Fresenius Medical Care

RECEIVED
JAN 30 2009
STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

January 29, 2009

Mr. Alva Lambert
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36130-3025

Re: AL2007-34 Endeavor Dialysis

Dear Mr. Lambert,

Pursuant to Alabama State Health Planning and Development Agency 140-1-11-.07 Application for Extension regulation which dictates criteria for extension I respectfully submit State of Alabama Department of Public Health verification of approved final construction architectural plans as well as optioned property site for AL2007-34 Endeavour Dialysis. Included with this correspondence and referenced documents is formal extension request inclusive of requisite information.

If there are any questions regarding modification request or if additional information is required please contact my office at 256-536-1881.

Respectfully submitted,

Stephen Land
Fresenius Medical Care NA
Odyssey Area Manager

Fresenius Medical Care North America ♦ Dialysis Services
2327 Pansy Street Suite C Huntsville, AL 35801 256-536-1881 Fax: 256-536-0945

BHD-162
(8-77)
Revised (4-97)

RECEIVED
JAN 30 2009
STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

State Health Planning and Development Agency

Mailing address: Post Office Box 303025, Montgomery, Alabama 36130-3025
Street address: 100 North Union Street, Suite 870, Montgomery, Alabama 36104

APPLICATION FOR EXTENSION OF CERTIFICATE OF NEED

1. APPLICATION. Application is hereby made for a twelve (12) month extension of the Certificate of Need issued for the health facility described below. (All items must be completed in full before extension of Certificate of Need can be considered.)

2. PROJECT NUMBER AL2007-034	3. CERTIFICATE NUMBER 2220-ESRD	4. CERTIFICATE EXPIRES January 30, 2009

5. LEGAL NAME OF APPLICANT	6. ADDRESS OF APPLICANT
Fresenius Medical Care of Alabama, Inc. Dba, FMC Endeavour Dialysis	2327 Pansy Street, Suite C Huntsville, AL 35801
7. NAME OF PROPOSED FACILITY Fresenius Medical Care Endeavour Dialysis	8. LOCATION OF PROPOSED FACILITY Southeast Quarter of Section 29, Township 3 South, Range 1 West of the Huntsville Meridian, Madison Count, Alabama (See Exhibit 1)
9. TYPE OF FACILITY End Stage Renal Disease (ESRD)	10. ANTICIPATED DATE ON WHICH OBLIGATION IS EXPECTED TO OCCUR AND/OR CONSTRUCTION STARTED August 2009

11. ESTIMATED DATE CONSTRUCTION IS SCHEDULED FOR COMPLETION January 2010

12. BED CAPACITY

	Gen. Hosp.	Nursing Home SK	Nursing Home ICF	Psychiatric	Other X
Existing Bed Capacity	n/a	n/a	n/a	n/a	n/a
Beds provided by					
New Facility	n/a	n/a	n/a	n/a	n/a
Addition	n/a	n/a	n/a	n/a	n/a
Remodeling	n/a	n/a	n/a	n/a	n/a
Replacement	n/a	n/a	n/a	n/a	n/a
Capacity Upon Completion	n/a	n/a	n/a	n/a	15

13. ESTIMATED COST OF THE PROJECT	14. PROPOSED FINANCING OF THE PROJECT
Construction $227,000 Fixed Equipment $244,800 Movable Equipment $217,212 Arch. & Eng. $60,000 Site Improvements $ n/a Financing Charges $ n/a Total Cost $749,012	Total Estimated Cost $ DHEW Loan/Grant $ SBA Loan $ FHA Mortgage Insurance $ Private Financing $ Other (Specify) $ Accumulated Cash Reserves
13a. ATTACH COST ESTIMATE SIGNED BY PROJECT ARCHITECT (Required) See Exhibit 2	14a. ATTACH STATEMENT FROM FINANCING AGENCY(IES) OF LOAN FEASIBILITY (Required) See Exhibit 3
15. SITE INFORMATION (Check One) Acquired Option x See Exhibit 4 Under Construction Not Acquired	16. ARCHITECTURAL PROGRESS Architect Employed x See Exhibit 5 Schematic Drawings x See Exhibit 6 Working Drawings Advertised for Bids February 2009

BHD-162
Revised (4-97)

APPLICATION FOR EXTENSION OF CERTIFICATE OF NEED

17. BRIEF DESCRIPTION OF PROPOSED WORK. Include any proposed deletion, new or substantial change in the scope of the project as described in the Program Narrative submitted in support of the original Application.

See Exhibit 7

18. BUDGET AND UTILIZATION DATA. If there has been a material change in the estimated cost of the construction and/or operation of the facility (or if data were not submitted with the original application) it will be necessary to complete PART FIVE of the original application form.
Part Five attached: _x_ Yes _____ No

See Exhibit 8

19. COST CONTAINMENT. Attach Cost Containment Statement showing how the project will foster cost containment through improved efficiency and productivity, including promotion of cost-effective factors such as ambulatory care, preventive health care services, home health care, sharing of services with other facilities, and design and construction economies. See Exhibit 9

20. In submitting this Application, the Applicant:
Understands that extension of the Certificate will depend upon compliance with minimum criteria.
A. Needs of the Area as set forth in the up-dated Alabama State Health Plan.
B. 1. Site Procurement: Must have acquired or holds option to purchase. Site must be inspected and approved.
2. Architectural Progress: Must have approved working drawings.
3. Financial Status: Must present evidence that appropriate and necessary financing is final and immediately available.
4. Program Narrative: Must be updated to show change in scope of service.
5. Budget and Utilization Data: Must be on file and up-to-date. Maximum increase in costs and charges must be within Cost of Living Council guidelines.
6. Cost Containment: Satisfactory statement must be on file.
C. Understands that the Certificate if issued, will expire not more than twelve (12) months from date of issuance and will not be subject to further extension.
D. Agrees to notify Health Development, State Health Planning and Development Agency, if and when the project is abandoned or is placed under contract.
E. The Certificate of Need, if issued, is not transferrable and any action on the part of the Applicant to transfer or assign the Certificate of Need will render the Certificate of Need null and void.

21. SIGNATURE OF RESPONSIBLE OFFICER	22. TITLE OF OFFICER
	Area Manager
23. NAME OF RESPONSIBLE OFFICER	24. DATE
Stephen Land	01/29/2009

Attachments:
_X_ Cost Estimate
_X_ Statement from Financing Agency
_X_ Part Five Budget and Utilization Data
_X_ Cost Containment Statement

EXHIBIT 1

BOOK PAGE

1016 1029

Exhibit "A"

All that part of the Southeast Quarter of Section 29, Township 3 South, Range 1 West of the Huntsville Meridian, Madison County, Alabama more particularly described as commencing at the Southeast corner of said Section 29; Thence South 86 degrees 05 minutes West 840.72 feet, and North 01 degrees 52 minutes West 465.04 feet to the point of beginning; said point of beginning is further described as being on the West right-of-way of Sparkman Drive;

Thence from the point of beginning, along the West right-of-way of Sparkman Drive North 01 degrees 52 minutes West a distance of 398.96 feet to a point;

Thence leaving the West right-of-way of Sparkman Drive South 86 degrees 05 minutes 13 seconds West a distance of 365.00 feet to a point;

Thence South 03 degrees 55 minutes East, a distance of 398.73 feet to a point;

Thence North 86 degrees 05 minutes East a distance of 350.73 feet to the point of beginning and containing 3.27 acres more or less.

