179	46,374	62,205	42,481
Fresenius Gurnee	285	122	35	67,702	29,403	8,329
Fresenius Hazel Crest	199	34	22	53,440	9,226	6,303
Fresenius Hoffman Estates	87	33	17	19,789	7,418	4,037
Fresenius Jackson Park	454	528	3	115,160	125,578	681
Fresenius Kewanee	0	0	72	0	0	20,619
Fresenius Lake Bluff	212	65	5	54,948	17,317	1,112
Fresenius Lakeview	207	27	13	61,074	7,377	3,217
Fresenius Macomb	0	0	0	0	0	0
Fresenius Marquette Park	148	362	0	39,118	100,681	0
Fresenius McHenry	89	186	5	26,941	57,292	1,332
Fresenius McLean County	115	67	19	31,715	17,291	4,152
Fresenius Melrose Park	0	19	0	0	5,156	0
Fresenius Merrionette Park	0	105	41	0	28,882	9,936
Fresenius Midway	N/A	N/A	0	N/A	N/A	0
Fresenius Mokena	1	44	3	544	16,250	1,012
Fresenius Morris	0	42	104	0	11,267	29,076
Fresenius Naperville	199	301	100	41,182	67,077	22,565
Fresenius Naperville North	57	183	0	18,437	48,627	0
Fresenius Niles	213	152	26	55,817	37,442	6,096

Continued...

**Medicaid Treatments/Costs By Facility**

Facility Name	IL Medicaid Txts			IL Medicaid Costs		
	2008	2009	2010	2008	2009	2010
Fresenius Alsip	726	624	749	219,121	188,700	218,389
Fresenius Antioch	38	148	937	11,398	41,617	257,229
Fresenius Aurora	954	1,230	1,521	206,456	277,862	367,439
Fresenius Austin Community	1,050	1,574	2,111	334,543	455,377	548,468
Fresenius Berwyn	3,466	3,618	4,102	971,639	828,527	941,816
Fresenius Blue Island	1,816	1,901	1,937	516,518	538,138	550,355
Fresenius Bolingbrook	1,481	1,246	1,628	325,729	319,725	393,058
Fresenius Bridgeport	3,928	4,570	5,610	988,745	1,025,015	1,377,275
Fresenius Burbank	2,314	2,142	2,046	590,498	550,210	531,285
Fresenius Carbondale	1,119	1,214	1,650	279,802	318,454	442,445
Fresenius Chicago Dialysis Center	5,862	5,466	5,279	1,609,814	1,499,358	1,666,001
Fresenius Chicago Westside	2,396	3,509	3,807	1,146,416	1,118,745	1,169,530
Fresenius Congress Parkway	3,663	3,685	4,197	987,611	973,822	1,127,227
Fresenius Crestwood	1,045	1,166	1,072	283,308	296,443	282,439
Fresenius Decatur	33	1	136	8,220	226	36,359
Fresenius Deerfield	0	0	100	0	0	67,104
Fresenius Downers Grove	771	1,010	995	176,600	246,416	239,552
Fresenius DuQuoin	302	318	203	78,555	89,666	55,954
Fresenius DuPage West	1,529	2,086	2,725	338,547	502,413	739,997
Fresenius East Peoria	672	607	1,083	171,254	142,462	258,654
Fresenius Elk Grove	950	1,414	1,996	208,018	330,794	480,506
Fresenius Evanston	1,025	1,513	1,535	281,738	384,635	450,064
Fresenius Evergreen Park	3,484	2,284	3,231	881,879	631,675	863,821
Fresenius Macomb	12	212	116	4,123	57,485	36,414
Fresenius Garfield	2,365	2,684	3,299	743,422	696,063	910,918
Fresenius Glendale Heights	1,896	2,085	2,332	421,403	460,132	572,130
Fresenius Glenview	1,091	984	992	245,700	225,914	219,975
Fresenius Morris	30	119	200	8,814	31,923	55,776
Fresenius Greenwood	3,055	3,349	3,712	746,786	830,023	880,965
Fresenius Gurnee	1,614	1,859	2,143	383,406	448,037	517,361
Fresenius Hazel Crest	878	979	657	235,780	265,643	192,621
Fresenius Hoffman Estates	1,406	1,726	2,513	319,804	387,981	596,772
Fresenius Jackson Park	5,402	5,444	5,972	1,370,257	1,294,789	1,626,081
Fresenius Kewanee	81	182	146	27,752	51,043	41,812
Fresenius Lake Bluff	1,002	1,541	1,354	259,707	410,556	334,530
Fresenius Lakeview	1,144	1,398	1,516	337,530	381,943	375,228
Fresenius Marquette Park	2,447	2,339	2,473	646,774	650,535	722,642
Fresenius McLean County	1,147	1,225	1,044	316,325	316,139	228,138
Fresenius McHenry	57	457	546	17,254	140,859	161,482
Fresenius Melrose Park	884	1,015	1,390	243,039	275,447	360,787
Fresenius Merrionette Park	407	1,001	749	114,511	275,340	183,623
Fresenius Midway	0	0	28	0	0	35,987
Fresenius Mokena	0	0	125	0	0	42,159
Fresenius Naperville	318	512	544	65,867	114,163	123,223
Fresenius Naperville North	236	494	654	76,334	131,265	159,418
Fresenius Niles	1,637	1,675	1,914	427,287	412,508	457,523

Continued...

**Continued Medicaid Treatments/Costs By Facility**

Facility Name	IL Medicaid TxTs			IL Medicaid Costs		
	2008	2009	2010	2008	2009	2010
Fresenius Norridge	391	858	1,037	90,276	215,349	257,928
Fresenius North Avenue	1,663	1,818	1,854	399,039	457,777	455,682
Fresenius North Kilpatrick	1,969	2,323	2,504	463,144	537,567	555,449
Fresenius Northcenter	1,236	1,603	1,981	318,505	460,061	565,347
Fresenius Northwestern	3,102	3,103	2,954	830,405	802,076	835,999
Fresenius Oak Park	2,395	1,972	2,142	586,131	512,596	530,585
Fresenius Orland Park	553	734	774	127,136	182,882	213,816
Fresenius Oswego	390	454	482	110,896	128,215	147,203
Fresenius Ottawa	187	141	70	52,529	41,542	21,192
Fresenius Pekin	83	24	136	19,043	5,483	32,924
Fresenius Peoria Downtown	1,297	1,238	1,283	313,988	295,509	325,686
Fresenius Peoria North	511	374	265	123,449	90,842	66,112
Fresenius Plainfield	0	0	390	0	0	128,173
Fresenius Polk	3,502	3,151	3,509	850,172	829,908	891,647
Fresenius Pontiac	157	185	284	38,199	46,749	69,911
Fresenius Prairie	1,513	1,067	1,108	462,703	302,851	323,637
Fresenius Randolph County	188	190	251	59,360	57,884	69,909
Fresenius Rockford	255	540	747	65,584	178,073	216,191
Fresenius Rogers Park	1,705	1,433	1,756	530,142	374,183	473,109
Fresenius Rolling Meadows	1,032	1,543	2,100	251,777	368,801	550,765
Fresenius Roseland	114	641	1,506	93,309	240,891	476,665
Fresenius Ross Dialysis-Englewood	715	814	1,936	262,534	248,798	515,780
Fresenius Roundlake	1,690	1,909	2,661	432,943	463,250	679,000
Fresenius Saline County	485	676	441	136,002	179,725	123,927
Fresenius Sandwich	0	60	145	0	33,384	47,603
Fresenius Skokie	648	850	1,096	178,781	212,937	295,651
Fresenius South Chicago	3,511	3,995	5,002	952,588	1,099,016	1,269,883
Fresenius South Holland	1,318	1,304	1,603	324,973	327,718	412,017
Fresenius South Shore	2,548	2,143	1,900	699,533	585,749	528,209
Fresenius South Suburban	1,317	1,392	1,804	368,844	364,920	479,436
Fresenius Southside	5,108	5,249	6,248	1,460,523	1,407,923	1,577,162
Fresenius Southwestern Illinois	160	296	428	38,702	75,763	115,684
Fresenius Spoon River	0	11	30	0	2,615	7,573
Fresenius Spring Valley	0	39	267	0	9,087	56,218
Fresenius Streator	0	7	34	0	2,757	11,288
Fresenius Uptown	0	701	1,037	0	230,951	315,316
Fresenius Villa Park	970	922	1,037	265,255	237,306	278,881
Fresenius West Belmont	2,240	2,495	3,388	575,654	679,000	921,006
Fresenius West Chicago	0	8	429	0	4,391	151,682
Fresenius West Metro	6,169	6,331	7,147	1,383,891	1,348,204	1,497,052
Fresenius West Suburban	6,355	5,951	5,841	1,512,980	1,419,713	1,385,026
Fresenius Westchester	504	669	429	137,909	171,821	118,436
Fresenius Williamson County	442	363	435	100,123	89,706	118,125
Fresenius Willowbrook	459	474	1,065	109,960	113,915	256,960
<b>Totals</b>	<b>122,615</b>	<b>132,658</b>	<b>154,591</b>	<b>32,355,267</b>	<b>34,055,958</b>	<b>40,270,371</b>

