LIMITED LIABILITY COMPANY AGREEMENT

OF

SATELLITE DIALYSIS OF TRACY, LLC

August 15, 2007

THE MEMBERSHIP INTERESTS OF THE LIMITED LIABILITY COMPANY ISSUED PURSUANT TO THIS AGREEMENT MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR ENCUMBERED, EXCEPT IN CONFORMITY WITH THE TERMS OF THIS AGREEMENT.

UPON THE OCCURRENCE OF CERTAIN SPECIFIED EVENTS, THIS AGREEMENT GRANTS CERTAIN RIGHTS TO THE LIMITED LIABILITY COMPANY AND ITS MEMBERS TO ACQUIRE THE MEMBERSHIP INTERESTS OF A MEMBER INCLUDING A DISPOSITION OF THE MEMBERSHIP INTERESTS OF THAT MEMBER. IN ADDITION, THIS AGREEMENT GRANTS TO CERTAIN MEMBERS RIGHTS TO (i) REQUIRE THE OTHER MEMBERS TO SELL, EITHER IN WHOLE OR IN PART, THEIR MEMBERSHIP INTERESTS IN THE LIMITED LIABILITY COMPANY AND/OR (ii) PURCHASE THE MEMBERSHIP INTERESTS OF OTHER MEMBERS.

LIMITED LIABILITY COMPANY AGREEMENT

of

Satellite Dialysis of Tracy, LLC

A Delaware Limited Liability Company

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of Satellite Dialysis of Tracy, LLC (the "LLC") is made as of August 15, 2007 (the "Effective Date"), by and among Satellite Healthcare, a California nonprofit public benefit corporation ("Satellite") and the other Member(s) set forth on Schedule 1 hereto (the "Community Member(s)" and, collectively with Satellite, the "Members"), with reference to the following facts:

- 1. Background. In August, 2007, the Certificate of Formation (the "Certificate of Formation") for Satellite Dialysis of Tracy, LLC (the "LLC") will be filed with the Delaware Secretary of State.
- 2. Members. Pursuant to this Agreement, the LLC shall issue Membership Interests to Satellite and Dr. Aibar Huatuco, a nephrologist duly licensed to practice medicine in the state of California ("Huatuco").
- 3. Percentage Interests. Following such issuances, and as set forth on Schedule 1, the Percentage Interest of each Member will be as follows: Satellite, a 50 Percentage Interest and Huatuco, a 50 Percentage Interest.
- 4. Obligations of Community Members. As a condition to the admission of each Member as a Member of the LLC, the Community Member (a) has made certain representations and warranties to the LLC and agreed to certain covenants, as set forth on Schedule 2; and (b) has agreed to abide by certain restrictive covenants as set forth on Schedule 3.
- 5. LLC Manager. As described in Section 4.1, the LLC will be managed by a Manager, and except for certain decisions reserved for the Members (as described in Section 3.4), the Manager shall have sole authority to act for and bind the LLC. Satellite shall be the Manager of the LLC (as described in Section 4.6), and in connection therewith shall enter into a Management Services Agreement dated of even date herewith with the LLC pursuant to which Satellite will provide day-to-day administrative, management and operational support services to the LLC (the "Management Services Agreement").
- 6. Medical Director. Huatuco owns and operates A & I, Inc., a California professional medical corporation ("A & I") and shall cause A & I to act as the medical director for the Centers (as defined herein), and in connection therewith shall cause A & I to enter into a medical director services Agreement with the LLC dated of even date herewith (the "Medical Director Agreement").
- 7. Physician Agreement. Huatuco shall cause any full time physician partners associated with A & I to enter into a Physician Agreement in the form of ("Exhibit A") hereto.
- 8. Allocations. Items of profit and loss shall be allocated among the Members in accordance with their respective Percentage Interests in the LLC, as described in Section 6.1.