STATE OF ALA. MADISON CO
I CERTIFY THIS INSTRUMENT
WAS FILED ON

02 MAR 21 PM 3:30

RECORDED & $ ___ MTG TAX
$ ___ DEED TAX HAS BEEN
PAID ON THIS INSTRUMENT

JUDGE OF PROBATE

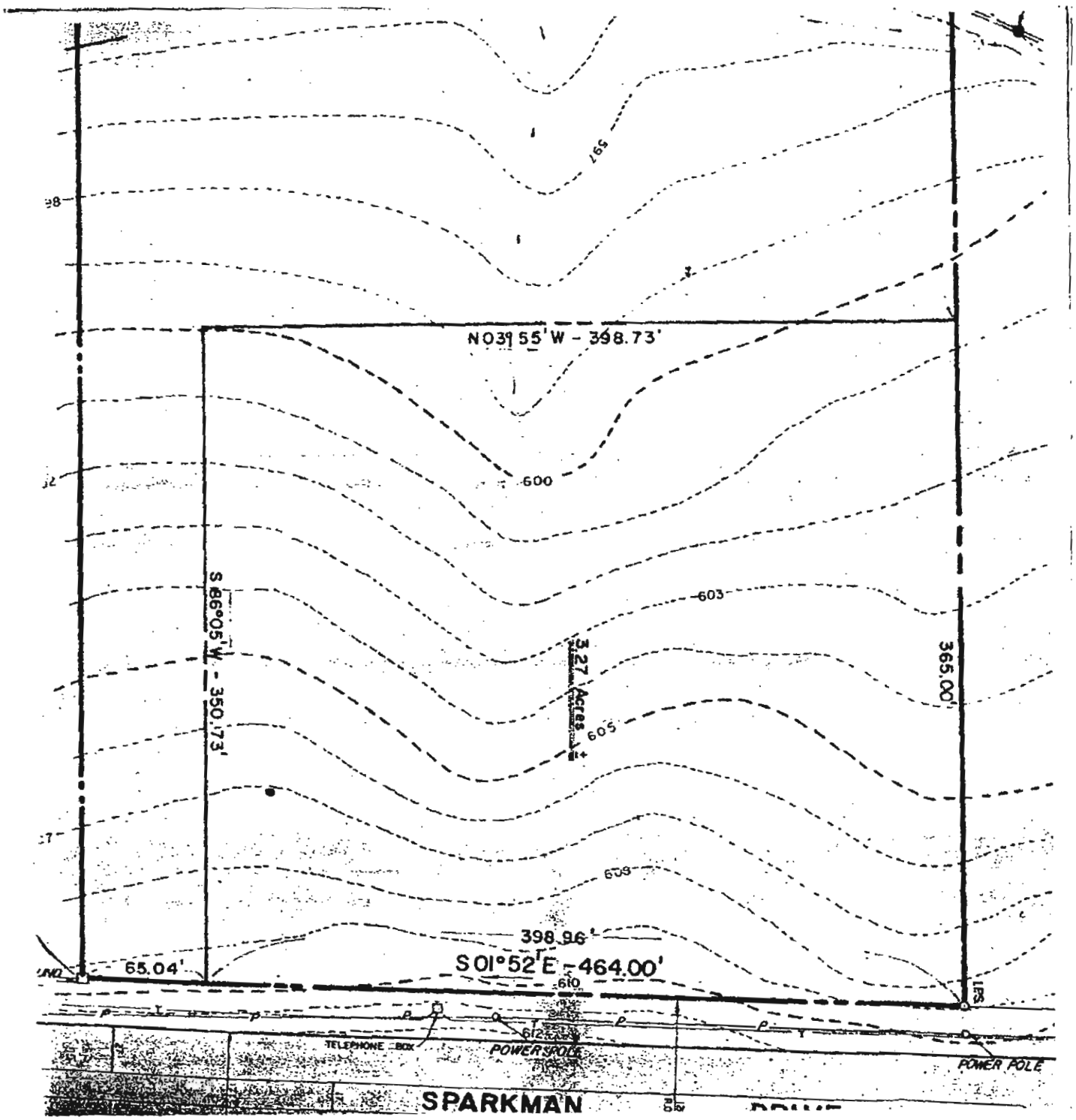

N03°55'W - 398.73'
597
600
603
605
609
610
612
S 86°05'W - 350.73'
3.27 Acres ±
365.00'
398.96'
S01°52'E - 464.00'
65.04'
TELEPHONE BOX
POWER POLE
POWER POLE
SPARKMAN

EXHIBIT 2

THE DESIGN GROUP-ARCHITECT

MATIN CONCEPTS, INC.
P.O. BOX 1177
942 SNAPPS FERRY ROAD
GREENEVILLE, TN 37744-1177
TELEPHONE 423.638.1616
FAX 423.638.8322
EMAIL jsmith@thedesigngrouparchitect.com

December 11, 2008

Alabama Department of Public Health
The RSA Tower, Suite 1510
201 Monroe Street
Montgomery, AL 36104

Attn: To Whom It May Concern

Re: FMC – Endeavour Dialysis Center #6290-1
Sparkman Drive
Huntsville, AL 35806

Dear Sir/Madam:

This Project is being built and developed as a Turn-Key project. Developer will be determined when the project bids in January 2009. The construction costs associated with this project are estimated to be $1,400,000.00 at this time. These construction costs will include Civil Development, the Building Shell as well as the Build Out of the Shell. All of theses cost will be reflected in the lease rate to FMC (Fresenius Medical Care).

Please call should you have any questions.

Sincerely;

THE DESIGN GROUP - ARCHITECT

Jerry R. Smith, AIA
President

JRS/seb

EXHIBIT 3

05.2 CONSOLIDATED BALANCE SHEETS

CONSOLIDATED BALANCE SHEETS

$ in thousands, except share data at December 31	Note	2007	2006
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	1b	244,690	159,010
Trade accounts receivable, less allowance for doubtful accounts of $ 247,800 in 2007 and $ 207,293 in 2006		2,026,865	1,848,695
Accounts receivable from related parties		99,626	143,349
Inventories	5	636,234	523,929
Prepaid expenses and other current assets		495,630	443,854
Deferred taxes	1k, 16	356,427	293,079
TOTAL CURRENT ASSETS		**3,859,472**	**3,411,916**
Property, plant and equipment, net	1e, 6	2,053,793	1,722,392
Intangible assets	1f, 7	689,956	661,365
Goodwill	1f, 7	7,245,589	6,892,161
Deferred taxes	1k, 16	83,615	62,722
Other assets		237,840	294,125
TOTAL ASSETS		**14,170,265**	**13,044,681**

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

$ in thousands, except share data at December 31	Note	2007	2006
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable		329,919	316,188
Accounts payable to related parties		201,049	236,619
Accrued expenses and other current liabilities	8	1,352,013	1,194,939
Short-term borrowings	9	217,497	331,231
Short-term borrowings from related parties	9	2,287	4,575
Current portion of long-term debt and capital lease obligations	10	84,816	160,135
Company-obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiaries - current portion	12	669,787	-
Income tax payable	1k, 16	146,536	116,059
Deferred taxes	1k, 16	22,589	15,959
TOTAL CURRENT LIABILITIES		**3,026,493**	**2,375,705**
Long-term debt and capital lease obligations, less current portion	10	4,004,013	3,829,341
Other liabilities		193,604	149,684
Pension liabilities	11	111,352	112,316
Income tax payable	1k, 16	111,280	-

Deferred taxes	1k, 16	378,497	378,487
Company-obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiaries	12	663,995	1,253,828
Minority interest		105,814	75,158
TOTAL LIABILITIES		**8,595,048**	**8,174,519**
SHAREHOLDERS' EQUITY			
Preference shares, no par value, € 1.00 nominal value, 12,356,880 shares authorized, 3,778,087 issued and outstanding		4,191	4,098
Ordinary shares, no par value, € 1.00 nominal value, 373,436,220 shares authorized, 292,786,583 issued and outstanding		361,384	359,527
Additional paid-in capital		3,221,644	3,153,556
Retained earnings		1,887,120	1,358,397
Accumulated other comprehensive income (loss)	20	100,878	(5,416)
TOTAL SHAREHOLDERS' EQUITY	13	**5,575,217**	**4,870,162**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**14,170,265**	**13,044,681**

See accompanying notes to consolidated financial statements.

05.3 CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENTS OF CASH FLOWS

$ in thousands	Note	2007	2006
OPERATING ACTIVITIES			
Net income		717,130	536,746
Adjustments to reconcile net income to net cash provided by operating activities:			
Settlement of shareholder proceedings		-	(888)
Depreciation and amortization	21	363,330	308,698
Change in minority interest		43,237	24,333
Change in deferred taxes, net		1,177	10,904
Loss on sale of fixed assets and investments		3,616	5,742
Compensation expense related to stock options	1t, 15	24,208	16,610
Cash inflow from hedging		-	10,908
Changes in assets and liabilities, net of amounts from businesses acquired:			
Trade accounts receivable, net		(62,735)	(31,276)
Inventories	5	(72,825)	(42,553)
Prepaid expenses, other current and non-current assets		(11,680)	(21,629)
Accounts receivable from / payable to related parties		(22,265)	(4,875)
Accounts payable, accrued expenses and other current and non-current liabilities		113,960	182,877
Income tax payable	1k, 16	102,421	(24,250)
Tax payments related to divestitures and acquisitions		-	(63,517)
NET CASH PROVIDED BY OPERATING ACTIVITIES		**1,199,574**	**907,830**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

$ in thousands	Note	2007	2006
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	1e, 6, 21	(579,641)	(467,193)
Proceeds from sale of property, plant and equipment	1e, 6, 21	31,070	17,658
Acquisitions and investments, net of cash acquired	21, 22	(257,877)	(4,307,282)
Proceeds from divestitures		29,495	515,705
NET CASH USED IN INVESTING ACTIVITIES		**(776,953)**	**(4,241,112)**
FINANCING ACTIVITIES			
Proceeds from short-term borrowings	9	96,995	56,562
Repayments of short-term borrowings	9	(107,793)	(55,789)
Proceeds from short-term borrowings from related parties	9	43,554	269,920
Repayments of short-term borrowings from related parties	9	(46,071)	(285,430)
Proceeds from long-term debt and capital lease obligations (net of debt issuance costs of $16,703 in 2007 and $ 85,828 in 2006)	10	516,762	4,007,450
Repayments of long-term debt and capital lease obligations		(486,513)	(973,885)
(Decrease) Increase of accounts receivable securitization program		(181,000)	172,000

Proceeds from exercise of stock options	15	46,934	53,952
Proceeds from conversion of preference shares into ordinary shares		-	306,759
Repurchase of preferred stock		(7,660)	-
Dividends paid	13	(188,407)	(153,720)
Distributions to minority interest		(27,469)	(15,130)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES		**(340,668)**	**3,382,689**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**3,727**	**24,526**
CASH AND CASH EQUIVALENTS			
Net increase in cash and cash equivalents		85,680	73,933
Cash and cash equivalents at beginning of period		159,010	85,077
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**244,690**	**159,010**

See accompanying notes to consolidated financial statements.

05.1 CONSOLIDATED STATEMENTS OF INCOME

CONSOLIDATED STATEMENTS OF INCOME

$ in thousands, except share data	Note	2007	2006
NET REVENUE			
Dialysis care	1i	7,213,000	6,377,390
Dialysis products		2,507,314	2,121,648
	21	**9,720,314**	**8,499,038**
COSTS OF REVENUE			
Dialysis care		5,130,287	4,538,234
Dialysis products		1,234,232	1,083,248
		6,364,519	**5,621,482**
Gross profit		3,355,795	2,877,556
OPERATING EXPENSES			
Selling, general and administrative		1,709,150	1,548,369
Gain on sale of dialysis clinics		-	(40,233)
Research and development	1j	66,523	51,293
OPERATING INCOME		**1,580,122**	**1,318,127**
OTHER (INCOME) EXPENSE			
Interest income		(28,588)	(20,432)
Interest expense		399,635	371,678
Income before income taxes and minority interest		1,209,075	966,881
Income tax expense	1k, 16	465,652	413,489
Minority interest		26,293	16,646
NET INCOME		**717,130**	**536,746**
BASIC INCOME PER ORDINARY SHARE		**2.43**	**1.82**
FULLY DILUTED INCOME PER ORDINARY SHARE		**2.42**	**1.81**

See accompanying notes to consolidated financial statements.