It is noted in the above charts, 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. (see following page for patient coverage options)

### Continued Uncompensated Care by Facility

Facility	Uncompensated Treatments			Uncompensated Costs		
	2008	2009	2010	2008	2009	2010
Fresenius Norridge	13	6	3	3,002	1,506	747
Fresenius North Avenue	0	94	74	0	23,669	18,189
Fresenius North Kilpatrick	48	0	64	11,290	0	14,200
Fresenius Northcenter	118	121	78	30,407	34,727	22,117
Fresenius Northwestern	334	226	77	89,528	58,416	21,695
Fresenius Oak Park	165	126	6	40,346	32,752	1,487
Fresenius Orland Park	188	121	0	43,222	30,148	0
Fresenius Oswego	89	12	1	25,307	3,389	305
Fresenius Ottawa	117	8	2	32,866	2,357	454
Fresenius Pekin	0	0	20	0	0	4,721
Fresenius Peoria Downtown	57	46	45	13,799	10,980	11,301
Fresenius Peoria North	115	54	13	27,782	13,179	3,245
Fresenius Plainfield	N/A	N/A	8	N/A	N/A	6,165
Fresenius Polk	212	231	104	51,467	60,738	26,376
Fresenius Pontiac	40	19	0	9,732	4,801	0
Fresenius Prairie	83	114	54	25,383	32,357	15,634
Fresenius Randolph County	0	4	32	0	1,219	8,913
Fresenius Rockford	70	74	24	18,003	24,267	6,946
Fresenius Rodgers Park	143	328	224	44,464	85,647	60,351
Fresenius Rolling Meadows	228	0	204	55,625	0	53,516
Fresenius Roseland	132	164	99	108,043	61,632	31,345
Fresenius Ross Dialysis Englewood	150	184	8	55,077	56,239	2,132
Fresenius Round Lake	225	182	1	57,640	44,165	255
Fresenius Saline County	13	21	11	3,645	5,583	2,952
Fresenius Sandwich	N/A	18	3	N/A	8,161	985
Fresenius Skokie	0	18	10	0	4,508	2,698
Fresenius South Chicago	424	747	278	115,038	205,498	70,577
Fresenius South Holland	90	127	104	22,191	31,917	26,731
Fresenius South Shore	75	110	8	20,591	30,066	2,086
Fresenius South Suburban	329	566	241	92,140	148,380	64,049
Fresenius Southside	734	483	137	209,871	129,554	34,459
Fresenius Southwestern Illinois	1	0	0	242	0	0
Fresenius Spoon River	66	38	35	14,971	9,033	8,835
Fresenius Spring Valley	1	1	31	236	233	6,422
Fresenius Streator	0	0	0	0	0	0
Fresenius Uptown	50	134	110	35,291	44,148	33,311
Fresenius Villa Park	128	369	27	35,003	95,048	7,258
Fresenius West Belmont	105	191	70	26,984	51,980	18,896
Fresenius West Chicago	0	44	0	0	24,152	0
Fresenius West Metro	241	880	237	54,133	187,505	49,677
Fresenius West Suburban	144	273	146	34,283	65,129	34,504
Fresenius Westchester	207	0	0	56,641	0	0
Fresenius Williamson County	8	0	28	1,812	0	7,468
Fresenius Willowbrook	98	45	0	23,477	10,815	0
<b>Totals</b>	<b>14,557</b>	<b>15,457</b>	<b>7,047</b>	<b>3,402,665</b>	<b>3,489,213</b>	<b>1,307,433</b>



Trip to:  
**1900 Silver Cross Blvd**  
 New Lenox, IL 60451-9509  
 5.57 miles / 8 minutes

Notes

TO SILVER CROSS HOSPITAL

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                                |
|--|---|--------------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>   | <b>1.2 MI</b><br>1.2 Mi Total  |
|  | 2. Merge onto I-355 S / Veterans Memorial Tollway toward SouthWest Suburbs (Portions toll). <a href="#">Map</a> | <b>3.5 MI</b><br>4.7 Mi Total  |
|  | 3. Take the US-6 / SouthWest Hwy exit. <a href="#">Map</a>  | <b>0.4 MI</b><br>5.1 Mi Total  |
|  | 4. Keep right to take the ramp toward Joliet. <a href="#">Map</a>   | <b>0.03 MI</b><br>5.1 Mi Total |
|  | 5. Turn right onto Maple Rd / W Maple Rd / SouthWest Hwy / US-6 W. <a href="#">Map</a>                          | <b>0.3 MI</b><br>5.4 Mi Total  |
|  | 6. Turn left onto Silver Cross Blvd. <a href="#">Map</a>  | <b>0.2 MI</b><br>5.6 Mi Total  |
|  | 7. 1900 SILVER CROSS BLVD is on the left. <a href="#">Map</a>   |                                |

**B** 1900 Silver Cross Blvd, New Lenox, IL 60451-9509

Total Travel Estimate: 5.57 miles - about 8 minutes

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Trip to:  
**721 E Jackson St**  
Joliet, IL 60432-2560  
5.51 miles / 10 minutes

Notes

TO FRESENIUS MEDICAL CARE JOLIET

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                                      |
|--|---|--------------------------------------|
|  | 1. Start out going southwest on IL-7 / E 9th St toward Loch Ln. <a href="#">Map</a> | <b>0.9 Mi</b><br><i>0.9 Mi Total</i> |
|  | 2. Turn left onto Garfield Ave. <a href="#">Map</a>                                 | <b>0.3 Mi</b><br><i>1.2 Mi Total</i> |
|  | 3. Turn left onto E Division St. <a href="#">Map</a>                                | <b>0.2 Mi</b><br><i>1.4 Mi Total</i> |
|  | 4. Take the 1st right onto S Briggs St. <a href="#">Map</a>                         | <b>2.9 Mi</b><br><i>4.3 Mi Total</i> |
|  | 5. Turn right onto Maple Rd / US-6. Continue to follow US-6. <a href="#">Map</a>    | <b>1.2 Mi</b><br><i>5.5 Mi Total</i> |
|  | 6. 721 E JACKSON ST is on the right. <a href="#">Map</a>                            |                                      |

**B** 721 E Jackson St, Joliet, IL 60432-2560

Total Travel Estimate: 5.51 miles - about 10 minutes

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Trip to:

**9160 W 159th St**

Orland Park, IL 60462-5648

10.08 miles / 15 minutes

Notes

TO FRESENIUS ORLAND PARK

---

**A** 1165 E 9th St, Lockport, IL 60441-3219



1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7  
E. [Map](#)

7.5 Mi

7.5 Mi Total



2. Stay straight to go onto W 159th St / US-6. [Map](#)

2.6 Mi

10.1 Mi Total

3. 9160 W 159TH ST is on the left. [Map](#)

---

**B** 9160 W 159th St, Orland Park, IL 60462-5648

---

Total Travel Estimate: **10.08 miles - about 15 minutes**

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Trip to:  
**538 E Boughton Rd**  
 Bolingbrook, IL 60440-2181  
 11.37 miles / 16 minutes

Notes

TO FRESENIUS MEDICAL CARE BOLINGBROOK

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |   |   |                          |
|---|---|--------------------------|
|   | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | 1.4 Mi<br>1.4 Mi Total   |
|   | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | 8.7 Mi<br>10.1 Mi Total  |
|    | 3. Take the Boughton Rd exit. <a href="#">Map</a>   | 0.3 Mi<br>10.4 Mi Total  |
|    | 4. Keep left to take the ramp toward Bolingbrook. <a href="#">Map</a>   | 0.03 Mi<br>10.5 Mi Total |
|    | 5. Turn left onto E Boughton Rd. <a href="#">Map</a>  | 0.9 Mi<br>11.4 Mi Total  |
|   | 6. 538 E BOUGHTON RD is on the right. <a href="#">Map</a>   |                          |

**B** 538 E Boughton Rd, Bolingbrook, IL 60440-2181

Total Travel Estimate: 11.37 miles - about 16 minutes

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Trip to:  
**396 Remington Blvd**  
 Bolingbrook, IL 60440-4302  
 12.70 miles / 17 minutes

