

## ACME HEALTHCARE SERVICES, INC. – SUMMARY OF RELATIONSHIPS

**Engagement:** Valuation Consulting Services

**Client:** 10+ location, outpatient dialysis center operator

**Location:** Southern U.S.

**Subject Interest:** Equity Interest in 11 dialysis centers

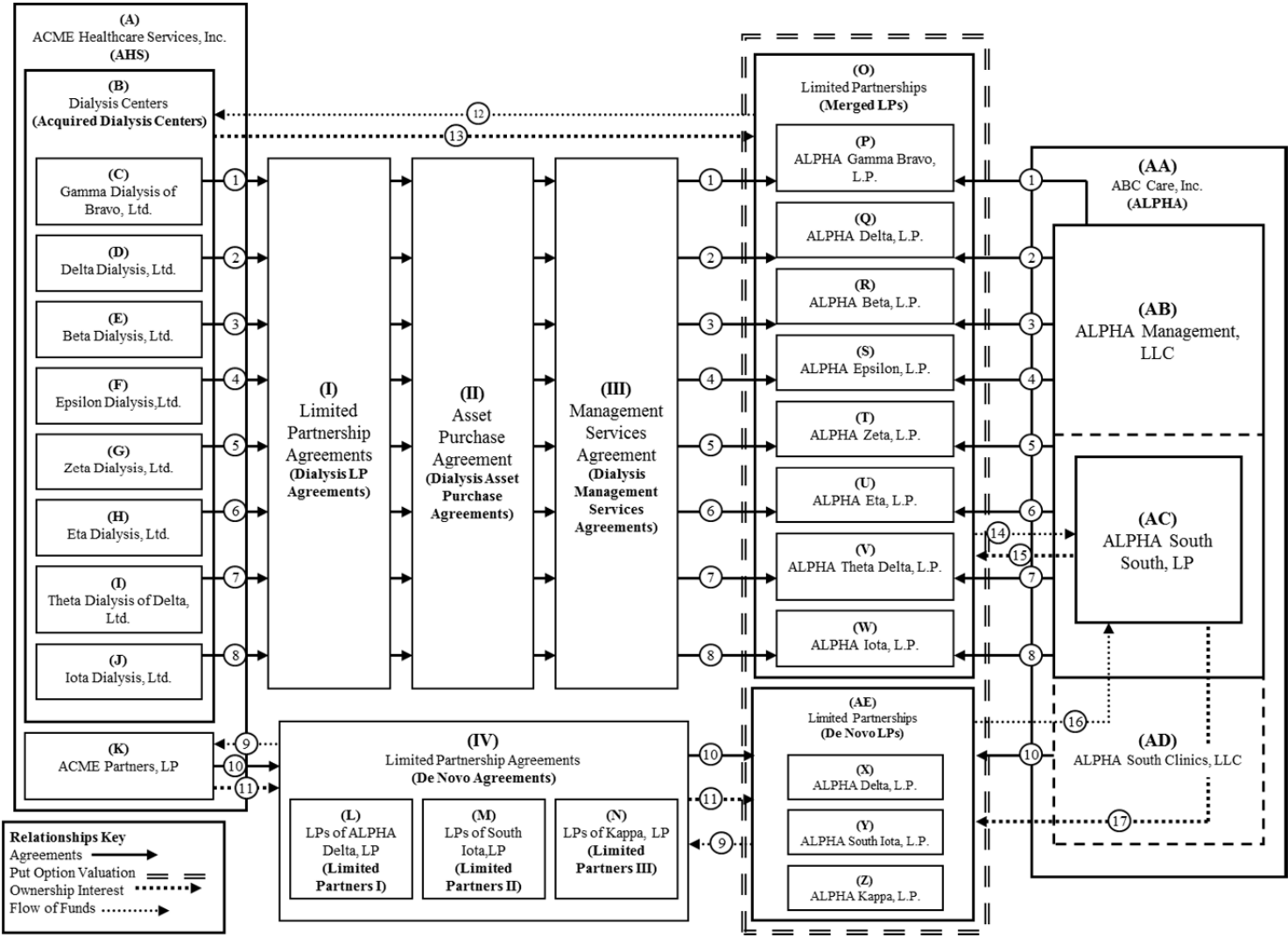
**Description of Engagement:**

HCC was engaged by the Client to prepare a written valuation report providing our opinion and conclusion as to the *Fair Market Value* of a certain equity interest in eleven dialysis centers, for the purposes of assisting the Client in their consideration of their right to exercise a *Put Option*.