EXHIBIT 4

OPTION TO PURCHASE REAL ESTATE

THIS OPTION, granted on the 25th day of Nov, 2008, by Laurelwood, Ltd., an Alabama corporation, having its principal office/residing at 100 Church Street, SW, Suite 700, Huntsville, AL 35801, (hereinafter referred to as the "Optionor"), to Bio-Medical Applications of Alabama, Inc., d/b/a FMC Dialysis Services of Endeavour, a Delaware corporation, with its principal place of business at 920 Winter Street, Massachusetts 02451 (hereinafter referred to as the "Optionee").

RECITALS:

WHEREAS, The Optionor owns a fee simple interest in certain real property located on Sparkman Drive, Huntsville, Alabama, as more particularly described on Exhibit D-1 to this Agreement (hereinafter the "Land"); and

WHEREAS, The Optionee desires to obtain an option to purchase the Property, as defined below, and intends to assign this Option to a third party so that such third party may construct a dialysis treatment center at the Property.

NOW THERFORE, the parties agree as follows:

1. Grant of Option.
In consideration of the premises and the mutual covenants herein contained and the sum of Four Thousand Dollars ($4,000.00) paid by Optionee to Optionor, the sufficiency and receipt of which is hereby acknowledged, Optionor grants to Optionee the exclusive right, privilege and option to purchase all of the certain piece, parcel or tract of land approximating 1.52 acres together with any buildings and improvements thereon and the appurtenances thereto which are located in the County of Madison, Alabama and more particularly described in Exhibit D-2, attached hereto and incorporated herein by reference and commonly known as (the "Property") for the sum of Two Hundred Twenty Thousand Dollars and No. Cents ($225,000) and upon such terms and conditions as are mutually agreeable to the parties at the time the said option exercised. However, if closing of the Property has not occurred within twenty (20) business days from exercise of the Option, this agreement shall become null and void and neither Optionee nor Optionor shall have any further obligation to the other.

2. Term and Extended Term of Option.
This option shall begin on the date hereof and continue in effect until 11:59 p.m., **March 31, 2009** (the "Option Period") and may be exercised in accordance with its terms at any time on or before that date. Optionee shall have the right, at its sole option, to extend this option for the Extended Option Periods set forth below by giving written notice to extend to the Optionor, together with Optionee's payment of an additional non-refundable sum in the amount specified below for the Extended Option Period and said extension may be made no later than ten (10) business days before the expiration of the original Option Period and such notice and payment once mailed shall constitute notice of extension to the Optionor. Any payment made by Optionee for the Option Period or the Extended Option Period in which the Option is exercised shall be applied against the purchase price at the time of closing. However, if closing of the Property has not occurred within twenty (20) business days from exercise of the Option, this agreement shall become null and void and neither Optionee nor Optionor shall have any further obligation to the other.

The Extended Option Periods shall be for a period of two (2) calendar months each, beginning on the day following the expiration of the prior Option Period, if Optionee elects to so extend, it shall pay the sum of $4,000 to Optionor at the time notice of such election is given.

3. Exercise of Option.
Optionee, in its sole discretion, may exercise this Option at any time during the Option Period by delivering or mailing notice to Optionor by certified mail, return receipt requested, by personal delivery, by nationally recognized overnight courier (with charges prepaid) or by telecopy (with telephone confirmation) and such notice shall be deemed to have been given or made when personally delivered, the business day following the date deposited with such overnight courier service or when transmitted to telecopy machine on a business day and confirmed by telephone, addressed to the Optionor at the following address: 100 Church Street, SW, Suite 700, Huntsville, AL 35801, telecopy number (256) 319-7902. If the Option is exercised, Optionor shall sell and convey and Optionee shall purchase and acquire the Property upon such terms and conditions as are mutually agreeable to the parties at the time the said option is exercised.

4. Failure to Exercise Option.
If the Option Period expires without the Option being exercised by Optionee, and Optionor is not in default of any of the representations, warranties, covenants, terms or conditions of this Option and Optionee is satisfied with the results of its due diligence, any payments made hereunder shall be forfeited by the Optionee to the Optionor. This agreement shall thereupon terminate and neither party shall have any further rights or obligations hereunder.

5. Assignment.
Optionee may assign this Option without obtaining Optionor's prior consent, provided that concurrent with such assignment, Optionee shall notify Optionor of such assignment, together with the name and address of the assignee, and shall send Optionor a copy of such assignment and assignee's written agreement to observe, perform and keep all of the terms, provisions, covenants, and conditions that Optionee is require to observe, perform, and keep hereunder. All provisions herein contained shall be binding upon all subsequent assignees hereof and, after such assignment, Optionee shall have no further obligation to Optionor hereunder and Optionor shall have no recourse against Optionee hereunder.

6. Optionor Representations, Warranties and Covenants.
In order to induce the Optionee to enter into this Option, Optionor hereby makes the following representations, warranties and covenants, each of which is material and is relied upon by the Optionee: (i) Optionor warrants and represents that Optionor is the sole owner of good, fee simple, marketable title to the Property and has full authority to grant this Option; (ii) No other options or other contracts have been granted or entered into which are still outstanding and which give any other party a right to purchase any interest in the Property or any part thereof; (iii) There are no leases in effect with respect to all or any part of the Property; (iv) There are no condemnation or eminent domain proceedings pending against the Property or any part thereof and the Optionor has received no notice, oral or written, of the desire of any public authority or other entity to take or use the property or any part thereof; (v) No payments for work, materials, or improvements furnished to the Property are due or owing and no mechanics lien, materialmans lien, or other similar lien is of record against the Property; (vi) The granting of the Option is not in conflict with, or result in a breach of, the terms, conditions, or provisions of, or constitute a default under, any agreement or instrument to which Optionor is a party, or result in the acceleration of any mortgage or note pertaining to the property.

6A. Optionor's Obligation to Bring Sewer Service to the Property.

Optionor hereby agrees that it will bring sewer service to the Property, in a size acceptable for Optionee's intended use as an outpatient dialysis clinic ("Sewer Service") on or before ninety (90) days after the Optionee has obtained both (i) Intended Use Approval; and (ii) Subdivision Approval, as described in Section 7 below. Optionor and Optionee agree that no Option Period or Extended Option Period shall expire and no refund shall be forfeited, unless and until Optionor has brought Sewer Service to the Property, provided that Tenant has met its obligations under Section 7 below within the Option Period or Extended Option period, as the case may be. In the event, Optionor has not delivered Sewer Service to the Property on or before ninety (90) days after the Optionee has obtained both (i) Intended Use Approval; and (ii) Subdivision Approval, as described in Section 7 below , Optionee as its sole option may terminate this Option or (ii) bring Sewer Service to the Property and deduct the cost of same from the sales price shown in Section 1, above provided that such deduction does not exceed $30,000.

7. Due Diligence; Zoning and Subdivision.

During the Option Period, Optionor will permit Optionee and its representatives (which term shall be deemed to include its independent accountants and counsel) to have reasonable access during normal business hours, upon reasonable notice and in such manner as will not unreasonably interfere with the conduct of any business conducted at the Property, to the Property and all of Optionor's contiguous properties, books, records, operating instructions and procedures, and all other information with respect to the Property as Optionee may from time to time request, and to make copies of such books, records and other documents and to discuss the Property with such third persons, including, without limitation, their respective directors, officers, accountants and counsel, as Optionee considers necessary or appropriate for the purpose of familiarizing itself with the Property, obtaining any necessary approvals of or permits for the transactions contemplated by this Option and conducting an evaluation of the Property to determine the feasibility and suitability of the Property for Optionee's intended use. Without limiting the generality of the foregoing, Optionee shall be entitled, within thirty (30) days after execution of this Option, at Optionee's expense, to conduct or cause to be conducted on the Property such soils and geological tests and environmental inspections, audits and tests (including the taking of soils and ground water samples) and such structural and other physical inspections as Optionee shall deem necessary or useful in connection with its acquisition of such Property to investigate the Property's compliance with the Environmental Laws or the presence of Hazardous Materials. After making such tests and inspections, Optionee agrees to promptly restore the Property to its condition prior to such tests and inspections.

Optionor will also permit Optionee and its representatives (which term shall be deemed to include its independent accountants and counsel) (i) to seek all approves required to subdivide the Land, in a plan mutually agreeable to Optionor and Optionee, including, the subdivision of the Property ("Subdivision Approval"), and (ii) to obtain a zoning change for the Land from the appropriate local authority to allow outpatient dialysis services and related administrative offices ("Intended Use Approval") on the Land as a permitted use under the local zoning code. Optionor agrees that it will work collaboratively with the Optionee, as the current Land owner, to file for and obtain Intended Use Approval and Subdivision Approval, (including, but not limited to, promptly executing required applications and other documents as the Land owner, providing required information in Optionee's control, and attending local administrative hearings, as required.