Notes

TO USR BOLINGBROOK

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |   |   |                                 |
|---|---|---------------------------------|
|   | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | <b>1.4 Mi</b><br>1.4 Mi Total   |
|     | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | <b>7.7 Mi</b><br>9.0 Mi Total   |
|     | 3. Merge onto I-55 S toward St Louis. <a href="#">Map</a>   | <b>2.4 Mi</b><br>11.4 Mi Total  |
|    | 4. Take the IL-53 / Bolingbrook exit, EXIT 267. <a href="#">Map</a>   | <b>0.3 Mi</b><br>11.7 Mi Total  |
|    | 5. Keep right to take the ramp toward Bolingbrook. <a href="#">Map</a>  | <b>0.04 Mi</b><br>11.7 Mi Total |
|   | 6. Turn right onto S Bolingbrook Dr / IL-53 N. <a href="#">Map</a>  | <b>0.1 Mi</b><br>11.8 Mi Total  |
|    | 7. Turn left onto Remington Blvd. <a href="#">Map</a>   | <b>0.9 Mi</b><br>12.7 Mi Total  |
|   | 8. 396 REMINGTON BLVD is on the right. <a href="#">Map</a>  |                                 |

**B** 396 Remington Blvd, Bolingbrook, IL 60440-4302

Total Travel Estimate: 12.70 miles - about 17 minutes

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Trip to:  
**8910 W 192nd St**  
 Mokena, IL 60448-8110  
 13.91 miles / 17 minutes

Notes

TO FRESENIUS MEDICAL CARE MOKENA

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                         |
|--|---|-------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>   | 1.2 Mi<br>1.2 Mi Total  |
|  | 2. Merge onto I-355 S / Veterans Memorial Tollway toward SouthWest Suburbs (Portions toll). <a href="#">Map</a> | 4.7 Mi<br>5.9 Mi Total  |
|  | 3. Merge onto I-80 E via the exit on the left toward Indiana. <a href="#">Map</a>                               | 6.0 Mi<br>11.9 Mi Total |
|  | 4. Merge onto US-45 S / La Grange Rd via EXIT 145. <a href="#">Map</a>  | 1.0 Mi<br>12.9 Mi Total |
|  | 5. Turn left onto 191st St. <a href="#">Map</a>   | 0.6 Mi<br>13.5 Mi Total |
|  | 6. Take the 2nd right onto Darvin Dr. <a href="#">Map</a>   | 0.2 Mi<br>13.6 Mi Total |
|  | 7. Darvin Dr becomes W 192nd St. <a href="#">Map</a>  | 0.3 Mi<br>13.9 Mi Total |
|  | 8. 8910 W 192ND ST is on the left. <a href="#">Map</a>  |                         |

**B** 8910 W 192nd St, Mokena, IL 60448-8110

Total Travel Estimate: 13.91 miles - about 17 minutes

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Trip to:  
**2121 Oneida St**  
Joliet, IL 60435-6544  
9.46 miles / 18 minutes

Notes

TO SUN HEALTH

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |  |                     |
|--|--|---------------------|
|  | 1. Start out going west on IL-7 / E 9th St toward Loch Ln. <a href="#">Map</a> | <b>2.4 Mi</b>       |
|  |  | <i>2.4 Mi Total</i> |
|  | 2. Turn left onto Broadway St / IL-53 / IL-7. <a href="#">Map</a>              | <b>2.0 Mi</b>       |
|  |  | <i>4.4 Mi Total</i> |
|  | 3. Turn right onto W Caton Farm Rd. <a href="#">Map</a>                        | <b>1.8 Mi</b>       |
|  |  | <i>6.1 Mi Total</i> |
|  | 4. Turn left onto Weber Rd. <a href="#">Map</a>                                | <b>0.6 Mi</b>       |
|  |  | <i>6.7 Mi Total</i> |
|  | 5. Weber Rd becomes N Larkin Ave. <a href="#">Map</a>                          | <b>2.3 Mi</b>       |
|  |  | <i>9.1 Mi Total</i> |
|  | 6. Turn right onto W Oneida St. <a href="#">Map</a>                            | <b>0.4 Mi</b>       |
|  |  | <i>9.5 Mi Total</i> |
|  | 7. 2121 ONEIDA ST is on the right. <a href="#">Map</a>                         |                     |

**B** 2121 Oneida St, Joliet, IL 60435-6544

**Total Travel Estimate: 9.46 miles - about 18 minutes**

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Trip to:  
**2320 Michas Dr**  
 Plainfield, IL 60586-5045  
 12.15 miles / 20 minutes

Notes

TO FRESENIUS MEDICAL CARE PLAINFIELD

**A** 1165 E 9th St, Lockport, IL 60441-3219

●	1. Start out going <b>west</b> on <b>IL-7 / E 9th St</b> toward <b>Loch Ln.</b> <a href="#">Map</a>	<b>2.4 Mi</b>
		<i>2.4 Mi Total</i>
↑	2. <b>IL-7 / E 9th St</b> becomes <b>Renwick Rd.</b> <a href="#">Map</a>	<b>3.5 Mi</b>
		<i>5.9 Mi Total</i>
↑	3. <b>Renwick Rd</b> becomes <b>W Renwick Dr.</b> <a href="#">Map</a>	<b>0.03 Mi</b>
		<i>5.9 Mi Total</i>
↑	4. <b>W Renwick Dr</b> becomes <b>W Renwick Rd.</b> <a href="#">Map</a>	<b>3.0 Mi</b>
		<i>8.9 Mi Total</i>
↶	5. Turn <b>left</b> onto <b>S Route 59 / IL-59 S.</b> Continue to follow <b>IL-59 S.</b> <a href="#">Map</a>	<b>2.0 Mi</b>
		<i>10.9 Mi Total</i>
↷	6. Turn <b>right</b> onto <b>W Caton Farm Rd.</b> <a href="#">Map</a>	<b>1.1 Mi</b>
		<i>12.1 Mi Total</i>
↶	7. Turn <b>left</b> onto <b>Michas Dr.</b> <a href="#">Map</a>	<b>0.08 MI</b>
		<i>12.1 Mi Total</i>
■	8. <b>2320 MICHAS DR</b> is on the <b>left.</b> <a href="#">Map</a>	

**B** 2320 Michas Dr, Plainfield, IL 60586-5045

**Total Travel Estimate: 12.15 miles - about 20 minutes**

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Trip to:  
**13155 S la Grange Rd**  
 Orland Park, IL 60462-1162  
 13.07 miles / 20 minutes

Notes

TO DAVITA PALOS PARK

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                          |
|--|---|--------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a> | 5.5 MI<br>5.5 Mi Total   |
|  | 2. Turn left onto S Bell Rd. <a href="#">Map</a>  | 3.5 MI<br>9.0 Mi Total   |
|  | 3. Turn right onto W 131st St. <a href="#">Map</a>  | 4.0 MI<br>13.0 Mi Total  |
|  | 4. Turn right onto S La Grange Rd / 96th Ave / US-45. <a href="#">Map</a>                                     | 0.05 MI<br>13.1 Mi Total |
|  | 5. 13155 S LA GRANGE RD is on the left. <a href="#">Map</a>   |                          |

**B** 13155 S la Grange Rd, Orland Park, IL 60462-1162

**Total Travel Estimate: 13.07 miles - about 20 minutes**

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Trip to:  
**2451 S Washington St**  
 Naperville, IL 60565-5419  
 12.48 miles / 24 minutes

Notes

TO FRESENIUS MEDICAL CARE NAPERBROOK

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                      |
|--|---|----------------------|
|  | 1. Start out going west on IL-7 / E 9th St toward Loch Ln. <a href="#">Map</a>  | <b>2.4 MI</b>        |
|  |   | <i>2.4 Mi Total</i>  |
|  | 2. Turn right onto Broadway St / S Independence Blvd / IL-53. Continue to follow S Independence Blvd / IL-53. <a href="#">Map</a> | <b>4.2 MI</b>        |
|  |   | <i>6.6 Mi Total</i>  |
|  | 3. Turn left onto W Normantown Rd. <a href="#">Map</a>  | <b>0.3 MI</b>        |
|  |   | <i>6.9 Mi Total</i>  |
|  | 4. Take the 2nd right onto Luther Dr / Dalhart Ave. <a href="#">Map</a>   | <b>0.5 MI</b>        |
|  |   | <i>7.4 Mi Total</i>  |
|  | 5. Take the 3rd left onto Veterans Pky. <a href="#">Map</a>   | <b>3.0 MI</b>        |
|  |   | <i>10.4 Mi Total</i> |
|  | 6. Turn right onto S Weber Rd. <a href="#">Map</a>  | <b>1.0 MI</b>        |
|  |   | <i>11.4 Mi Total</i> |
|  | 7. S Weber Rd becomes N Naperville Rd. <a href="#">Map</a>  | <b>0.8 MI</b>        |
|  |   | <i>12.2 Mi Total</i> |
|  | 8. Turn left onto S Washington St. <a href="#">Map</a>  | <b>0.3 MI</b>        |
|  |   | <i>12.5 Mi Total</i> |
|  | 9. 2451 S WASHINGTON ST is on the left. <a href="#">Map</a>   |                      |