- 9. Distributions. Distributions of Distributable Cash shall be made to the Members in accordance with their respective Percentage Interest in the LLC, on a quarterly basis or as may otherwise be determined by the Manager, as described in Section 3.2.
- 10. Transfers/Repurchase Rights. The Membership Interests held by Satellite and the Community Member are subject to restrictions on transfer (as described in Section 7.1), and upon certain transfers, are subject to a right of repurchase by the other Members (as described in Section 7.2 and on Schedule 5).
- 11. Future Members of A & I. Huatuco acknowledges and agrees that he shall undertake reasonable, good faith efforts to encourage and facilitate future physician owners/shareholders of A & I to invest and participate in the LLC and in any joint ventures that Huatuco and Satellite may decide to enter into in the future.
- 12. Confidentiality and Proprietary Information. Each of the Members will be bound by certain covenants regarding confidentiality and proprietary information as described on Schedule 6.
- 13. Defined Terms. Capitalized terms used but not defined herein shall have the meanings given to such terms on Schedule 4. Unless expressly stated otherwise in the context of a particular provision herein, (i) it shall be assumed that with respect to the Manager, the terms "opinions," "deems," "determine," and "discretion" shall mean "reasonable opinion"/ "reasonably deems"/"reasonably determines," "reasonable discretion;" (ii) for any obligation by any party to provide a "consent," it shall be inferred that such consent may not be unreasonably withheld, and (iii) the singular term "Center" shall be deemed to mean any and all Centers owned by the LLC.

NOW, THEREFORE, for good valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned Members, intending to be legally bound, hereby agree as follows:

I. PURPOSE AND POWERS

Section 1.1 Purpose and Powers of LLC. The purpose of the LLC is to develop, own and operate in-center dialysis facilities (the "Centers") in San Joaquin County, California. At the outset, the LLC intends to develop a Center within Tracy, California, and intends that the Center will be constructed to accommodate a peritoneal dialysis training program. It is intended that said training program will be transferred to a new joint venture owned in part by WellBound, LLC, in the future. In addition, the purpose of the LLC is to engage in any other activity or business permitted by law. The LLC shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or in furtherance of the foregoing.

Section 1.2 <u>Formation</u>. The LLC was organized as a Delaware limited liability company by the filing of the Certificate of Formation and shall be continued in accordance therewith and the terms of this Agreement. The name of the LLC is "Satellite Dialysis of Tracy,

LLC" and all of the LLC's business shall be conducted under the name "Satellite Dialysis of Tracy, LLC" or such other names as the Manager may select from time to time.

- Section 1.3 <u>Term of LLC</u>. The LLC's existence shall continue in effect until such time, if any, as the LLC's existence is terminated pursuant to the Certificate of Formation or this Agreement.
- Section 1.4 Principal Office and Agent for Service of Process. Until changed by action of the Manager, (i) the principal office of the LLC shall be located at 401 Castro Street, Mountain View, California 94041, or such other address as the Manager may from time to time determine, and (ii) the LLC's registered agent for service of process shall be Corporation Service Company, 2711 Centerville Road, Suite #400, Wilmington, Delaware 19808. The LLC may have such additional offices as the Manager may determine from time to time.
- Section 1.5 <u>Qualification</u>. The LLC shall obtain a Certificate of Authority, or such other equivalent certification, qualifying the LLC to transact business as a foreign entity in the State of California.
- Section 1.6 No State Law Partnership. The Members intend that the LLC shall not be a partnership and that no Member shall be a partner of any other Member for any purposes other than federal, state and local tax purposes, and the provisions of this Agreement shall not be construed otherwise.

II. MEMBERS AND MEMBERSHIP INTERESTS

- Section 2.1 <u>Members; Voting Rights.</u> Each Member of the LLC shall be entitled to vote on any matter on which the Members are entitled to vote. Except as otherwise provided herein or as required by applicable law, the vote, consent or approval of a Majority-in-Interest of the Members shall constitute the action and approval of the Members. The Members of the LLC and the respective Percentage Interest held by each Member are listed on <u>Schedule 1</u> attached to this Agreement. Other Persons may hereafter be admitted as Members in accordance with Section 2.5.
- Section 2.2 Other Member Rights. The respective rights of each Member to share in the capital and assets of the LLC, either by way of distributions or upon liquidation, will be determined by reference to the Percentage Interest of such Member; and each Member's interest in the profits and losses of the LLC shall be established as provided herein. Except as otherwise required by applicable law, the Members shall only have the power to exercise any and all rights expressly granted to the Members pursuant to the terms of this Agreement. No Member shall have any preemptive right to purchase or subscribe for additional Membership Interests in the LLC by reason of the admission of any new Member or the issuance of any new or additional Membership Interests or other debt or equity interests in the LLC.
- Section 2.3 <u>Representatives</u>. Any Member may designate an individual to act on its behalf in its capacity as a Member pursuant to this Agreement (a "<u>Representative</u>"), by specifying the name of such individual on <u>Schedule 1</u> hereto. In addition, if any Member does not designate such a Representative and desires hereafter to designate a Representative, or any

Member who has designated a Representative decides at any time to change its Representative, it may do so by giving written notice thereof to the Manager of the LLC, which designation or change in Representative shall be effective ten (10) days after the date such notice is received by the Manager.