See the following exhibits for a brief description of the prospective transaction.



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### Notes (Agreements):

- I. Limited Partnership Agreements (Dialysis LP Agreements) between Dialysis Centers (to be defined) and ALPHA Clinics, LLC (to be defined). Pursuant to the individual agreements ALPHA Clinics, LLC serves as the General Partner, with no contribution amount or ownership percentage, with specified duties contained in Article 6.1 (a) through (m); each Limited Partner (a specific Dialysis Center and ALPHA Southern United States, LP (to be defined)) contributes differing amounts for their corresponding ownership percentage in each Limited Partnership (to be defined). Section 8.5 contains the language for a put and a call option.
- II. Asset Purchase Agreements (Dialysis Asset Purchase Agreements) between Dialysis Centers (to be defined) and ALPHA Management, LLC (to be defined). Each agreement sets forth the assets being included (Assets) and excluded (Excluded Assets) in the sale, the roles of each party involved including the Put and Call Options (Article 6.12), and the purchase price; these items are determined for each individual transaction.
- III. Management Services Agreements (Dialysis Management Services Agreements) between Dialysis Centers (to be defined) and ALPHA Management, LLC (to be defined). Each agreement sets forth the “Manager” as ALPHA Southern United States, LP with corresponding duties of: General Management and Administrative Services (2.1), Accounting and Tax Services (2.2), Personnel Administrative Services (2.3), and Compliance Services (2.4) for each Limited Partnership (to be defined) established.
- IV. Limited Partnership Agreements (De Novo Agreements) between ALPHA South Clinics, LLC and various Limited Partners (to be defined). Each agreement specifies ALPHA South Clinics, LLC as the General Partner, with no contribution amount or ownership percentage, with specified duties contained in Article 5.1 (a) through (n) and also a Call Option (Article 7.5); each Limited Partner (to be defined) contributes differing amounts for their corresponding ownership percentage in each Limited Partnership (to be defined).

### Notes (Parties):

- A. ACME Healthcare Services, Inc. (AHS) serves as General Partner to Beta Dialysis, Ltd., Gamma Dialysis of Bravo, Ltd., Delta Dialysis, Ltd., Epsilon Dialysis, Ltd., Zeta Dialysis, Ltd., Eta Dialysis, Ltd., Theta Dialysis of Delta, Ltd., and Iota Dialysis, Ltd., over which John Doe serves as President.
- B. Dialysis Centers (Acquired Dialysis Centers) which were part of an acquisition by ABC Care in March of 0000 include (to be defined entities): Beta Dialysis, Ltd., Gamma Dialysis of Bravo, Ltd., Delta Dialysis, Ltd., Epsilon Dialysis, Ltd., Zeta Dialysis, Ltd., Eta Dialysis, Ltd., Theta Dialysis of Delta, Ltd., and Iota Dialysis, Ltd. See related LP, Asset Purchase, and Management Services Agreements for further details.
- C. Gamma Dialysis of Bravo, Ltd., located at 0000 Main Street., Bravo, USA 00000, is a renal dialysis center operating with ACME Healthcare Services, Inc. as its General Partner.
- D. Delta Dialysis, Ltd., located at 0001 Main Street, Delta, USA 00000, is a renal dialysis center operating with ACME Healthcare Services, Inc. as its General Partner.
- E. Beta Dialysis, Ltd., located at 0002 Main Street USA, Beta, USA 00000 is a renal dialysis center operating with ACME Healthcare Services, Inc. as its General Partner.
- F. Epsilon Dialysis, Ltd., located at 0003 Main Street USA, Epsilon City, USA 00000 is a renal dialysis center operating with ACME Healthcare Services, Inc. as its General Partner.
- G. Zeta Dialysis, Ltd., located at 0004 Main Street USA, Zeta, USA 00000 is a renal dialysis center operating with ACME Healthcare Services, Inc. as its General Partner.