**B** 2451 S Washington St, Naperville, IL 60565-5419

Total Travel Estimate: 12.48 miles - about 24 minutes

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Trip to:  
**1213 Butterfield Rd**  
 Downers Grove, IL 60515-1032  
 19.84 miles / 26 minutes

Notes

TO USR OAK BROOK

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                          |
|--|---|--------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | 1.4 Mi<br>1.4 Mi Total   |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | 17.2 Mi<br>18.6 Mi Total |
|  | 3. Take the IL-56 / Butterfield Rd exit. <a href="#">Map</a>  | 0.6 Mi<br>19.2 Mi Total  |
|  | 4. Merge onto IL-56 E / Butterfield Rd toward Oak Brook. <a href="#">Map</a>  | 0.4 Mi<br>19.6 Mi Total  |
|  | 5. Take the 2nd right onto Downers Dr. <a href="#">Map</a>  | 0.05 Mi<br>19.6 Mi Total |
|  | 6. Turn left onto Butterfield Rd. <a href="#">Map</a>   | 0.2 Mi<br>19.8 Mi Total  |
|  | 7. 1213 BUTTERFIELD RD is on the right. <a href="#">Map</a>   |                          |

**B** 1213 Butterfield Rd, Downers Grove, IL 60515-1032

Total Travel Estimate: 19.84 miles - about 26 minutes

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Trip to:  
**4557 Lincoln Hwy**  
 Matteson, IL 60443-2354  
 23.14 miles / 26 minutes

Notes

TO DAVITA OLYMPIA FIELDS

**A** 1165 E 9th St, Lockport, IL 60441-3219

- 

1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>	<b>1.2 Mi</b>
	<i>1.2 Mi Total</i>

---

- 

2. Merge onto I-355 S / Veterans Memorial Tollway toward SouthWest Suburbs (Portions toll). <a href="#">Map</a>	<b>4.7 Mi</b>
	<i>5.9 Mi Total</i>

---

- 

3. Merge onto I-80 E via the exit on the left toward Indiana. <a href="#">Map</a>	<b>11.9 Mi</b>
	<i>17.8 Mi Total</i>

---

- 

4. Merge onto I-57 S via EXIT 151A toward Memphis. <a href="#">Map</a>	<b>4.3 Mi</b>
	<i>22.1 Mi Total</i>

---

- 

5. Merge onto US-30 E / 211th St / Lincoln Hwy via EXIT 340A. <a href="#">Map</a>	<b>1.1 Mi</b>
	<i>23.1 Mi Total</i>

---

- 6. 4557 LINCOLN HWY is on the right. [Map](#)

**B** 4557 Lincoln Hwy, Matteson, IL 60443-2354

**Total Travel Estimate: 23.14 miles - about 26 minutes**

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Trip to:  
**17524 E Carriageway Dr**  
 Hazel Crest, IL 60429-2187  
 22.14 miles / 26 minutes

Notes

TO FRESENIUS MEDICAL CARE HAZEL CREST

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |  |  |
|--|--|--|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7<br>E. <a href="#">Map</a>   | <b>1.2 Mi</b><br><i>1.2 Mi Total</i>   |
|  | 2. Merge onto I-355 S / Veterans Memorial Tollway toward SouthWest Suburbs<br>(Portions toll). <a href="#">Map</a> | <b>4.7 Mi</b><br><i>5.9 Mi Total</i>   |
|  | 3. Merge onto I-80 E via the exit on the left toward Indiana. <a href="#">Map</a>                                  | <b>15.0 Mi</b><br><i>20.9 Mi Total</i> |
|  | 4. Take the Kedzie Ave exit, EXIT 154. <a href="#">Map</a>   | <b>0.2 Mi</b><br><i>21.1 Mi Total</i>  |
|  | 5. Turn right onto Kedzie Ave. <a href="#">Map</a>   | <b>0.7 Mi</b><br><i>21.9 Mi Total</i>  |
|  | 6. Turn left onto 175th St. <a href="#">Map</a>  | <b>0.2 Mi</b><br><i>22.1 Mi Total</i>  |
|  | 7. Take the 2nd right onto E Carriageway. <a href="#">Map</a>  | <b>0.09 Mi</b><br><i>22.1 Mi Total</i> |
|  | 8. 17524 E CARRIAGEWAY DR. <a href="#">Map</a>   |  |

**B** 17524 E Carriageway Dr, Hazel Crest, IL 60429-2187

**Total Travel Estimate: 22.14 miles - about 26 minutes**

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Trip to:  
**3825 Highland Ave**  
 Downers Grove, IL 60515-1552  
 20.54 miles / 27 minutes

Notes

TO FRESENIUS MEDICAL CARE DOWNERS GROVE

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                                 |
|--|---|---------------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                                   | <b>1.4 Mi</b><br>1.4 Mi Total   |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a>             | <b>14.3 Mi</b><br>15.7 Mi Total |
|  | 3. Merge onto I-88 E / IL-110 E / Chicago-Kansas City Expy / Ronald Reagan Memorial Tollway toward Chicago (Portions toll). <a href="#">Map</a> | <b>3.6 Mi</b><br>19.3 Mi Total  |
|  | 4. Take the Highland Ave exit. <a href="#">Map</a>  | <b>0.3 Mi</b><br>19.6 Mi Total  |
|  | 5. Keep right to take the ramp toward Good Samaritan Hospital / Midwestern College / Keller College. <a href="#">Map</a>                        | <b>0.02 Mi</b><br>19.6 Mi Total |
|  | 6. Merge onto Highland Ave. <a href="#">Map</a>   | <b>1.0 Mi</b><br>20.5 Mi Total  |
|  | 7. 3825 HIGHLAND AVE is on the left. <a href="#">Map</a>  |                                 |

**B** 3825 Highland Ave, Downers Grove, IL 60515-1552

Total Travel Estimate: **20.54 miles - about 27 minutes**

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Trip to:  
**100 Spalding Dr**  
 Naperville, IL 60540-6550  
 18.88 miles / 28 minutes

Notes

TO FRESENIUS MEDICAL CARE NAPERVILLE

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                          |
|--|---|--------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | 1.4 Mi<br>1.4 Mi Total   |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | 10.5 Mi<br>11.8 Mi Total |
|  | 3. Take the 75th St exit. <a href="#">Map</a>   | 0.4 Mi<br>12.2 Mi Total  |
|  | 4. Turn left onto 75th St. <a href="#">Map</a>  | 4.9 Mi<br>17.1 Mi Total  |
|  | 5. Turn right onto S Washington St. <a href="#">Map</a>   | 1.3 Mi<br>18.4 Mi Total  |
|  | 6. Turn left onto Osler Dr. <a href="#">Map</a>   | 0.3 Mi<br>18.7 Mi Total  |
|  | 7. Turn right onto Brom Dr. <a href="#">Map</a>   | 0.1 Mi<br>18.8 Mi Total  |
|  | 8. Turn right onto Spalding Dr. <a href="#">Map</a>   | 0.06 Mi<br>18.9 Mi Total |
|  | 9. 100 SPALDING DR is on the left. <a href="#">Map</a>  |                          |

**B** 100 Spalding Dr, Naperville, IL 60540-6550

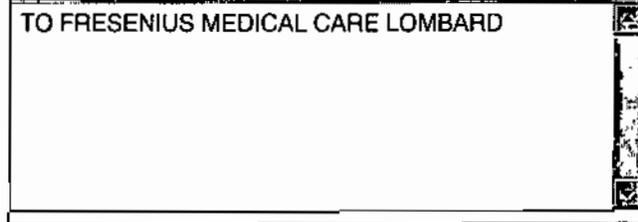
Total Travel Estimate: 18.88 miles - about 28 minutes

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Trip to:  
**1940 Springer Dr**  
 Lombard, IL 60148-6419  
 20.50 miles / 28 minutes