Section 2.4 <u>Identity of Members</u>. Each Member hereby permits their name to be listed as a member and an affiliate of the LLC (and its Affiliates, if appropriate) for all reasonable purposes, including without limitation complying with all federal, state and local regulatory requirements and the requirements of third party payors, and in educational and promotional materials.

Admission of Additional Members. Upon written consent of a Section 2.5 Super-Majority-in-Interest of the Members and, in the case of any Professional Members, their compliance with the requirements set forth in Article X hereof, the Manager may admit into the LLC additional Members upon such terms and conditions, and in exchange for such Capital Contributions, as determined by the Manager from time to time, but in all cases each such capital contribution shall reflect the fair market value of the Membership Interest received in consideration therefore. Each additional Member shall obtain a Membership Interest and participate in the profits, losses and distributions of the LLC on such terms as are set forth herein as applicable to all Members. Each additional Member shall, as a condition precedent to the admission of such Person as a Member of the LLC, execute and deliver a subscription agreement and a counterpart to this Agreement pursuant to which such Person agrees to be bound by the terms and conditions hereof, including without limitation the representations and warranties set forth on Schedule 2 and the restrictive covenants set forth on Schedule 3. Upon the admission of any such additional Member, Schedule 1 hereto shall be amended to reflect such Member's admission and the subsequent reallocation of all Members' Percentage Interests.

Section 2.6 No Withdrawals. No Member may withdraw or resign as a Member from the LLC without the approval of the other Members, except upon consummation of the transfer of the Member's entire Membership Interest to a transferee in compliance with the applicable provisions of Article VII hereof. If a Member does withdraw or resign without such consent and in violation of the applicable provisions of Article VII hereof, the withdrawing Member shall not be entitled to receive any consideration for its Membership Interest. Except as otherwise provided in this Agreement, no Member, as such, is entitled to remuneration for acting on LLC business.

III. MEMBER INTERESTS, DISTRIBUTIONS AND APPROVALS

Section 3.1 <u>Membership Interests</u>. <u>Schedule 1</u> to this Agreement reflects the Percentage Interests of the Members as of the date hereof, and the Manager shall cause such <u>Schedule 1</u> to be amended from time to time as necessary to reflect changes therein.

Section 3.2 <u>Distributions of Distributable Cash</u>. Subject to applicable law and any policies adopted by the Manager concerning distributions of Distributable Cash, within 45 days following the end of each calendar quarter and the determination of the amount of Distributable Cash of the LLC, the Manager shall distribute Distributable Cash to the Members

in accordance with their respective Percentage Interests. "Distributable Cash" means the amount of cash of the LLC on hand or in LLC bank accounts as of the end of each calendar quarter, less such amounts as are appropriate to retain for the payment of 45 days of LLC current liabilities and operating expenses and for satisfying other cash requirements, and/or as reasonable reserves for the capital requirements of the LLC, all as reasonably determined by the Manager.