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- H. Eta Dialysis, Ltd., located at 0005 Main Street USA, Eta, USA 00000 is a renal dialysis center operating with ACME Healthcare Services, Inc. as its General Partner.
- I. Theta Dialysis of Delta, Ltd., located at 0006 Main Street USA Ave, Delta, USA 00000 is a renal dialysis center operating with ACME Healthcare Services, Inc. as its General Partner.
- J. Iota Dialysis, Ltd., located at 0007 Main Street USA, Iota, USA 00000, is a renal dialysis center operating with ACME Healthcare Services, Inc. as its General Partner.
- K. According to the Limited Partnership Agreements of ALPHA Iota South, LP (to be defined) and ALPHA ALPHA, LP (to be defined), ACME Partners, LP is a limited partner of each aforementioned limited partnership; having ACME Healthcare Services, Inc. serve as General Partner to ACME Partners, LP in both instances.
- L. The Limited Partners of ALPHA ALPHA, LP (Limited Partners I) include: ALPHA Southern United States, LP, James Doe, MD, Jake Doe, MD, Jack Doe, ACME Partners, LP, and E Healthcare, LP with respective ownership interests of 60%, 10%, 5%, 10%, 10%, and 5%.
- M. The Limited Partners of ALPHA South Iota, LP (Limited Partners II) include: ALPHA Southern United States, LP, Mark Doe, MD, ACME Partners, LP, and Matt Doe, MD, with respective ownership interests of 60%, 12.5%, 15%, and 12.5%.
- N. The Limited Partnership Agreement of ALPHA Kappa, LP is yet to be received.
- O. The Limited Partnerships (Merged LPs) include the following entities (to be defined): ALPHA Gamma Bravo, L.P., ALPHA Theta Delta, L.P., ALPHA Beta, L.P., ALPHA Epsilon, L.P., ALPHA Zeta, L.P., ALPHA Eta, L.P., ALPHA Delta, L.P., and ALPHA Iota, L.P., which were formed by the related Dialysis LP Agreements and include language setting forth the related put option to be valued in Article 8.5. Pursuant to the corresponding Dialysis LP Agreements, ALPHA Theta Clinics, LLC will serve as the General Partner for the Merged LPs.
- P. ALPHA Gamma Bravo, L.P., located at 0000 Main Street USA, Bravo, USA 00000, is an averaged size dialysis clinic with XX stations, certified by Medicare in 0000, and operating with ALPHA Theta Clinics, LLC as its General Partner.
- Q. ALPHA Theta Delta, L.P., located at 0006 Main Street USA Ave, Delta, USA 00000, is a dialysis clinic operating with ALPHA Theta Clinics, LLC as its General Partner.
- R. ALPHA Beta, L.P., located at 0002 Main Street USA, Beta, USA 00000, is a dialysis clinic operating with ALPHA Theta Clinics, LLC as its General Partner.
- S. ALPHA Epsilon, L.P., located at 0003 Main Street USA, Epsilon City, USA 00000, is a dialysis clinic operating with ALPHA Theta Clinics, LLC as its General Partner.
- T. ALPHA Zeta, L.P., located at 0004 Main Street USA, Zeta, USA 00000, is a dialysis clinic operating with ALPHA Theta Clinics, LLC as its General Partner.
- U. ALPHA Eta, L.P., located at 0005 Main Street USA, Eta, USA 00000, is a dialysis clinic operating with ALPHA Theta Clinics, LLC as its General Partner.
- V. ALPHA Delta, L.P., located at 0008 Main Street USA, Delta, USA 00000, is a dialysis clinic operating with ALPHA Theta Clinics, LLC as its General Partner.
- W. ALPHA Iota, L.P., located at 0007 Main Street USA, Iota, USA 00000, is a dialysis clinic operating with ALPHA Theta Clinics, LLC as its General Partner.