Notes



**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                          |
|--|---|--------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | 1.4 Mi<br>1.4 Mi Total   |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | 17.2 Mi<br>18.6 Mi Total |
|  | 3. Take the IL-56 / Butterfield Rd exit. <a href="#">Map</a>  | 0.6 Mi<br>19.2 Mi Total  |
|  | 4. Merge onto IL-56 E / Butterfield Rd toward Oak Brook. <a href="#">Map</a>  | 0.2 Mi<br>19.3 Mi Total  |
|  | 5. Turn left onto Finley Rd. <a href="#">Map</a>  | 0.9 Mi<br>20.2 Mi Total  |
|  | 6. Turn left onto Foxworth Blvd. <a href="#">Map</a>  | 0.1 Mi<br>20.4 Mi Total  |
|  | 7. Turn right onto Springer Dr. <a href="#">Map</a>   | 0.1 Mi<br>20.5 Mi Total  |
|  | 8. 1940 SPRINGER DR is on the left. <a href="#">Map</a>   |                          |

**B** 1940 Springer Dr, Lombard, IL 60148-6419

Total Travel Estimate: 20.50 miles - about 28 minutes

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Trip to:  
**3470 W 183rd St**  
 Hazel Crest, IL 60429-2428  
 23.20 miles / 28 minutes

Notes

TO DAVITA HAZEL CREST

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |  |
|--|---|--|
|  | 1. Start out going <b>east</b> on <b>IL-7 / E 9th St</b> toward <b>Thornton St</b> . Continue to follow <b>IL-7 E</b> . <a href="#">Map</a> | <b>1.2 Mi</b><br><i>1.2 Mi Total</i>   |
|  | 2. Merge onto <b>I-355 S / Veterans Memorial Tollway</b> toward <b>SouthWest Suburbs</b> (Portions toll). <a href="#">Map</a>               | <b>4.7 Mi</b><br><i>5.9 Mi Total</i>   |
|  | 3. Merge onto <b>I-80 E</b> via the exit on the <b>left</b> toward <b>Indiana</b> . <a href="#">Map</a>                                     | <b>15.0 Mi</b><br><i>20.9 Mi Total</i> |
|  | 4. Take the <b>Kedzie Ave</b> exit, <b>EXIT 154</b> . <a href="#">Map</a>   | <b>0.2 Mi</b><br><i>21.1 Mi Total</i>  |
|  | 5. Turn <b>right</b> onto <b>Kedzie Ave</b> . <a href="#">Map</a>   | <b>1.7 Mi</b><br><i>22.9 Mi Total</i>  |
|  | 6. Turn <b>right</b> onto <b>183rd St</b> . <a href="#">Map</a>   | <b>0.3 Mi</b><br><i>23.2 Mi Total</i>  |
|  | 7. <b>3470 W 183RD ST</b> is on the <b>right</b> . <a href="#">Map</a>  |  |

**B** 3470 W 183rd St, Hazel Crest, IL 60429-2428

Total Travel Estimate: **23.20 miles - about 28 minutes**

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Trip to:  
**14255 Cicero Ave**  
 Crestwood, IL 60445-2154  
 17.97 miles / 30 minutes

Notes

TO DIRECT DIALYSIS

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                                |
|--|---|--------------------------------|
|  | 1. Start out going <b>east</b> on <b>IL-7 / E 9th St</b> toward <b>Thornton St</b> . Continue to follow <b>IL-7 E</b> . <a href="#">Map</a> | <b>7.5 Mi</b><br>7.5 Mi Total  |
|  | 2. Stay <b>straight</b> to go onto <b>W 159th St / US-6</b> . <a href="#">Map</a>   | <b>5.0 Mi</b><br>12.5 Mi Total |
|  | 3. Turn <b>left</b> onto <b>S Harlem Ave / IL-43 N</b> . <a href="#">Map</a>  | <b>2.0 Mi</b><br>14.6 Mi Total |
|  | 4. Turn <b>right</b> onto <b>143rd St</b> . <a href="#">Map</a>   | <b>1.5 Mi</b><br>16.1 Mi Total |
|  | 5. <b>143rd St</b> becomes <b>Midlothian Turnpike</b> . <a href="#">Map</a>   | <b>1.5 Mi</b><br>17.6 Mi Total |
|  | 6. Turn <b>right</b> onto <b>Cicero Ave / IL-50 / IL-83</b> . <a href="#">Map</a>   | <b>0.4 Mi</b><br>18.0 Mi Total |
|  | 7. <b>14255 CICERO AVE</b> is on the <b>left</b> . <a href="#">Map</a>  |                                |

**B** 14255 Cicero Ave, Crestwood, IL 60445-2154

Total Travel Estimate: **17.97 miles - about 30 minutes**

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Trip to:  
**516 W 5th Ave**  
 Naperville, IL 60563-2901  
 20.25 miles / 32 minutes

Notes

TO FRESENIUS MEDICAL CARE NAPERVILLE  
 NORTH

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |   |   |                          |
|---|---|--------------------------|
|   | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | 1.4 Mi<br>1.4 Mi Total   |
|    | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | 10.5 Mi<br>11.8 Mi Total |
|    | 3. Take the 75th St exit. <a href="#">Map</a>   | 0.4 Mi<br>12.2 Mi Total  |
|    | 4. Turn left onto 75th St. <a href="#">Map</a>  | 4.9 Mi<br>17.1 Mi Total  |
|    | 5. Turn right onto S Washington St. <a href="#">Map</a>   | 2.6 Mi<br>19.7 Mi Total  |
|   | 6. Turn left onto W Spring Ave. <a href="#">Map</a>   | 0.3 Mi<br>20.0 Mi Total  |
|  | 7. Take the 3rd right onto N Mill St. <a href="#">Map</a>   | 0.2 Mi<br>20.2 Mi Total  |
|  | 8. Take the 1st left onto W 5th Ave. <a href="#">Map</a>  | 0.04 Mi<br>20.2 Mi Total |
|   | 9. 516 W 5TH AVE is on the left. <a href="#">Map</a>  |                          |

**B** 516 W 5th Ave, Naperville, IL 60563-2901

Total Travel Estimate: 20.25 miles - about 32 minutes

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Trip to:  
**2400 Wolf Rd**  
 Westchester, IL 60154-5625  
 23.26 miles / 32 minutes

Notes

TO FRESENIUS MEDICAL CARE WESTCHESTER

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                         |
|--|---|-------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | 1.4 MI<br>1.4 Mi Total  |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | 7.3 MI<br>8.7 Mi Total  |
|  | 3. Merge onto I-55 N toward Chicago. <a href="#">Map</a>  | 7.7 MI<br>16.3 Mi Total |
|  | 4. Take EXIT 277A toward I-294 N / Wisconsin. <a href="#">Map</a>   | 1.5 MI<br>17.8 Mi Total |
|  | 5. Merge onto I-294 N via the exit on the left toward Tri-State / Wisconsin (Portions toll). <a href="#">Map</a>                    | 2.9 MI<br>20.7 Mi Total |
|  | 6. Merge onto US-34 E / Ogden Ave. <a href="#">Map</a>  | 1.0 MI<br>21.6 Mi Total |
|  | 7. Turn left onto Wolf Rd. <a href="#">Map</a>  | 1.6 MI<br>23.3 Mi Total |
|  | 8. 2400 WOLF RD is on the left. <a href="#">Map</a>   |                         |

**B** 2400 Wolf Rd, Westchester, IL 60154-5625

Total Travel Estimate: 23.26 miles - about 32 minutes

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MapQuest Travel Times  
 APPENDIX - 1



Trip to:  
**4861 Cal Sag Rd**  
 Crestwood, IL 60445-4415  
 20.15 miles / 32 minutes

Notes

TO FRESENIUS MEDICAL CARE CRESTWOOD

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                                |
|--|---|--------------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | <b>1.4 Mi</b><br>1.4 Mi Total  |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | <b>1.7 Mi</b><br>3.1 Mi Total  |
|  | 3. Take the 143rd Street exit toward IL-171 / Archer Ave. <a href="#">Map</a>   | <b>0.3 Mi</b><br>3.4 Mi Total  |
|  | 4. Merge onto Archer Ave / IL-171 N via the ramp on the left toward Lockport. <a href="#">Map</a>                                   | <b>6.2 Mi</b><br>9.6 Mi Total  |
|  | 5. Turn right onto IL-83 / 111th St. Continue to follow IL-83. <a href="#">Map</a>  | <b>9.7 Mi</b><br>19.3 Mi Total |
|  | 6. Stay straight to go onto Cal Sag Rd. <a href="#">Map</a>   | <b>0.8 Mi</b><br>20.1 Mi Total |
|  | 7. 4861 CAL SAG RD is on the right. <a href="#">Map</a>   |                                |

