



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhhs.gov/dhsr/>

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March 6, 2012

Kevin Ryan, Partner
150 North Michigan Avenue, 35th Floor
Chicago, IL 60601

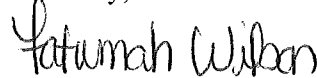
RE: Exempt from Review – Acquisition of RAI Care Centers of North Carolina at 9030 Glenwater Drive # B, Charlotte, North Carolina by Dialysis Newco, Inc., d/b/a DSI Renal / Mecklenburg County
FID # 955380


Dear Mr. Ryan:

In response to your letter of February 21, 2012 the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, you may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you should contact the Acute and Home Care Licensure and Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.G.S. § 131E-181(b): *“A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.”*

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. Please forward notification of the new owner of the real estate after foreclosure sale has taken place. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,


Fatimah Wilson
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

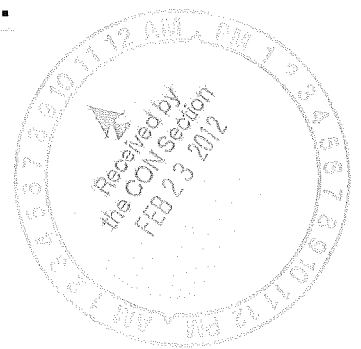
cc: Acute and Home Licensure and Certification Section, DHSR



Fatima

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February 21, 2012

VIA FEDEX

Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699
ATTN: Mr. Craig R. Smith, Chief

Certificate of Need Section
Division of Health Service Regulation
809 Ruggles Dr.
Raleigh, NC 27603
ATTN: Mr. Craig R. Smith, Chief

**RE: *Letter of Intent; RAI Care Centers of North Carolina II, LLC,
FID # 981033 and #955380***

Dear Mr. Smith:

On behalf of our client Dialysis Newco, Inc., dba DSI Renal (the "Purchaser"), we are writing to provide notice of Purchaser's intent to purchase the assets of the above-referenced end stage renal disease facilities (the "Facilities") which are currently owned by RAI Care Centers of North Carolina II, LLC ("Fresenius"). The Facilities are located at 3515 Latrobe Drive, Charlotte, NC 28211 (FID #981033) and 9030 Glenwater Drive #B, Charlotte, NC 28262 (FID #955380).

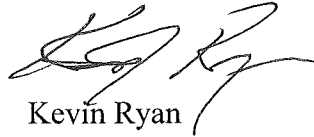
The following summarizes the transaction proposed to take place on or about March 31, 2012. The proposed transaction involves the acquisition by Purchaser of the assets of each of the Facilities from Fresenius. In consideration for the assets being transferred, Purchaser will make a fair market value payment to Fresenius.

In connection with the aforementioned transaction, we respectfully request that you accept this letter as our notice of intent of a change in ownership for the Facilities and provide us with a determination of non-reviewability regarding the proposed transaction.

February 21, 2012
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Should you have any questions or need further information, please feel free to contact me at the number or address listed above. Thank you in advance for your consideration of this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'KR', is written over the typed name 'Kevin Ryan'.

Kevin Ryan
Partner

KR/dlm
cc: Les Brown