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- X. ALPHA ALPHA, L.P., located at 0009 Main Street USA, Lambda, USA 00000, is a dialysis clinic operating with ALPHA South Clinics, LLC as its General Partner.
- Y. ALPHA South Iota, L.P., located at 0010 Main Street USA, Iota, USA 00000, is a dialysis clinic operating with ALPHA South Clinics, LLC as its General Partner.
- Z. ALPHA Kappa, L.P., located at 0011 Main Street USA, Mu, USA 00000, is a dialysis clinic operating with ALPHA South Clinics, LLC as its General Partner.
- AA. ABC Care, Inc. (ALPHA), founded in North in 2000, works in joint venture partnerships with nephrologists in their local markets to acquire, develop and operate dialysis centers that focus on end stage renal disease.
- AB. ALPHA Management, LLC is an operating company that serves as General Partner to ALPHA Southern United States, LP.
- AC. ALPHA Southern United States, LP is a limited partner to Merged LPs with varying degrees of ownership in each partnership.
- AD. ALPHA South Clinics, LLC serves as the General Partner to the De Novo LPs (to be defined), except ALPHA Kappa LP, which no documentation has been provided.
- AE. The Limited Partnerships (De Novo LPs) include ALPHA, LP, and ALPHA South Iota, LP (awaiting documentation on ALPHA Kappa, LP).

### **Notes (Relationships):**

1. Gamma Dialysis of Bravo, Ltd. and ALPHA ST Management, LLC enter into Dialysis LP Agreements, Dialysis Asset Purchase Agreements, Dialysis Management Services Agreements; whereby Gamma Dialysis of Bravo, Ltd. promises to sell a XX% interest of Assets (defined in Dialysis Asset Purchase Agreements) to ALPHA Southern United States, LP, who would then contribute the assets to the newly created LP under the Dialysis LP Agreements in exchange for ownership interest corresponding to the amount of assets purchased. Gamma Dialysis of Bravo, Ltd. would contribute assets of \$XXXXXX.XX and cash in the amount of \$XXXXXX.XX for a XX% ownership stake in the newly formed LP.
2. Delta Dialysis, Ltd. and ALPHA Management, LLC enter into Dialysis LP Agreements, Dialysis Asset Purchase Agreements, Dialysis Management Services Agreements; whereby Delta Dialysis, Ltd. promises to sell a XX% interest of Assets (defined in Dialysis Asset Purchase Agreements) to ALPHA Southern United States, LP, who would then contribute the assets to the newly created LP under the Dialysis LP Agreements in exchange for ownership interest corresponding to the amount of assets purchased. Delta Dialysis, Ltd. would contribute assets of \$XXXXXX.XX and cash in the amount of \$XXXXXX.XX for a XX% ownership stake in the newly formed LP.
3. Beta Dialysis, Ltd. and ALPHA Management, LLC enter into Dialysis LP Agreements, Dialysis Asset Purchase Agreements, Dialysis Management Services Agreements; whereby Beta Dialysis, Ltd. promises to sell a XX% interest of Assets (defined in Dialysis Asset Purchase Agreements) to ALPHA Southern United States, LP, who would then contribute the assets to the newly created LP under the Dialysis LP Agreements in exchange for ownership interest corresponding to the amount of assets purchased. Beta Dialysis, Ltd. would contribute assets of \$XXXXXX.XX and cash in the amount of \$XXXXXX.XX for a XX% ownership stake in the newly formed LP.
4. Epsilon Dialysis, Ltd. and ALPHA Management, LLC enter into Dialysis LP Agreements, Dialysis Asset Purchase Agreements, Dialysis Management Services Agreements; whereby Epsilon Dialysis, Ltd. promises to sell a XX% interest of Assets (defined in Dialysis Asset Purchase Agreements) to ALPHA Southern United States, LP, who would then contribute the assets to the newly created LP under the Dialysis LP Agreements in exchange for