In the event that the Optionee, at its sole discretion determines that the Property is (i) unsuitable for Optionee's intended use for any reason, or (ii) is unable to obtain Subdivision Approval; or (iii) is unable to obtain Intended Use Approval and Optionee delivers written notice of such to Optionor no later than December 31, 2008, the initial option payment of $4,000.00 shall be promptly refunded to the Optionee and neither the Optionor nor Optionee shall have any further obligation to the other. In the event that the Optionee delivers written notice to Optionor within any Extended Option Period, that Optionee is unable to obtain Subdivision Approval or Intended Use Approval within any elected Extended Option Period the

initial option payment of $4,000.00 and payments for any and all Extended Option Periods shall be promptly refunded to the Optionee and neither the Optionor nor Optionee shall have any further obligation to the other. If, however, Optionee delivers written notice to Optionor of its intent to terminate this Option within any Extended Option Period for any other reason, all payments made by Optionee shall be retained by Optionor and neither the Optionor nor Optionee shall have any further obligation to the other.

For purposes of this Option, "Environmental Laws" means any federal, state or local law, statute, ordinance, common law, rule, regulation, permit, directive, license, approval, guidance, interpretation, order, or other legal requirement relating to the protection of safety, human health or the environment, including, but not limited to, any requirement pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of materials that are or may constitute a threat to human health or the environment. Without limiting the foregoing, each of the following is an Environmental Law: the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and the Atomic Energy Act (42 U.S.C. § 2011 et seq.), as such laws have been or are in the future amended or supplemented, and each similar federal, state or local statute, and each rule and regulation promulgated under such federal, state and local laws, and "Hazardous Material" means any substance or material meeting any one or more of the following criteria: (i) it is or contains a substance designated as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law; (ii) it is toxic, explosive, corrosive, reactive, ignitable, infectious, radioactive, mutagenic, dangerous or otherwise hazardous; (iii) its presence at some quantity requires investigation, notification or remediation under any Environmental Law or common law; (iv) it constitutes a danger, a nuisance, a trespass or a health or safety hazard to persons or property; or (v) it is or contains, without limiting the foregoing clauses (i)-(iv), asbestos, polychlorinated biphenyls, petroleum hydrocarbons, petroleum derived substances or waste, crude oil or any fraction thereof, nuclear fuel or waste, natural gas or synthetic gas.

8. Amendment and Waiver.

This Option may not be amended or modified, nor any of its terms waived, except by a written instrument duly executed by the parties hereto. When used herein, the term "Option" will include any amendments or modifications made in accordance herewith. A waiver by either party of a breach of any provision of this Option by the other party, or any right hereunder, will not be effective unless in writing and will not operate to waive or excuse any subsequent breach or to waive any other right.

9. Survival.

The representations, warranties and agreements contained in this Option or in any writing delivered pursuant to this Option will survive the consummation of the transactions contemplated hereby.

10. Governing Law.

This Option shall be governed by and construed in accordance with the laws of the State of Alabama without reference to its conflicts of laws rules.

11. Remedies Cumulative.

The remedies available to either party under applicable law are not exclusive, and either party will be entitled cumulatively to exercise any remedies for breach of this Option available under applicable law and the election of one remedy will not be deemed to exclude other remedies.

12. Entire Agreement.

This Option constitutes the entire agreement and understanding between the parties hereto in respect of the subject matter hereof and supersedes any prior or contemporaneous agreement or understanding between the parties, written or oral, which relates to the subject matter hereof.

13. Headings.

Headings in this Option are for convenience only and shall not be used to interpret or construe its provisions.

14. Time of Essence.

Time is of the essence of this Agreement.

15. Recording.

This Option shall be executed in recordable form and, if Optionee elects, may be recorded at its expense and Optionor shall cooperate with Optionee's efforts to so record.

16. Standstill.

Until the expiration of the Option Period, Optionor shall not mortgage or otherwise encumber the Property or grant leases for all or parts of the Property, or grant other options or enter into other contracts which give any other party, except Optionee, a right to purchase any interest in the Property or any part thereof, or fail to make payments for work, materials, or improvements furnished to the Property which could result in the recordation of a mechanics lien, materialmans lien, or other similar lien against the Property.

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

OPTIONEE:

BIO-MEDICAL APPLICATIONS OF ALABAMA, INC.

By: _____
Name: Marc Lieberman
Title: Asst. Treasurer

OPTIONOR:

LAUREL WOOD, LTD.
By: Southside Properties, its General Partner

By: _____
Name: Gerry E. Shannon
Title: General Partner

EXHIBIT 5

Post-it® Fax Note 7671	Date	# of pages ▶
To Jerry Smith	From Lew Walker	
Co./Dept. The Design Group	Co. ADPH	
Phone # 423-638-1616	Phone # 334-206-5184	
Fax # 423-638-8322	Fax # 334-206-5890	

STATE OF ALABAMA DEPARTMENT OF

PUBLIC HEALTH

Donald E. Williamson, MD
State Health Officer

April 24, 2008

Mr. Jerry R. Smith, AIA
The Design Group - Architect
942 Snapps Ferry Rd.
Greeneville, TN 37745

Re: ADPH B-08-038 Final Stage
FMC - Endeavor Dialysis Center
Space Gate Dr.
Huntsville, AL

Dear Mr. Smith:

The final-stage plans received on 4/8/08 have been reviewed for compliance with the applicable regulations and codes.

The final-stage construction plans are **approved contingent** upon complying with and incorporating the following review comments into the project and providing revised plans with a written response to each of the comments listed:

1. There were no project specifications received.

2. Sheet A-15 indicates the flooring in treatment areas will be a painted surface, but the Rules require "smooth resilient tile or seamless flooring" and "all other floors shall be covered". Painted surface flooring in Mech./Storage is acceptable.

3. Sheet E-1 and E-5 reflect a normal and emergency generator electrical system with redundant battery egress lighting. NFPA 99, 13-3.3.2 requires an essential electrical system to be minimum Type 3 with a generator (3-6.1.1) or battery (3-6.1.2). Either note on sheet E-5 at the Feeder Diagram a Type 3 EES with generator, provide a Life Safety panel and designate unswitched emergency lighting on sheet E-1 or provide additional battery fixtures with 2 lamps in area adjacent to Pat. Toilet 105, in Vest. 103 and outside each exit. The generator shall be installed and tested per NFPA 110.

Any changes to drawings on future submittals shall be clouded or otherwise highlighted.

Mr. Jerry R. Smith
Page 2

Please note that our approval does not relieve your office of the responsibility for the documents being complete and in compliance with all applicable regulations and codes at the local and state level. It also does not prevent this office or other officials having jurisdiction from requiring correction of errors or code violations in plans or construction due to subsequent reviews or inspections.

The Final Stage Drawing Approval Fee is now due. Please send this fee payment, along with the completed Final Plan Review Approval Fee Worksheet (Appendix 1 of Rule 420-5-21) and a copy of the latest cost estimate, to our office within 14 days.

Contract modifications or changes shall be submitted to and approved by this office prior to implementing the work. Any changes made to approved plans to include any plan sheets added, whether due to comments of this office or otherwise, shall be clouded or annotated on subsequent "revised" plan submittals.

I appreciate the cooperation extended this office; and if I can be of assistance to you, please contact me at (334) 206-5184 or fax (334) 206-5890

Sincerely,

Lewis T. Wallace
Licensure & Certification Supervisor
Technical Services Unit

cc: Mr. Sam McCammon

1.334-242-4103
Jim Sanders
State Hth Planning & Development Agency

STATE OF ALABAMA DEPARTMENT OF
PUBLIC HEALTH

Donald E. Williamson, MD
State Health Officer

March 4, 2008

Mr. Jerry R. Smith, AIA
The Design Group - Architect
942 Snapps Ferry Rd.
Greeneville, TN 37745

Re: ADPH B-08-038 Preliminary
FMC - Endeavor Dialysis Center
Space Gate Dr.
Huntsville, AL

Dear Mr. Smith:

The preliminary plans received on 2/29/08 have been reviewed for compliance with the applicable regulations and codes.

The preliminary plans are **approved contingent** upon complying with and incorporating the following review comments into the project's final stage design submittal (one copy) and providing a written response to each of the comments listed:

1. Please include the assigned ADPH project number with the correct facility name and location on all plans, specifications, correspondence, etc. submitted for this project.

2. Please advise the owner(s) that a license application must be submitted to the Office of Provider Services of this department at (334) 206-5175 with the correct name of the facility and **number** of stations as corresponds with that shown on the plans.

3. Clarify "city" location as some locations on plans state Endeavor and others as Huntsville. Please reflect the name of the facility as it will appear on the license application and provide specific address.

4. Provide all proposed structures and site utilities on the Site Plan with connection to the respective public utility.

5. Provide a sound path of travel such as a sidewalk from each required exit discharge to the public way.

6. Note the building construction type per NFPA 220 and IBC Table 601.

7. Clarify reference to Jackson County on sheet T-2.

8. Provide comparable NFPA 101 reference where IBC requirement is referenced in Code Summary.

9. Under Exit Requirement, correct max. allowable travel distance to 150 per 101, 20.2.6.2 (2).

10. Under Applicable Codes, item 5 is incorrect and inconsistent with item 2.b. above.

11. At item 2.d separate Rules from NFPA 90A and identify as item 2.e., then correct "16" to 15 CON stations and "5" to 6 future stations.

12. Correct LS plan to indicate max. allowed travel distance to 150' per above.

13. Each start point for exit travel shall reflect a second route of exiting when exceeding the max. 20' dead per 101, 38.2.5.2 or common path of travel of 75' per 38.2.5.3.

14. Identify 1 hr. fire barrier separation wall with different symbol from other 1 hr. partitions.

15. Identify 1 hr. smoke barrier complying with 101, 20.3.7.3 with a different symbol.

16. Identify 1 hr. corridor fire partitions with a different symbol.

17. Areas such as Med. Waste and Data Room enclosed within a 1 hr. separated area need not have additional separation.

18. Correct front exit width from 96" to 48" at each single door 1 and 2, and correct Door Schedule.

19. Only 15 stations are to be number to include the station in Separation 123 and all others are to be labeled as future (6).