**B** 4861 Cal Sag Rd, Crestwood, IL 60445-4415

Total Travel Estimate: 20.15 miles - about 32 minutes

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Trip to:  
**133 E Brush Hill Rd**  
 Elmhurst, IL 60126-5658  
 25.51 miles / 33 minutes

Notes

TO FRESENIUS MEDICAL CARE ELMHURST

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                          |
|--|---|--------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                                   | 1.4 Mi<br>1.4 Mi Total   |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a>             | 14.3 Mi<br>15.7 Mi Total |
|  | 3. Merge onto I-88 E / IL-110 E / Chicago-Kansas City Expy / Ronald Reagan Memorial Tollway toward Chicago (Portions toll). <a href="#">Map</a> | 8.1 Mi<br>23.8 Mi Total  |
|  | 4. Take the I-294 S exit toward Indiana. <a href="#">Map</a>  | 0.3 Mi<br>24.2 Mi Total  |
|  | 5. Take the York Rd exit. <a href="#">Map</a>   | 0.2 Mi<br>24.4 Mi Total  |
|  | 6. Turn right onto York Rd. <a href="#">Map</a>   | 0.8 Mi<br>25.2 Mi Total  |
|  | 7. Turn left onto E Brush Hill Rd. <a href="#">Map</a>  | 0.3 Mi<br>25.5 Mi Total  |
|  | 8. 133 E BRUSH HILL RD. <a href="#">Map</a>   |                          |

**B** 133 E Brush Hill Rd, Elmhurst, IL 60126-5658

Total Travel Estimate: 25.51 miles - about 33 minutes

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Trip to:  
**12250 S Cicero Ave**  
 Alsip, IL 60803-2946  
 20.64 miles / 33 minutes

Notes

TO FRESENIUS MEDICAL CARE ALSIP

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                                       |
|--|---|---------------------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7<br>E. <a href="#">Map</a>                    | <b>1.4 Mi</b><br><i>1.4 Mi Total</i>  |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | <b>1.7 Mi</b><br><i>3.1 Mi Total</i>  |
|  | 3. Take the 143rd Street exit toward IL-171 / Archer Ave. <a href="#">Map</a>   | <b>0.3 Mi</b><br><i>3.4 Mi Total</i>  |
|  | 4. Merge onto Archer Ave / IL-171 N via the ramp on the left toward Lockport. <a href="#">Map</a>                                   | <b>6.2 Mi</b><br><i>9.6 Mi Total</i>  |
|  | 5. Turn right onto IL-83 / 111th St. Continue to follow IL-83. <a href="#">Map</a>  | <b>9.7 Mi</b><br><i>19.3 Mi Total</i> |
|  | 6. Turn slight left onto W 127th St / IL-83. <a href="#">Map</a>  | <b>0.7 Mi</b><br><i>20.0 Mi Total</i> |
|  | 7. Turn left onto IL-50 N / S Cicero Ave. <a href="#">Map</a>   | <b>0.6 Mi</b><br><i>20.6 Mi Total</i> |
|  | 8. 12250 S CICERO AVE is on the left. <a href="#">Map</a>   |                                       |

**B** 12250 S Cicero Ave, Alsip, IL 60803-2946

Total Travel Estimate: 20.64 miles - about 33 minutes

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Trip to:  
**12200 Western Ave**  
 Blue Island, IL 60406-1398  
 28.26 miles / 35 minutes

Notes

TO FRESENIUS MEDICAL CARE BLUE ISLAND

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                          |
|--|---|--------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>   | 1.2 Mi<br>1.2 Mi Total   |
|  | 2. Merge onto I-355 S / Veterans Memorial Tollway toward SouthWest Suburbs (Portions toll). <a href="#">Map</a> | 4.7 Mi<br>5.9 Mi Total   |
|  | 3. Merge onto I-80 E via the exit on the left toward Indiana. <a href="#">Map</a>                               | 12.2 Mi<br>18.1 Mi Total |
|  | 4. Merge onto I-57 N via EXIT 151B on the left toward Chicago. <a href="#">Map</a>                              | 8.4 Mi<br>26.5 Mi Total  |
|  | 5. Take EXIT 353 toward 127th St / Burr Oak Ave. <a href="#">Map</a>  | 0.2 Mi<br>26.6 Mi Total  |
|  | 6. Turn slight left onto S Marshfield Ave. <a href="#">Map</a>  | 0.09 Mi<br>26.7 Mi Total |
|  | 7. Take the 1st left onto W 127th St / W Burr Oak Ave. <a href="#">Map</a>                                      | 0.9 Mi<br>27.6 Mi Total  |
|  | 8. Turn right onto Western Ave. <a href="#">Map</a>   | 0.6 Mi<br>28.3 Mi Total  |
|  | 9. 12200 WESTERN AVE is on the left. <a href="#">Map</a>  |                          |

**B** 12200 Western Ave, Blue Island, IL 60406-1398

Total Travel Estimate: 28.26 miles - about 35 minutes

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Trip to:  
**6201 W 63rd St**  
 Chicago, IL 60638-5009  
 25.76 miles / 36 minutes

Notes

TO FRESENIUS MEDICAL CARE MIDWAY

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                          |
|--|---|--------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>                       | 1.4 MI<br>1.4 Mi Total   |
|  | 2. Merge onto I-355 N / Veterans Memorial Tollway via the ramp on the left toward West Suburbs (Portions toll). <a href="#">Map</a> | 7.3 MI<br>8.7 Mi Total   |
|  | 3. Merge onto I-55 N toward Chicago. <a href="#">Map</a>  | 14.0 MI<br>22.6 Mi Total |
|  | 4. Take the IL-43 / Harlem Ave exit, EXIT 283. <a href="#">Map</a>  | 0.3 MI<br>22.9 Mi Total  |
|  | 5. Turn right onto IL-43 S / S Harlem Ave. <a href="#">Map</a>  | 1.3 MI<br>24.3 Mi Total  |
|  | 6. Turn slight right onto W 63rd St. <a href="#">Map</a>  | 0.2 MI<br>24.4 Mi Total  |
|  | 7. Turn left to stay on W 63rd St. <a href="#">Map</a>  | 1.3 MI<br>25.8 Mi Total  |
|  | 8. 6201 W 63RD ST is on the right. <a href="#">Map</a>  |                          |

**B** 6201 W 63rd St, Chicago, IL 60638-5009

Total Travel Estimate: 25.76 miles - about 36 minutes

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Trip to:  
**3053 W 159th St**  
 Harvey, IL 60428-4003  
 22.34 miles / 26 minutes

Notes

TO DAVITA MARKHAM

**A** 1165 E 9th St, Lockport, IL 60441-3219

- 

	1. Start out going <b>east</b> on <b>IL-7 / E 9th St</b> toward <b>Thornton St</b> . Continue to follow <b>IL-7</b>	<b>1.2 Mi</b>
	<b>E</b> . <a href="#">Map</a>	<i>1.2 Mi Total</i>

---

- 

	2. Merge onto <b>I-355 S / Veterans Memorial Tollway</b> toward <b>SouthWest Suburbs</b>	<b>4.7 Mi</b>
	(Portions toll). <a href="#">Map</a>	<i>5.9 Mi Total</i>

---

- 

	3. Merge onto <b>I-80 E</b> via the exit on the <b>left</b> toward <b>Indiana</b> . <a href="#">Map</a>	<b>12.2 Mi</b>
		<i>18.1 Mi Total</i>

---

- 

	4. Merge onto <b>I-57 N</b> via <b>EXIT 151B</b> on the <b>left</b> toward <b>Chicago</b> . <a href="#">Map</a>	<b>3.0 Mi</b>
		<i>21.1 Mi Total</i>

---

- 

	5. Merge onto <b>W 159th St / US-6 E</b> via <b>EXIT 348</b> . <a href="#">Map</a>	<b>1.3 Mi</b>
		<i>22.3 Mi Total</i>

---

- 6. **3053 W 159TH ST** is on the **right**. [Map](#)

**B** 3053 W 159th St, Harvey, IL 60428-4003

**Total Travel Estimate: 22.34 miles - about 26 minutes**

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Trip to:  
**16136 S Park Ave**  
 South Holland, IL 60473-1511  
 27.07 miles / 36 minutes