- Section 3.3 Operating Committee. Each of the Members shall be permitted to appoint one representative to an operating committee for the LLC (the "Operating Committee"). The Operating Committee shall meet with the Manager not less than two times each calendar year for the purpose of reviewing the operations and results of operations of the LLC. Any member of the Operating Committee may request additional meetings, and the responsibilities and powers of the Operating Committee may be modified upon the consent of a Majority-in-Interest of the Members and the Manager.
- Section 3.4 <u>Matters Requiring Approval of a Super Majority-in-Interest</u>. The following matters shall require the consent of a Super Majority-in-Interest of the Members of the LLC:
- Section 3.4.1 The execution, amendment, renewal, modification or termination of certain material agreements to which the LLC will be bound, as follows: (i) any agreement pursuant to which the LLC will be required to pay or incur debt of more than \$100,000 on an annual basis; (ii) any agreement to pay for services or supplies which is not terminable by the LLC on less than 180 days notice; (iii) the real estate lease agreement for the Center; (iv) all Medical Director Agreements for the Center; (v) the Management Services Agreement for the LLC; (vi) any guarantees by the LLC of the obligations of any person other than the LLC or any subsidiary of the LLC; and (vii) any agreement between the LLC and any of its Members or any Affiliate of any Member.
- Section 3.4.2 Any relocation of the Center from its current location or the establishment of any new Center.
- Section 3.4.3 Any material change to the primary business activity of providing end stage renal dialysis services or of the types of services offered by the Center.
- Section 3.4.4 Any amendments to this Agreement; provided, however, that the Manager may amend this Agreement from time to time without the consent, approval or authorization of any Member (i) in order to document the admission of additional Members (following a determination by the Members pursuant to Section 2.5) or reflect changes in the respective Percentage Interests of the Members as a result of the admission of any new Members or the making of Additional Capital Contributions or the permitted withdrawal of any Member, or (ii) for other technical non-substantive purposes or in other respects if, in the opinion an attorney (who shall have sufficient experience in health law matters), the amendment does not have substantive effect generally on the Members.
- Section 3.4.5 The selection of all tax elections to be made by the LLC (and comparable provisions of any applicable state or local laws), including electing to treat the LLC as a corporation for tax purposes.

- Section 3.4.6 The employment or retainment by the Manager of business managers, consultants, advisors, service providers, etc., pursuant to Section 4.1.8 of this Agreement.
- Section 3.4.7 Adopt annual operating and annual capital budgets for the LLC as proposed by Manager, but only if such proposed annual operating and annual capital budgets exceed the previous year's annual budgets by more than 20 percent (otherwise no such adoption shall be necessary).
- Section 3.4.8 Borrow funds from any Person with respect to the business of the LLC and guarantee payment of such funds through the pledge of, or grant of a security interest in, or mortgage upon, any or all assets of the LLC, and in connection therewith deliver all notes, instruments, agreements or other documents or instruments as determined by the Manager to be necessary or appreciate in connection therewith.
- Section 3.4.9 The purchase, sale, lending, borrowing, leasing or renting of the real property and material assets of the LLC (whether real, personal or mixed) and exercise all rights, powers, privileges and other incidents of ownership with respect thereto, including without limitation any material repairs, improvements, development, management, insurance or upgrade to the Center. For purposes of this Agreement, any asset with a value in excess of \$100,000 shall be considered material.
- Section 3.4.10 To take any other action expressly reserved to a Super-Majority in Interest vote otherwise set forth herein.
 - Section 3.4.11 Do any act in contravention of this Agreement.
- Section 3.4.12 Authorize LLC to make unbudgeted capital expenditures in excess of Twenty-Five Thousand Dollars (\$25,000) per Center during any 12-month period.
 - Section 3.4.13 Admit any new Members to LLC.
- Section 3.4.14 Sell all or substantially all of LLC's or any Center's assets, or authorize the merger or dissolution of LLC.
- Section 3.4.15 Liquidate or dissolve the LLC or file any petition or other request for bankruptcy or insolvency protection of the LLC under any applicable law.

IV. MANAGEMENT OF THE LLC

Section 4.1 <u>Manager</u>. Except for powers expressly reserved to the Members under this Agreement or limitations under applicable law, and except to the extent that the Manager chooses to delegate authority with respect to specified matters, all powers of the LLC shall be exercised by or under the authority of, and the business and affairs of the LLC shall be managed under the direction of, the Manager (which term shall be synonymous with the term "manager" as used in the Act). The Manager shall continue to serve as Manager until the earlier

to occur of such Manager's resignation or removal by a Majority-in-Interest of the Members; provided, however, that the power and authority of the Manager hereunder may be transferred by the Manager to any Affiliate of Satellite without the consent of a Majority-in-Interest of the Members, so long as such new Manager agrees to be bound by the terms and conditions of this Agreement applicable to the Manager. A Manager need not be a Member of the LLC. Any delegation of authority by the Manager (whether through agreement, delegation, appointment or subcontract) to any Person as agent for the LLC or the Manager shall not cause the Manager to cease as "manager" of the LLC for purposes of the Act and this Agreement. Without limiting the generality of the foregoing and except as otherwise set forth in this Agreement (including the provisions of Section 3.4), the Manager shall have the right, in its sole discretion, to take or do any of the following in the name of and at the expense of the LLC:

- Section 4.1.1 <u>Property and Assets</u>. Except as limited by Section 3.4, purchase, hold, sell, lend, borrow, lease, rent or otherwise deal in the property and assets of the LLC (whether real, personal or mixed) and exercise all rights, powers, privileges and other incidents of ownership with respect thereto, including without limitation any repairs, improvements, development, management, insurance or upgrade to the Center.
- Section 4.1.2 <u>Accounts.</u> Open, maintain, conduct, and close accounts with brokers and with banks or other custodians for LLC assets, each as selected by the Manager in its sole discretion, and draw checks or other orders for the payment of money by the LLC.
- Section 4.1.3 Officers. Appoint one or more officers of the LLC to implement any of the actions that have been authorized or approved by the Manager or to assist the Manager in the performance of its responsibilities under this Agreement.
- Section 4.1.4 <u>Reserves</u>. Except as limited by Section 3.4, establish and maintain reasonable reserves for such purposes and in such amounts as the Manager may deem to be appropriate, and determine and make distributions to the Members in accordance with the terms of this Agreement.
- Section 4.1.5 <u>Insurance</u>. Purchase, from or through others, contracts of life, liability, casualty and other insurance which the Manager deems advisable, appropriate or convenient for the protection of the assets, property or business of the LLC or for any purpose convenient or beneficial to the LLC.
- Section 4.1.6 <u>Legal Proceedings</u>. File, conduct and defend legal proceedings of any form, including defending proceedings brought against the Manager or any Member in their capacities as such, and compromise and settle any such proceedings, or any claims against any person, including claims against Members, on whatever terms deemed appropriate by the Manager; provided, however, that if any such settlement or compromise would require any Member to pay any sums to a third party or to the LLC for which such Member will not be reimbursed in full by the LLC or any insurer, the prior consent of such Member to any such settlement or compromise shall be required, which consent shall not be unreasonably withheld or delayed.

Section 4.1.7 <u>Consultants and Advisors</u>. Employ or retain, from time to time, at the expense of the LLC and upon the consent of a Super Majority-in-Interest of the Members, one or more business managers, consultants and service providers to assist in the day-to-day operation of the Center or any aspects of the LLC's business (other than the professional medical aspects thereof), or to assist the Manager or officers (if any) of the LLC in the performance of their responsibilities, all as and to the extent the Manager deems necessary, appropriate or desirable. Such consultants or advisors may include, without limitation, business managers, accountants, attorneys, investment advisors, financial consultants, strategic planners and investment bankers, and may include Affiliates of and any Persons that are employed by the Manager, any Member or any of their Affiliates. In connection with and in furtherance of the foregoing, the Manager shall have the power and authority to delegate any power and authority granted to the Manager pursuant to this Agreement to any business managers, consultants or advisors.

Section 4.1.8 <u>Employees</u>. Employ or otherwise retain all staff used to provide services to the LLC. The LLC shall reimburse Satellite for the cost of providing all staff providing services at or on behalf of the LLC.

Section 4.1.9 Other Lawful Activity. Except as limited by Section 3.4, 5.1, 7.1, Article XI, or any other provision hereof, engage in any other activity, and to enter into and perform and carry out, in the name and on behalf of the LLC, any other contracts or agreements of any kind which the Manager deems in its discretion to be necessary to, in connection with, or incidental to the accomplishment of, the purposes of the LLC, or which are otherwise permitted under the Management Services Agreement, including activities and contracts with Affiliates so long as such activities and contracts may be lawfully carried out under applicable laws.

Section 4.2 Fees, Expenses and Reimbursement. All LLC direct expenses, including all reasonable expenses incurred by the Manager by or on behalf of the LLC, will be the responsibility of the LLC, including legal, audit, and accounting fees of the LLC, fees and expenses incurred in connection with transactions undertaken by the LLC, taxes imposed on the LLC and expenses of any Manager or Member meetings. The Manager shall be reimbursed by the LLC for all reasonable out of pocket fees and expenses incurred by it in the performance of its duties and responsibilities as Manager of the LLC.