20. Horizontal sliding doors 16 and 22 shall comply with 101, 38.2.2.2.6 and Exception No. 2 to 72.1.4.1.

21. The following comments are for the Door Schedule:

- Provide correct data for Doors 1 and 2.
- Correct Door 5 frame type.

Mr. Jerry R. Smith
Page 3

- Why would corridor or smoke barrier doors require a 45 min. rating when only a 20 min. rating is required? See 101, 38.3.6.1 Except. No. 2 or 38.3.6.2, 8.2.3.2.3.1 (2) Except. No. 1 which should apply to Doors 6, 10, 12, 14, 18, 19, 20 and 30. See IBC 715.3.3.
- Only doors in a 1 hr. fire separation partitions shall have a 3/4 hr. rating.

22. Provide a full section detail, continuous from the floor to the roof deck, of smoke and fire separation compartment walls. Fire rated smoke walls shall be noted to be stencil painted with the rating and requirement to protect penetrations.

23. Designate the Rules' required min. 70 SF per station on the Floor Plan.

24. Identify all 1 hr. or higher rated enclosures which shall have walls that continue up to and be properly sealed at the roof deck or a 1 hr. rated ceiling membrane (not a lay-in assembly).

25. Provide UL Design details for all rated assemblies in plans to include firestop detailing of typical penetrations of fire rated wall or ceiling assemblies.

Approval of final stage plans is required prior to start of on-site construction.

Up to four separate plan review submittals and one final project inspection are included in the plan review fee. Should additional submittal reviews or inspections be required or requested, beyond those included in the fee, an additional fee will be paid for each. The Rules of ASBH Ch. 420-5-21 "Payment of Plan Review Fees", including the fee worksheets, maybe found on the web at **www.adph.org/facmgmt**.

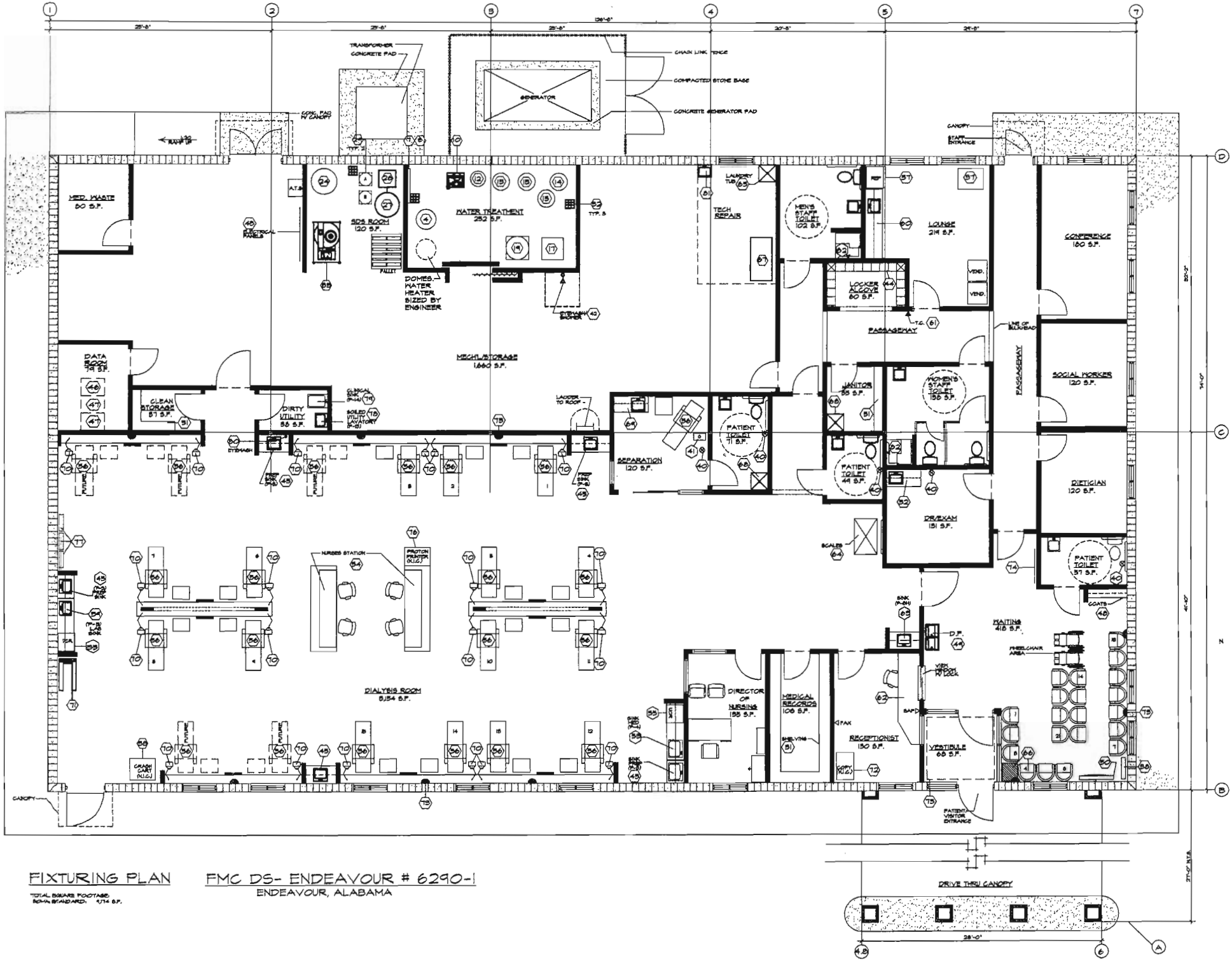
I appreciate the cooperation extended this office; and if I can be of assistance to you, please contact me at (334) 206-5184 or fax (334) 206-5890.

Sincerely,

Lewis T. Wallace
Licensure & Certification Supervisor
Technical Services Unit

cc: Mr. Sam McCammon

EXHIBIT 6

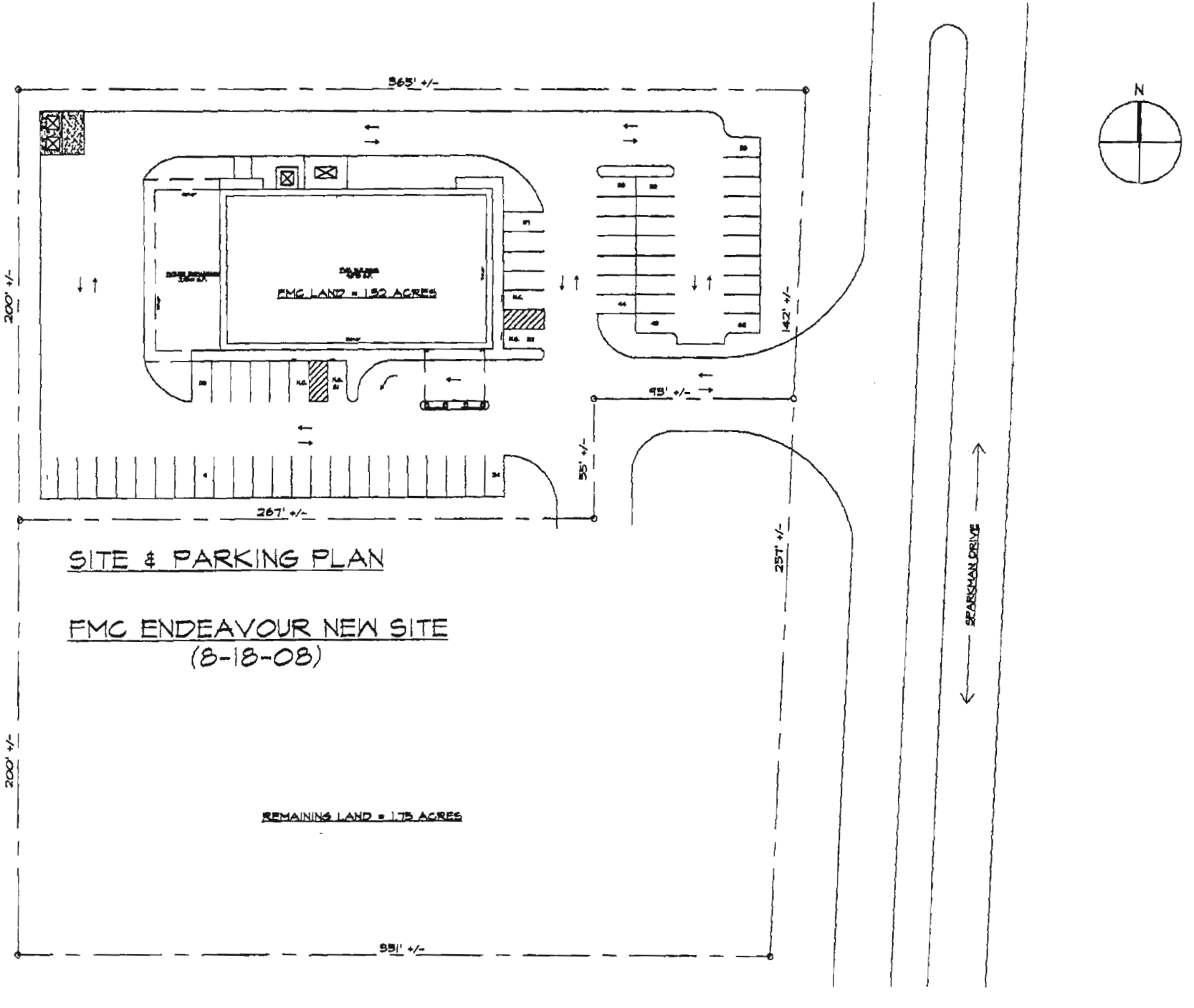


FIXTURING PLAN

TOTAL SQUARE FOOTAGE: BOMA STANDARD: 9,774 S.F.