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- ownership interest corresponding to the amount of assets purchased. Epsilon Dialysis, Ltd. would contribute assets of \$XXXX and cash in the amount of \$XXXX for a 30% ownership stake in the newly formed LP.
5. Zeta Dialysis, Ltd. and ALPHA Management, LLC enter into Dialysis LP Agreements, Dialysis Asset Purchase Agreements, Dialysis Management Services Agreements; whereby Zeta Dialysis, Ltd. promises to sell a XX% interest of Assets (defined in Dialysis Asset Purchase Agreements) to ALPHA Southern United States, LP, who would then contribute the assets to the newly created LP under the Dialysis LP Agreements in exchange for ownership interest corresponding to the amount of assets purchased. Zeta Dialysis, Ltd. would contribute assets of \$XXXXX.XX and cash in the amount of \$XXXXX.XX for a XX% ownership stake in the newly formed LP.
  6. Eta Dialysis, Ltd. and ALPHA Management, LLC enter into Dialysis LP Agreements, Dialysis Asset Purchase Agreements, Dialysis Management Services Agreements; whereby Eta Dialysis, Ltd. promises to sell a XX% interest of Assets (defined in Dialysis Asset Purchase Agreements) to ALPHA Southern United States, LP, who would then contribute the assets to the newly created LP under the Dialysis LP Agreements in exchange for ownership interest corresponding to the amount of assets purchased. Eta Dialysis, Ltd. would contribute assets of \$XXXXX.XX and cash in the amount of \$XXXXX.XX for a XX% ownership stake in the newly formed LP.
  7. Theta Dialysis of Delta, Ltd. and ALPHA Management, LLC enter into Dialysis LP Agreements, Dialysis Asset Purchase Agreements, Dialysis Management Services Agreements; whereby Theta Dialysis of Delta, Ltd. promises to sell a XX% interest of Assets (defined in Dialysis Asset Purchase Agreements) to ALPHA Southern United States, LP, who would then contribute the assets to the newly created LP under the Dialysis LP Agreements in exchange for ownership interest corresponding to the amount of assets purchased. Theta Dialysis of Delta, Ltd. would contribute assets of \$XXXXX.XX and cash in the amount of \$XXXXX.XX for a XX% ownership stake in the newly formed LP.
  8. Iota Dialysis, Ltd. and ALPHA ST Management, LLC enter into Dialysis LP Agreements, Dialysis Asset Purchase Agreements, Dialysis Management Services Agreements; whereby Iota Dialysis, Ltd. promises to sell a XX% interest of Assets (defined in Dialysis Asset Purchase Agreements) to ALPHA Southern United States, LP, who would then contribute the assets to the newly created LP under the Dialysis LP Agreements in exchange for ownership interest corresponding to the amount of assets purchased. Iota Dialysis, Ltd. would contribute assets of \$XXXXX.XX and cash in the amount of \$XXXXX.XX for a XX% ownership stake in the newly formed LP.
  9. ACME Partners, LP receives the economic benefit of the De Novo LPs.
  10. ACME Partners, LP and ALPHA South Clinics, LLC enter into De Novo Agreements to create the De Novo LPs.
  11. ACME Partners, LP has an ownership interest in the De Novo LPs; the corresponding percentages are defined in the De Novo Agreements.
  12. Acquired Dialysis Centers receive the economic benefit of ownership for the corresponding interest in the Merged LPs.
  13. Acquired Dialysis Centers have an ownership interest in the Merged LPs; the corresponding percentages are defined in the Dialysis LP Agreements.
  14. ALPHA Southern United States, LP receives the economic benefit of ownership of the Merged LPs.
  15. ALPHA Southern United States, LP has an ownership interest in the Merged LPs; the corresponding percentages are defined in the Dialysis LP Agreements.
  16. ALPHA Southern United States, LP receives the economic benefit of ownership of the De Novo LPs.
  17. ALPHA Southern United States, LP has an ownership interest in the De Novo LPs; the corresponding percentages are defined in the De Novo Agreements.