Notes

TO DAVITA SOUTH HOLLAND

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |   |                          |
|--|---|--------------------------|
|  | 1. Start out going east on IL-7 / E 9th St toward Thornton St. Continue to follow IL-7 E. <a href="#">Map</a>   | 1.2 Mi<br>1.2 Mi Total   |
|  | 2. Merge onto I-355 S / Veterans Memorial Tollway toward SouthWest Suburbs (Portions toll). <a href="#">Map</a> | 4.7 Mi<br>5.9 Mi Total   |
|  | 3. Merge onto I-80 E via the exit on the left toward Indiana. <a href="#">Map</a>                               | 15.7 Mi<br>21.6 Mi Total |
|  | 4. Merge onto I-294 N via EXIT 155 on the left toward Wisconsin (Portions toll). <a href="#">Map</a>            | 1.4 Mi<br>23.0 Mi Total  |
|  | 5. Merge onto US-6 E. <a href="#">Map</a>   | 4.0 Mi<br>27.0 Mi Total  |
|  | 6. Turn left onto S Park Ave. <a href="#">Map</a>   | 0.08 Mi<br>27.1 Mi Total |
|  | 7. 16136 S PARK AVE is on the left. <a href="#">Map</a>   |                          |

**B** 16136 S Park Ave, South Holland, IL 60473-1511

Total Travel Estimate: 27.07 miles - about 36 minutes

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Trip to:  
**11650 S Kedzie Ave**  
 Merrionette Park, IL 60803-6302  
 27.78 miles / 37 minutes

Notes

TO FRESENIUS MEDICAL CARE MERRIONETTE PARK

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |  |                                 |
|--|--|---------------------------------|
|  | 1. Start out going east on <b>IL-7 / E 9th St</b> toward Thornton St. Continue to follow <b>IL-7 E</b> . <a href="#">Map</a> | <b>1.2 Mi</b><br>1.2 Mi Total   |
|  | 2. Merge onto <b>I-355 S / Veterans Memorial Tollway</b> toward SouthWest Suburbs (Portions toll). <a href="#">Map</a>       | <b>4.7 Mi</b><br>5.9 Mi Total   |
|  | 3. Merge onto <b>I-80 E</b> via the exit on the left toward Indiana. <a href="#">Map</a>                                     | <b>12.2 Mi</b><br>18.1 Mi Total |
|  | 4. Merge onto <b>I-57 N</b> via <b>EXIT 151B</b> on the left toward Chicago. <a href="#">Map</a>                             | <b>3.0 Mi</b><br>21.1 Mi Total  |
|  | 5. Merge onto <b>W 159th St / US-6 E</b> via <b>EXIT 348</b> . <a href="#">Map</a>   | <b>1.1 Mi</b><br>22.2 Mi Total  |
|  | 6. Turn left onto <b>Kedzie Ave</b> . <a href="#">Map</a>  | <b>5.6 Mi</b><br>27.8 Mi Total  |
|  | 7. <b>11650 S KEDZIE AVE</b> is on the left. <a href="#">Map</a>   |                                 |

**B** 11650 S Kedzie Ave, Merrionette Park, IL 60803-6302

Total Travel Estimate: **27.78 miles - about 37 minutes**

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Trip to:  
**3401 W 111th St**  
 Chicago, IL 60655-3329  
 22.26 miles / 38 minutes

Notes

TO DAVITA MT GREENWOOD

**A** 1165 E 9th St, Lockport, IL 60441-3219

- |  |  |                                |
|--|--|--------------------------------|
|  | 1. Start out going <b>east</b> on <b>IL-7 / E 9th St</b> toward <b>Thornton St</b> . Continue to follow <b>IL-7 E</b> . <a href="#">Map</a>              | <b>1.4 Mi</b><br>1.4 Mi Total  |
|  | 2. Merge onto <b>I-355 N / Veterans Memorial Tollway</b> via the ramp on the <b>left</b> toward <b>West Suburbs</b> (Portions toll). <a href="#">Map</a> | <b>1.7 Mi</b><br>3.1 Mi Total  |
|  | 3. Take the <b>143rd Street</b> exit toward <b>IL-171 / Archer Ave</b> . <a href="#">Map</a>   | <b>0.3 Mi</b><br>3.4 Mi Total  |
|  | 4. Merge onto <b>Archer Ave / IL-171 N</b> via the ramp on the <b>left</b> toward <b>Lockport</b> . <a href="#">Map</a>                                  | <b>6.2 Mi</b><br>9.6 Mi Total  |
|  | 5. Turn <b>right</b> onto <b>IL-83 / 111th St</b> . Continue to follow <b>IL-83</b> . <a href="#">Map</a>  | <b>6.2 Mi</b><br>15.8 Mi Total |
|  | 6. Turn <b>left</b> onto <b>SouthWest Hwy / IL-7</b> . <a href="#">Map</a>   | <b>1.1 Mi</b><br>16.9 Mi Total |
|  | 7. Turn <b>right</b> onto <b>W 111th St</b> . <a href="#">Map</a>  | <b>5.3 Mi</b><br>22.3 Mi Total |
|  | 8. <b>3401 W 111TH ST</b> is on the <b>right</b> . <a href="#">Map</a>   |                                |

**B** 3401 W 111th St, Chicago, IL 60655-3329

Total Travel Estimate: **22.26 miles - about 38 minutes**

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June 7, 2012

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

Dear Ms. Avery,

As a nephrologist with Southwest Nephrology Associates, SC (SWNA) and as Medical Director of the Fresenius Crestwood dialysis clinic, I am writing to support the proposed 12 station Fresenius Medical Care Lockport facility, which was previously approved by this Board in December 2009. I have been practicing in the south suburbs for 32 years and have privileges at Little Company of Mary, Palos Community and Christ hospitals. I consistently refer ESRD patients to Fresenius Orland Park, Merrionette Park and Crestwood.

SWNA had 450 in-center hemodialysis patients at the end of 2009, 468 at the end of 2010 and 507 at the end of 2011 as reported to The Renal Network. As of the 1<sup>st</sup> quarter, 2012 SWNA was treating 517 in-center hemodialysis patients. This represents an 8% growth rate for 2011 and 15% overall from 2009 to the first quarter in 2012. Over the past twelve months, the 9 physicians who comprise SWNA have collectively referred 176 patients for dialysis services to Fresenius Alsip, Crestwood, Mokena, Orland Park, Merrionette Park, Southside, DaVita Beverly and Newco Scottsdale. SWNA currently has 118 pre ESRD patients that would likely be referred to Fresenius Lockport within 24 months of the completion of the facility. Due to death, transplant, moving or other reasons I expect that approximately 83 of these patients to actually begin dialysis at this facility. This does not include those patients that present in the emergency room in renal failure who may also be referred to the Lockport facility based upon their place of residence. SWNA also has approximately 39 home dialysis patients, and 8 nursing home patients.

I find it unfortunate that the dialysis patients who reside in and near Lockport have had their anticipated access to treatment delayed by the inability of a developer to construct the building for the clinic and the subsequent denial of the proposed replacement facility across the street. I urge the Board to prevent further delay by once again approving a dialysis facility for our Lockport patients. Thank you for your consideration.

I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other CON application.

Sincerely,

Ronald Hamburger  
Ronald Hamburger, M.D.

Notarization:

Subscribed and sworn to before me  
this 7<sup>th</sup> day of June, 2012

Wendy Prendergast  
Signature of Notary

Seal



**PRE-ESRD PATIENTS SWNA EXPECTS TO REFER TO FRESENIUS  
MEDICAL CARE LOCKPORT IN THE 1<sup>ST</sup> 2 YEARS (24 MONTHS)  
AFTER PROJECT COMPLETION**

Zip Code	Akash Ahuja	Hani Alsharif	Kelly Guglielmi	Ronald Hamburger	Jeanette McLaughlin	Ejikeme Obasi	Chris Sutich	Abraham Thomas	Total
60439	1	5	1	13	1	1		8	30
60440					1	1			2
60441		5	5	2	3			4	19
60446		1	1					1	3
60451	1	7	2	6				4	20
60491	1	13	4	13	2	1	2	8	44
<b>Total</b>	<b>3</b>	<b>31</b>	<b>13</b>	<b>34</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>25</b>	<b>118</b>

**Summary**

HSA	County	Town	Zip Code	Total
7	Cook	Lemont	60439	30
9	Will	Bolingbrook	60440	2
9	Will	Lockport	60441	19
9	Will	Romeoville	60446	3
9	Will	New Lenox	60451	20
9	Will	Homer Glen	60491	44
			<b>Total</b>	<b>118</b>