FMC DS- ENDEAVOUR # 6290-1

ENDEAVOUR, ALABAMA



SITE & PARKING PLAN

FMC ENDEAVOUR NEW SITE
(8-18-08)

EXHIBIT 7

Project Description:

The project shall consist of a new Dialysis Center which shall include civil work, concrete footings and S.O.G., masonry walls, steel roof framing, metal decking, rigid roof insulation and single ply roof membrane. Building to be complete with finishes, doors, HVAC, plumbing and electrical. Building shall be built out to accommodate 20 Dialysis stations, however utilization will be 15 as per Certificate of Need dictates, inclusive of one separation room per Conditions of Coverage mandate. Square footage is to be 9,174(BOMA Standard).

NARRATIVE

Fresenius Medical Care North America, requests approval to operate a new 15 station Chronic End Stage Renal Disease Hemodialysis facility in the City of Huntsville in Madison County, Alabama. This request is based on the current utilization of Hemodialysis stations at the six certified ESRD facilities already operating in Madison County.

State Health Planning and Development Agency, Regulation 410-2-3-.05: Section 2, # 3 states:

"Optimal Utilization is defined as 80% of present capacity, thus making provision for cost effective use of services and orderly growth, as well as reserving some capacity for downtime, transients and back up of Home patients."

The utilization rates for the six certified facilities in Madison County are as follows:

Huntsville Dialysis	80%
North Alabama Dialysis	119%
Parkway Dialysis	121%
Chase Dialysis	117%
Discovery Dialysis	110%
Odyssey Dialysis	117%

All facilities operate two patient shifts per day, six days per week. In addition the Huntsville Dialysis Facility operates a third patient evening shift primarily to accommodate patients who desire to continue working.

The utilization rates above, leaves all Facilities unable to offer flexibility in patient scheduling and also limits the ability to accept new or transient patients, especially patients with special request for specific times or days for treatment.

The rates also do not allow room for growth. Based on the historical patient growth in this area, it is projected that the utilization rate will continue to exceed 80%.

It is expected that the State Health Planning and Development Agency Staff report will most probably show a need for fewer stations than this application requests. However, consideration is requested based on all the following information.

In this area of Alabama, Patient incenter growth from May 2002 to May 2007 has been 12% in all six facilities.

Patient Death rates for the same time period is at 9% over the last 5 years. This compares to the Death rate expectations of the State at 19.7%.

Transplantation rates are an average of 2.5% of the patient population. This unfavorably compares to the State expectation of 5.0%.

Unfortunately, the Home Training rates have also not equaled the expectations of the State with the rate for the area at 2%, compared to the expectations of the State at 8%.

Home Patient growth over the 5 years span has been 125%, with 25 new patients entering the program over this past 5 years.

This area of the State is expected to experience major growth because of the Base Realignment and Closure Commission (BRAC) intention to move to Huntsville, Madison County. The presence of the Department of Defense and NASA will not only bring government staff and families to Madison County, but it is expected that a variety of supportive industry jobs as well. Hundreds of people are expected to move from Washington D.C. and other areas of the country to Madison County, home of Redstone Arsenal. The projected census for Madison County is expected to increase from the 2006 census of 304,309 to 309,650 by the year 2010. Other Industries are all in the planning and execution stage, in anticipation of this expected migration.

All the above factors translate to the potential and distinct possibility of more ESRD patients requiring these treatments to sustain their lives.

Travel distance to receive treatments is also a major factor for the patients in this geographic area, as it is with Dialysis patients everywhere. Many patients drive themselves to and from the treatment facility.

Indicated below are the approximate one way travel times by our current patients to all six of the dialysis centers:

40%	-	5 miles or less (15 minutes or less)
23%	-	5-10 miles (15 to 20 minutes)
19%	-	15-20 miles (25 to 35 minutes)
18%	-	20 or more miles

Currently, the typical one way commute for patients from the possible target area to the present dialysis facility in Huntsville is 30-45 minutes.

The proposed new site would decrease travel time for most patients in this geographic area. The estimated one way travel time for patients to the possible new location is:

80%	-	5 miles or less (5 minutes)
20%	-	5-8 miles (10 minutes or less)

The decreased travel distance will lower personal out-of-pocket health care related transportation costs for the patient. Also, the Alabama Medicaid Non-Emergency Transportation Program will realize a savings. Medicaid patients will travel significantly fewer miles three times a week, thereby allowing this state program to realize a cost saving in transportation reimbursement cost to participating patients at the proposed facility.

In light of our demonstrated growth, the size of our present patient population and size of our service area, we feel that this request is realistic and prudent and will enable us to continue to meet the needs of the Huntsville community.

This new facility will be a wholly owned subsidiary of Fresenius Medical Care North America (FMCNA) and will have the financial resources needed to accept patients who cannot afford the 20% part of the dialysis cost not covered by Medicare.

The facility will be maintained by our parent corporation, Fresenius Medical Care North America (FMCNA). FMC currently operates similar artificial kidney facilities nationwide and is the nation's largest single supplier of

ESRD care. Through the operation of these and other facilities nationwide, FMC has obtained the experience and knowledge necessary to operate these Facilities effectively. FMC employs experienced professionals in the fields of finance, medical product development, medical information systems and manufacturing, and provides excellent patient care.

TREATMENT PROGRAM

Fresenius Medical Care North America (FMCNA) firmly believes that all ESRD patients should have a full range of treatment modalities available either directly or indirectly, through an affiliated provider. The following treatment modalities, back-up and support services are available either directly or through affiliate agreements:

- In-Center staff assisted dialysis
- Self-care dialysis training for home dialysis
- Transplantation and other Tertiary Care Services
- Social Services
- Dietary Services
- Laboratory Services

SYSTEM ELEMENTS

Stabilization:

Initially, most patients are medically stabilized at a referring hospital. At this time, a Renal Committee, Physician and Patient determine the appropriate plan of care for the patient. The various alternatives are discussed, including the possibility of self-care training for home dialysis. In addition, the appropriateness of transplantation, whether living related or cadaver, is reviewed.

IN-CENTER STAFF ASSISTED DIALYSIS

Patients will receive staff assisted dialysis if they are willing and or unable to enter a home training program.

TRANSPLANTATION AND OTHER TERTIARY CARE

Fresenius Medical Care North America (FMCNA) will have written affiliation agreements with the University of Alabama Medical Center, Birmingham and Huntsville Hospital, Huntsville, to provide the following services:

- The availability of a surgeon capable of shunt and Fistula insertion and its long-term maintenance.
- In-patient care for any patient who develops complications or renal disease related conditions that require hospital admission.
- Kidney transplantation services where appropriate, including tissue typing and matching, surgical transplant capability and surgeons qualified in the management of post-treatment patients.

ACUTE IN-PATIENT CARE/EMERGENCY SERVICE

Fresenius Medical Care North America (FMCNA) will have an agreement with Huntsville Hospital for the provision of 24-hour coverage services and acute in-patient care to FMC patients when required.

SOCIAL AND DIETARY SERVICES

Fresenius Medical Care North America (FMCNA) will provide a dietitian and social worker to counsel patients and families. By providing both dietary and social service counseling while a patient is dialyzing, the facility attempts to minimize the amount of time a patient must commit to his own care and the concerns surrounding his medical condition, thus allowing more time for work or personal activities. For most patients, an occasional separately scheduled meeting with a social worker will help to correct problems the patient may be experiencing in his social, personal or professional life. When a patient experiences a severe problem or has a need for a more in-depth professional involvement, an appropriate referral is

made. Referrals are also made for professional and educational rehabilitation services.

LABORATORY SERVICES

This service is provided off site through written agreement by Spectra East Laboratories.

SUMMARY

The new facility will be equipped to provide specialized, high quality medical care through our dialysis team of Nephrologists and the extended Medical Staff of Physicians Assistant and Nurse Practitioners, Nurses, Social Workers, Dietitians and through the hospital back-up agreements.

This application is respectfully submitted for approval.

Major Medical Equipment Purchases

Hemodialysis Machines	**$244,800.00**
Other Equipment	
Communication System to include **Direct Touch TV's** **Telephones** **Facility Automation**	**$110,392.00**
Generator	**$44,000.00**
Scales	**$3,100.00**
Reverse Osmosis Water System	**$59,720.00**
Total	**$217,212.00**
Total Cost Major Medical Equipment	**$462,012.00**

HEMODIALYSIS STATION NEED CALCULATION

Facility	County	City	Total Stations	Hemo. Stations	Patients	% Occup. @100%	% Occup. @80%
Huntsville	Madison	Huntsville	32	32	82	64%	80%
North Alaba	Madison	Huntsville	22	20	76	95%	119%
Parkway	Madison	Huntsville	15	15	58	97%	121%
Discovery	Madison	Huntsville	17	15	53	88%	110%
Odyssey	Madison	Madison	15	15	57	95%	119%
Chase	Madison	Madison	20	20	75	94%	117%
			121	117	401	86%	107%

			2010Tota	2010whit	2010non wh
al Hemodialysis Stations:	117	Madison	309650	206617	103084
Dialysis/Station/Week:	12				
Capacity:	1404				
Optimal Utilization:	0.80				
Optimal Capacity:	1123				
Patient Usage:	3				
Max. Optimal Census:	**374**		309650	206617	103084

		Incidence Rate	
		Cases / million / year(white):	**270**
Actual Patients in Service Area:	401	Current White Population:	206617
Maximum Optimal Census:	374	Cases/million/yr(nonwhite):	**711**
Patients being Served above or		Current nonWhite Population:	103084
(below) maximum optimal census:	**27**	**Est. ESRD Incidence:**	**129**
		OR	
Deaths	**20%** 20%	Cases / million / year(total):	403
Current Patients:	401 401	Current Total Population:	309650
New Patients:	129 125	**Est. ESRD Incidence:**	**125**
Est. Total Deaths:	**104 104**		
		Transplants	**5.0%** 5.0%
Home Training	**8%** 8%	Current Patients:	401 401
New Patients:	129 125	New Patients:	129 125
Est. Home Training:	**11 10**	**Est. Total Transplants:**	**27 26**

Current Patients:	401	401
Projected New Patients:	129	125
Total Patients:	530	526
Less Deaths:	104	104
Less Transplants:	27	26
Less Home Training:	11	10
Projected Patients in 2010:	**388**	**386**

Present Patients in Service Area:	401		401
Net Increase (decrease) in patients:	-13		-15
Patients for 2010:	388		386
Average Patients per Station:	3.2		3.2
Optimal # Stations Needed:	121		120
Less Existing Stations:	117		117
Needed Stations:	**4**	**OR**	**3**

STATEMENT OF OWNERSHIP

BIO-MEDICAL APPLICATIONS OF ALABAMA, INC.

DIRECTORS

Mats Wahlström, 3301 Oak Street, Wheat Ridge, CO 80033, DOB: 12/22/1954, SS# 521-81-4309
Terry Gilpin, 1443 Briargrove Way, Oldsmar, Florida 34677, DOB:9/24/47, SS#400-66-3784
James McCammon, 1363 Whitaker Point, Acworth, Georgia 30101, DOB: 11/13/1955, SS#412-78-1830

OFFICERS

Mats Wahlström, President, 3301 Oak Street, Wheat Ridge, CO 80033, DOB: 12/22/1954, SS# 521-81-4309
Ronald J. Kuerbitz, Executive Vice President, 47 Park Avenue, Wellesley, MA 02481, DOB: 11/15/59, SS#386-70-2468
Deborah Harvey, Senior Vice President, 2460 Alston Drive, Marietta, GA 30062, DOB: 10/3/57, SS#419-90-3054
Terry Gilpin, Vice President, 1443 Briargrove Way, Oldsmar, Florida 34677, DOB:9/24/47, SS#400-66-3784
James McCammon, Vice President, 1363 Whitaker Point, Acworth, Georgia 30101, DOB: 11/13/1955, SS#412-78-1830
Robert McGorty, Vice President, 2 Walter Circle, Westford, MA 01886, DOB: 9/27/54, SS#207-42-6659
Joseph J. Ruma, Vice President, 15 Blueberry Hill, Andover, MA 01810, DOB: 8/20/45, SS#031-34-8188
Mark Fawcett, Treasurer, 5 Putnam Street, Apt. 3, Somerville, MA 02143, DOB: 9/9/66, SS#041-74-8670
Marc S. Lieberman, Assistant Treasurer, 10 Crown Point Road, Sudbury, MA 01776, DOB: 6/17/48, SS#108-38-6181
Paul J. Colantonio, Assistant Treasurer, 283 Waverly Avenue, Watertown, MA 02172, DOB: 4/24/50, SS#016-40-7657
Douglas G. Kott, Secretary, 97 Glen Street, South Natick, MA 01760, DOB: 4/23/62, SS#021-54-2511
Jessica Eisenhaure, Assistant Secretary, 1 Mountain Avenue, Wakefield, MA 01880, DOB: 06/22/70, SS#027-50-2891

All of the issued and outstanding stock of this entity is held by Bio-Medical Applications Management Company, Inc. ("BMA"). BMA is a wholly owned subsidiary of National Medical Care, Inc. ("NMC") which, in turn, is a wholly owned subsidiary of Fresenius Medical Care Holdings, Inc. ("FMCH"). All of the issued and outstanding shares of common stock of FMCH are held by Fresenius Medical Care North America Holdings Limited Partnership, with Fresenius Medical Care US Vermogensverwaltungs GmbH and Co. KG, as its general partner and Fresenius Medical Care Beteiligungsgesellschaft mbH, as its limited partner, each of its partners being wholly owned subsidiaries of Fresenius Medical Care AG & Co. KGaA, a publicly traded German entity, the majority shareholder of which is Fresenius AG.

EMPLOYER ID NUMBER (EIN)

Bio-Medical Applications of Alabama, Inc.	04-2625090
Bio-Medical Applications Management Company, Inc.	22-1946461
National Medical Care, Inc.	04-2835488
Fresenius Medical Care Holdings, Inc.	13-3461988
Fresenius Medical Care North America Holdings Limited Partnership	98-0487511
Fresenius Medical Care US Vermogensverwaltungs GmbH and Co. KG	98-0483038
Fresenius Medical Care Beteiligungsgesellschaft mbH	20-0977708
Fresenius Medical Care AG	04-3534941

Effective 07/12/2007

EXHIBIT 8

COST

A. Construction (includes modernization expansion)

1.	Predevelopment	
2.	Site Acquisition	
3.	Site Development	
4.	Construction	$227,000.00
5.	Architect and Engineering Fees	$60,000.00
6.	Renovation	
7.	Interest during time period of construction	
8.	Attorney and consultant fees	
9.	Bond Issuance Costs	
10.	Other __Capitalized Overhead	
11.	Other	
	TOTAL COST OF CONSTRUCTION	$287,000.00

B. Purchase

1.	Facility	
2.	Major Medical	$244,800.00
3.	Other Equipment	$217,212.00
	TOTAL COST OF PURCHASE	$462,012.00

C. Lease

1.	Facility Cost per Year $255,000.00 x 3 Years=	$765,000.00
2.	Equipment Cost per Month $0 x 0 Months =	$0
3.	Land-only Lease Cost per Year _____ x _____ Years	n/a
	TOTAL COST OF LEASE(S)	$765,000.00

(compute according to generally accepted accounting principles)

Cost if Purchased $ n/a

D. Services

1. _____ New Service
2. _____ Expansion
3. _____ Reduction or Termination
4. __X__ Other-New Facility

FIRST YEAR ANNUAL OPERATING COST $2,200,000.00

E. Total Cost of this Project (Total A through D) $3,714,012.00

COST (continued)

F. Proposed Finance Charges

1. Total Amount to Be Financed $0.00
2. Anticipated Interest Rates _____
3. Term of Loan _____
4. Method of Calculating Interest on Principal Payment

n/a

ANTICIPATED SOURCE OF FUNDING

	Amount	Source
A. Federal		
1. Grants	$0.00	n/a
2. Loans	$0.00	n/a
B. Non-Federal		
1. Commercial Loan	$0.00	n/a
2. Tax-exempt Revenue Bonds	$0.00	n/a
3. General Obligation Bonds	$0.00	n/a
4. New Earning and Revenues	$0.00	n/a
5. Charitable Fund Raising	$0.00	n/a
6. Cash on Hand	$3,714,012	Fresenius Medical Care, NA
7. Other	$0.00	n/a
C. TOTAL		$3,714,012.00

ANTICIPATED SOURCE OF FUNDING

		Amount	Source
A.	Federal		
	3. Grants	$0.00	n/a
	4. Loans	$0.00	n/a
B.	Non-Federal		
	8. Commercial Loan	$0.00	n/a
	9. Tax-exempt Revenue Bonds	$0.00	n/a
	10. General Obligation Bonds	$0.00	n/a
	11. New Earning and Revenues	$0.00	n/a
	12. Charitable Fund Raising	$0.00	n/a
	13. Cash on Hand	$3,714,012	Fresenius Medical Care, NA
	14. Other	$0.00	n/a
C.	TOTAL		$3,714,012.00

TIMETABLE

A. Projected Start/Purchase Date	90 days following Certificate of Need Approval
B. Projected Completion Date	180 days following Receipt of building permit

PART THREE: CONSTRUCTION OR RENOVATION ACTIVITIES
Complete the following if construction/renovation is involved in this project. Indicate N/A for any questions not applicable.

I. ARCHITECT **Jerry Smith**

Firm **The Design Group**

Address **942 Snapps Ferry Road**

City/State/Zip **Greenville, TN 37745**

Contact Person **Jerry Smith**

Telephone **423-638-1616**

Architect's Project Number **n/a**

II. ATTACH SCHEMATICS AND THE FOLLOWING INFORMATION

A. Describe the proposed construction/renovation

Fresenius Medical Care proposes to construct and operate a 15 station End Stage Renal Disease facility in the City of Huntsville, Madison County. This facility will serve the needs of the City of Huntsville and Madison County with a population of 304,307. A site will be selected based on the geographic needs of the patients in the area. Construction details will be submitted to the Technical Service Division after the Certificate of Need has been approved.

B. Total gross square footage to be constructed/renovated **7,200 square feet**

C. Net useable square footage (not including stairs, elevators, corridors, toilets) **5,087 sq.ft.**

D. Acres of land to be purchased or leased n/a

E. Acres of land owned on site n/a

F. Anticipated amount of time for construction or renovations **6** (months)

G. Cost per square foot **$70.00 Interior fit -out**

H. Cost per bed (if applicable) $ **n/a**

PART FOUR: UTILIZATION DATA AND FINANCIAL INFORMATION

This part should be completed for projects under $500,000.00 **and**/or those projects for **ESRD** and home health. If this project is not one of the items listed above, please omit Part Four and complete Part Five. Indicate N/A for any questions not applicable.