**NEW REFERRALS OF SWNA FOR THE PAST TWELVE MONTHS**  
**05/01/2011 THROUGH 04/30/2012**

Zip Code	Fresenius Medical Care						Newco Scottsdale	DaVita Beverly	Total
	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside			
60406		2	1						3
60409		1	1						2
60423		1		2					3
60426		1							1
60428		2							2
60430		1							1
60441				1					1
60443			1	1					2
60445		8			1				9
60446					1				1
60448				2					2
60449				1					1
60451				2					2
60452		3		1	4				8
60453	1	4	1	2		1	5		14
60455		1					3		4
60456		1					1		2
60457		3					1		4
60458							1		1
60459		1					1		2
60461							1		1
60462					11				11
60463	1	3	1		1		1		7
60464		2			1				3
60465		6	1						7
60467				2					2
60472		1	1						2
60477				2	1				3
60478		1			1				2
60482		4			1				5
60487		1		1	1				3
60491				1					1
60534							1		1
60617						1		1	2
60619						1		1	2
60620			3			3	2	1	9
60628		1	5			1	1		8
60629			1			2	2	1	6
60633			1						1
60636		3					2		5
60638							2		2
60643			4						4
60644						1			1
60652			1				7		8
60655	1	1	2						4
60803		3	1						4
60804							1		1
60805		1	2						3
60827		1							1
62846							1		1
64831							1		1
Total	3	57	27	18	23	10	34	4	176

**PATIENTS OF SWNA AT YEAR END 2009**

Zip Code	Fresenius Medical Care						DSI Scottsdale	DaVita Mt. Greenwood	Total
	Merrionette Park	Crestwood	Orland Park	Southside	Mokena	Alsip			
60153	1								1
60406	2	7							9
60409	1								1
60411		1							1
60415	1	4					1		6
60416					1				1
60419	3								3
60422		1							1
60423			1		7				8
60425		1					1		2
60426		4							4
60428		1							1
60429	1								1
60431		1							1
60438		1					1		2
60441		1	2		1				4
60445	1	10							11
60446			1						1
60447		1							1
60448			1		6				7
60449					1				1
60451					1				1
60452		8	1			1	1		11
60453	5	8				1	13	2	29
60455	1	1					4		6
60456							3		3
60457		1					3		4
60459	2						9		11
60462		2	19		1				22
60463	2	4	4				1		11
60464		1							1
60465	1	7	2				1		11
60467			5						5
60469		1							1
60471					1				1
60472		3							3
60473							1		1
60477		3	12		7				22
60482	1	5	1						7
60487			1		1				2
60491			3						3
60609		1							1
60616		1							1
60617	1	1					3		5
60619	2						7	1	10
60620	10	2		1			34	2	49
60621	1			2			2		5
60627		1							1
60628	10	4					4		18
60629	1			3			17	1	22
60632							6		6
60636	1			3			6	1	11
60638							8		8
60639							1		1
60643	14	3					6	1	24
60647							1		1
60649		1					1		2
60652	2	5					15		22
60653				1					1
60655	9	2						1	12
60803	4	5							9
60804			1				1		2
60805	7	1		1			3		12
60827	2	3							5
<b>Total</b>	<b>86</b>	<b>107</b>	<b>54</b>	<b>11</b>	<b>27</b>	<b>2</b>	<b>154</b>	<b>9</b>	<b>450</b>

**PATIENTS OF SWNA AT YEAR END 2010**

Zip Code	Fresenius Medical Care					OSI	DaVita	Total
	Merrionette Park	Crestwood	Orland Park	Southside	Mokena	Scottsdale	Mt. Greenwood	
46375					1			1
60406	3	7						10
60409	1							1
60411		1						1
60415		6				1		7
60416					1			1
60419	3							3
60422		1						1
60423					6			6
60425						1		1
60426		3						3
60428		1						1
60429		1						1
60430		1						1
60431		1						1
60438		1				1		2
60439			1					1
60441		1	3		1			5
60445	1	13						14
60448			1		5			6
60449			1		1			2
60451					3			3
60452		6	1					7
60453	7	7				12	1	27
60455		1				8		9
60456						3		3
60457		1	1			3		5
60458						1		1
60459	2					11		13
60462		2	20		1			23
60463	1	5	3			1	2	12
60464	1	1	1					3
60465	1	6	1					8
60466	1							1
60467			6		2			8
60469		2						2
60471					1			1
60472		3						3
60477		3	7		7			17
60478		1						1
60482	1	5	1					7
60487			1		3			4
60491			1					1
60609		1						1
60617	1	1				3		5
60619	1					7		8
60620	7	2		6		33	2	50
60621	1			2	1	2		6
60627		1						1
60628	13	4				4	1	22
60629	1			3		19	1	24
60632						4		4
60636				3		7	1	11
60638						7		7
60639						1		1
60643	18	6				6	1	31
60647						1		1
60649		1						1
60652	1	4				16		21
60653		1		1				2
60655	7	2			1		1	11
60803	5	3			1		1	10
60804			1			1		2
60805	10			1		3		14
60827	4	2				1		7
<b>Total</b>	<b>91</b>	<b>108</b>	<b>50</b>	<b>16</b>	<b>35</b>	<b>157</b>	<b>11</b>	<b>468</b>

**PATIENTS OF SWNA AT YEAR END 2011**

Zip Code	Fresenius Medical Care							Newco	DaVita		Total
	Alsip	Crestwood	Evergreen Park	Merrionette Park	Mokena	Orland Park	South Side	Scottsdale	Beverly	Mt. Greenwood	
60406		1		4							5
60409				2		1					3
60411		1									1
60415		2						2			4
60419				2							2
60423					4	1					5
60425								1			1
60426		4									4
60428		2									2
60429		1									1
60431		1									1
60435						1					1
60438		1						1			2
60439						1					1
60441						3					3
60443				1							1
60445		14				1		1		1	17
60446					1	1					2
60448					8	1					9
60449					1	1					2
60451					2						2
60452	1	9		1		2					13
60453	1	7		6	1		1	14			30
60455		1						2			3
60456								2			2
60457		3				1		3			7
60459								9			9
60462		1			3	21					25
60463		5		1		4				1	11
60464		3				1					4
60465		8		1		1					10
60466					1						1
60467					4	6					10
60469		2									2
60471		1			1						2
60472		3		1							4
60477		2		1	4	6					13
60482		10			1	1					12
60487					2						2
60491						2					2
60517					1						1
60543				1							1
60609		1		1							2
60617		1		1				2	1		5
60619								7			7
60620				10			6	29	1	3	51
60621				2	1			1			4
60625				1							1
60627				1							1
60628		5		14			1	8	1	1	30
60629				1			5	25			31
60632								4			4
60633				1							1
60636		2		2				8		1	16
60638								10			10
60639								1			1
60643		2		19				6		1	28
60649		1						1			2
60652		1	1	4			1	28			35
60653		1									1
60655		1		7	1					1	10
60803		5		4							9
60804								1			1
60805				10			1	3			14
60827		4		2	1			1			8
Total	2	106	1	101	37	56	22	170	3	9	507

**PATIENTS OF SWNA AS OF MARCH 31, 2012**

Zip Code	Fresenius Medical Care						Newco Scottsdale	DaVita		Total
	Alsip	Crestwood	Merrionette Park	Mokena	Oriand Park	Southside		Beverly	MT. Greenwood	
60406		1	4							5
60409		1	2		1					4
60410		2					2			4
60411			2							2
60412				5	1					6
60413							1			1
60414		3								3
60415		2								2
60416		1								1
60417		1								1
60418		1								1
60419					1					1
60420		1					1			2
60421					1					1
60422				1	3					4
60423				1						1
60445		17			1		1	1		20
60446				1	1					2
60448				8	1					9
60449					1					1
60451				2						2
60452	1	9	1		4		1			16
60453	1	7	6	1		1	13			29
60455		1					3			4
60456		1					2			3
60457		3			1		3			7
60458							1			1
60459		1					8			9
60461							1			1
60462		1		2	22					25
60463		5	1	1	4					11
60464		4			2					6
60465		8			1					9
60466				1						1
60467				4	5					9
60469		2								2
60471		1		1						2
60472		4	1							5
60477		2	1	6	6					15
60482		3			1					10
60487				2						2
60491					2					2
60534							1			1
60543			1							1
60609		1	1							2
60617		1	1				1	1		4
60619						2	7	1		10
60620			11			9	30	1	3	54
60621			2	1			1			4
60625			1							1
60628		5	16			1	7	1	1	31
60629			1			5	24			30
60632							3			3
60633			1							1
60636		1	2			3	7		1	14
60638							10			10
60639							1			1
60643		1	20				6		1	28
60649		1					1			2
60652		1	4		1	1	27			34
60653		1								1
60655	1	1	5	1					1	9
60803		6	5							11
60804							1			1
60805		1	9			1	3			14
60827		4	2	1			1			8
<b>Total</b>	<b>3</b>	<b>112</b>	<b>100</b>	<b>39</b>	<b>60</b>	<b>23</b>	<b>168</b>	<b>4</b>	<b>8</b>	<b>517</b>