I. UTILIZATION

		CURRENT		PROJECTED	
	Years:	20____	20____	2007	2008
A.	ESRD				
	# Patients			38	48
	# Procedures			5928	7,488
B.	Home Health Agency				
	# Patients	na	na	na	na
	# of Visits				
C.	New Equipment				
	# Patients	na	na	na	na
	# Procedures				
D.	Other				
	# Patients	na	na	na	na
	# Procedures				

II. Percent of Gross Revenue

	Historical		Projected		
Source of Payment	**2004**	**2005**	**2006**	**2008**	**2009**
ALL Kids				**0**	**0**
Blue Cross/Blue Shield				**7**	**7**
Champus/Tricare				**0**	**0**
Charity Care (see note below)				**0**	**0**
Medicaid				**3**	**3**
Medicare				**77**	**77**
Other commercial insurance				**7**	**7**
Self pay				**1**	**1**
Other CMS Demo FMCHP Plan				**5**	**5**
Veterans Administration				**0**	**0**
Workers' Compensation				**0**	**0**
SUBTOTAL				**100 %**	**100 %**
BAD DEPT				**7**	**5**
TOTAL				**93**	**95**

Note: Refer to the Healthcare Financial Management Association (HFMA) Principles and Practices Board Statement Number 15, Section II.

III. CHARGE INFORMATION

A. List schedule of current charges related to this project.

B. List schedule of proposed charges after completion of this project. Discuss the impact of project cost on operational costs and charges of the facility or service.

C. Discuss the impact of project cost on operational costs and charges of the facility or service.

***** FMC Endeavour Dialysis will participate in Medicare's ESRD program which is governed by a prospective payment system with a reimbursement rate per treatment that is set in advance of services provided.**

Project or operational costs have no impact on Facility charges for services.

A. Medicare reimbursement rate is $147.06

B. Medicaid reimbursement rate is $120.00

PART FIVE: UTILIZATION DATA AND FINANCIAL INFORMATION

This part should be completed for projects which cost over $500,000.00 or which propose a substantial change in service, or which would change the bed capacity of the facility in excess of ten percent (10%), or which propose a new facility. **ESRD,** home health, **and** projects that are under $500,000.00 **should omit this part and complete Part Four.**

I. Percent of Gross Revenue **N/A**

	Historical		Projected		
Source of Payment	**200**	**200**	**200**	**200**	**200**
ALL Kids					
Blue Cross/Blue Shield					
Champus/Tricare					
Charity Care (see note below)					
Medicaid					
Medicare					
Other commercial insurance					
Self pay					
Other					
Veterans Administration					
Workers' Compensation					
TOTAL	%	%	%	%	%

Note: Refer to the Healthcare Financial Management Association (HFMA) Principles and Practices Board Statement Number 15, Section II.

II. CHARGE INFORMATION

D. List schedule of current charges related to this project.

E. List schedule of proposed charges after completion of this project. Discuss the impact of project cost on operational costs and charges of the facility or service.

III. **INPATIENT UTILIZATION DATA**
IV.

Historical Data
Give information for last three (3) years for which complete data is available.

OCCUPANCY DATA N/A

Accommodation Occupancy	**STATIONS**			**Admissions or Discharges**			**PATIENTS**			**Percentage (%)**		
	Yr___	Yr___	Yr___	Yr___	Yr___	Yr___	Yr___	Yr___	Yr___	Yr___	Yr___	Yr___
Private												
Semi-Private												
Ward												
TOTALS												
Admissions or Clinical Svcs Occupancy	**STATIONS**			**Discharges**			**PATIENTS**			**Percentage (%)**		
	Yr 04	Yr 05	Yr 06	Yr___	Yr___	Yr___	Yr04	Yr05	Yr06	Yr04	Yr05	Yr06
Med & Surgery												
Obstetrics												
Pediatrics												
Psychiatry												
Other(Dialysis)												
TOTALS												

A. **Projected Data**

Give information to cover the first two (2) years of operation after completion of project.

PROPOSED FACILITY

OCCUPANCY DATA

Accommodation Occupancy	Number of Beds		Admissions or Discharges		Total Patient Days		Percentage (%)	
	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year
Private								
Semi-Private								
Ward								
TOTALS								

Admissions or Clinical Svcs Occupancy	STATIONS 2008 2009		Discharges 2008 2009		PATIENTS 2008 2009		Percentage (%) 2008 2009	
	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year
Medicine & Surgery								
Obstetrics								
Pediatrics								
Psychiatry								
Other(Dialysis)	15	15			38	48	63.0	80.0
TOTALS								

IV. OUTPATIENT UTILIZATION DATA

A. HISTORICAL DATA

N/A

	Number of Outpatient Visits			Percentage of Outpatient Visits		
	Yr_____	Yr_____	Yr_____	Yr_____	Yr_____	Yr_____
Clinical						
Diagnostic						
Rehabilitation						
Surgical						

B. PROJECTED DATA

N/A

	Number of Outpatient Visits		Percentage of Outpatient Visits	
	1st year	2nd year	1st year	2nd year
Clinical				
Diagnostic				
Rehabilitation				
Surgical				

N/A

V. A. ORGANIZATION FINANCIAL INFORMATION

STATEMENT OF INCOME AND EXPENSE	HISTORICAL DATA (Give information for last 3 years for which complete data are available)			PROJECTED DATA (First 2 years after completion of project)	
	199___ (Total)	200___ (Total)	200___ (Total)	2008 (Total)	2009 (Total)
Revenue from Services to Patients					
Inpatient Services					
Routine (nursing service areas)					
Other					
Outpatient Services				N/A	
Emergency Services					
Other Operating Revenue					
Gross Patient Revenue					
Deductions from Revenue					
Contractual Adjustments					
Discount/Miscellaneous Allowances					
Provision for Uncollectibles					
Total Deductions					
NET PATIENT REVENUE (Gross patient revenue less deductions)					
Other Operating Revenue					
NET OPERATING REVENUE					
OPERATING EXPENSES					
Salaries, Wages, and Benefits					
Physician Salaries and Fees					
Supplies and other					
Uncompensated Care (less recoveries) per State Health Plan 410-2-2-.06(d)					
Other Expenses					
Total Operating Expenses					
NON-OPERATING EXPENSES					
Taxes					
Depreciation					
Interest (other than mortgage)					
Existing Capital Expenditures					
Interest					
Total Non-Operating Expenses					
TOTAL EXPENSES (Operating & Capital)					
Operating Income (Loss)					
Other Revenue (Expense) -- Net					
NET INCOME (Loss)					
Projected Capital Expenditure					
Interest					

A-12B. PROJECT SPECIFIC FINANCIAL INFORMATION

STATEMENT OF INCOME AND EXPENSE	HISTORICAL DATA (Give information for last 3 years for which complete data are available)			PROJECTED DATA (First 2 years after completion of project)	
	2204 (Total)	2005 (Total)	2006 (Total)	2008 (Total)	2009 (Total)
Revenue from Services to Patients				1,759,511	1,904,964
Inpatient Services					
Routine (nursing service areas)					
Other				1,777,066	1,923,970
Outpatient Services					
Emergency Services					
Gross Patient Revenue				3,536,577	3,828,934
Deductions from Revenue					
Contractual Adjustments				(764,490)	(827,687)
Discount/Miscellaneous Allowances					
Total Deductions				(764,490)	(827,687)
NET PATIENT REVENUE(Gross patient revenue less deductions)				2,772,087	3,001,247
Other Operating Revenue					
NET OPERATING REVENUE				2,772,087	3,001,247
OPERATING EXPENSES					
Salaries, Wages, and Benefits				571,835	622,157
Physician Salaries and Fees				91,045	94,686
Supplies and other				156,727	160,150
Uncompensated Care (less recoveries) per State Health Plan 410-2-2-.06(d)					
Other Expenses				761,320	819,522
Total Operating Expenses				1,580,927	1,696,515
NON-OPERATING EXPENSES					
Taxes				448,354	491,534
Depreciation				84,114	91,068
Interest (other than mortgage)					
Existing Capital Expenditures					
Interest					
Total Non-Operating Expenses				532,468	582,602
TOTAL EXPENSES (Operating & Capital)				2,113,375	2,279,117
Operating Income (Loss)				**658,712**	**722,130**
Other Revenue (Expense) – Net					
NET INCOME (Loss)					
Projected Capital Expenditure					
Interest					

EXHIBIT 9

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY
APPLICATION FOR EXTENSION OF CERTIFICATE OF NEED
FMC ENDEAVOUR PROJECT #AL2007-034 CON 2220-ESRD

COST CONTAINMENT STATEMENT

Fresenius Medical Care Endeavour will be a chronic hemodialysis facility in an out-of-hospital setting representing the most cost effective method of delivering the required treatment services for the majority of ESRD patients in the Huntsville community. These patients are ambulatory and otherwise medically healthy and do not require intensive, extensive and expensive levels of care provided in hospitals. It is for this reason that this intermediate care facility should be available to these patients. While the quality of care provided remains the same, its scope, depth and cost are specifically tailored to meet the needs of the patient population in this community.

Fresenius Medical Care Endeavour is a subsidiary of Fresenius Medical Care, the nation's largest provider of dialysis services. FMC Corporate Management has extensive experience in design and construction of outpatient dialysis facilities gained form many previous projects and can achieve economies of scale in the development of this project to ensure that cost saving measures are followed.

FMC Endeavour Dialysis participates in Medicare's ESRD program which is governed by a prospective payment system with a reimbursement rate per treatment that is set in advance of services provided.

Medicare reimbursement rate is: $142.71

Medicaid reimbursement rate is: $120.00