Section 4.3 <u>Limitation of Liability</u>. No Manager, Member or officer of the LLC shall be liable to the LLC or to any other Member for any loss or damage sustained by the LLC or any other Member unless the loss or damage shall have been the result of fraud, intentional misconduct, or a knowing violation of the law by such Manager, Member or officer. No Member, or any partner, member, subsidiary, employee, agent or Affiliate of any Member (nor any officer, director, partner, member, subsidiary, employee, agent or any other person acting through or under the authority of any of the foregoing) shall be liable, responsible or accountable in damages or otherwise to any other Member of the LLC for any act performed in good faith by any or all such persons in connection with the affairs of the LLC, where such action, inaction or failure to act is based upon the belief that such action, inaction or failure to act is reasonable under the circumstances and does not constitute intentional misconduct and in no event shall any shareholder of a Member that is a corporation or any member of any Member

that is a limited liability company have any liability for any acts or omissions to act of such Member even if such act or omission to act shall have constituted fraud, deceit, reckless or intentional misconduct, or a knowing violation of the law by such Member.

Manager. It is acknowledged and agreed that the Manager shall not be required to commit or expend all or even a majority of its time or energies in the management of the LLC and that the Manager shall devote only such time and energies to the management of the LLC as it deems necessary or appropriate. The Community Members understand that Satellite and its Affiliates are engaged in, or involved in management of, the business of operating and managing end stage renal dialysis facilities and other home dialysis centers and related businesses, and agree that Satellite and its Affiliates shall have the right, now and at any time in the future, to own, operate, manage and provide assistance to such facilities, centers and businesses. Such ownership and activities shall not constitute a breach or violation of Satellite's obligations under this Agreement, and the LLC and the Community Members shall not, either individually or collectively, have any right, title or interest in or to any of the revenues or profits generated by these other businesses or by Satellite or any of its Affiliates as a result of such ownership or other activities.

Section 4.4 Fiduciary Duties; "Corporate" Opportunities. During the LLC Restricted Period (as defined in Schedule 3), to the extent that either Huatuco, Satellite or any of their respective Affiliates determines that (a) there is sufficient demand for in-center dialysis services to support the medical practice that cannot be adequately provided by the Center; and (b) that it would be beneficial to develop an additional in-center dialysis services center then the Members agree to use their good faith best efforts to reach agreement on the terms and conditions of developing such additional center to be owned and operated by the LLC without violating the terms of this Agreement or any other agreement to which the Member and the Company (or its Affiliates) are parties. Notwithstanding the generality of the foregoing, each Community Member acknowledges and agrees that this Section 4.4 shall in no way limit such Community Member's obligations pursuant to the restrictive covenants set forth on Schedule 3 hereto.

Section 4.5 <u>Tax Matters Person</u>. The Manager shall be the LLC's "tax matters person" ("<u>Tax Matters Person</u>") and, as such, shall have all powers and responsibilities provided in Section 6221, et seq., of the Internal Revenue Code of 1986, as amended (the "<u>Code</u>"), or such other provisions as may become applicable to limited liability companies. The LLC shall pay and be responsible for all third-party costs and expenses incurred by the Tax Matters Person in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the LLC. Subject to Section 3.4.5 above, the Tax Matters Person shall have the authority to make (or to refrain from making) all LLC elections permitted under the Code, including, but not limited to, elections of methods of depreciation and elections under Code Section 754.

Section 4.6 <u>Management Services Agreement</u>. The Members acknowledge that the LLC shall enter into the Management Services Agreement pursuant to which Satellite, as the Manager, shall provide non-professional business management services to the LLC in

connection with the day-to-day operation of the Center. Each Member acknowledges and agrees that it has received a copy of such Management Services Agreement, and that Satellite's financial interest in the Management Services Agreement has been fully disclosed.

Section 4.7 <u>Medical Director Agreement</u>. The Members acknowledge and agree that the LLC shall enter into the Medical Director Agreement with A & I and Aibar Huatuco, M.D., pursuant to which A & I and Aibar Huatuco, M.D. shall provide medical management and administrative services to the Center.

V. CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

Section 5.1 Capital Contributions.

Section 5.1.1 Additional Capital Contributions. The capital of the LLC shall be as shown on Schedule 1 attached hereto. Each of the Members has contributed or shall be obligated to contribute to the capital of the LLC the amounts indicated in Schedule 1. If at any time the Manager deems it to be in the best interests of the LLC to raise additional equity capital to properly carry out the LLC's business and operations, subject to the approval of a Super Majority-in-Interest of the Members, the Manager shall have the right to raise additional equity capital for infusion into the LLC from Members or other Persons on terms that may be senior to, junior to, or on parity with, the terms of the Membership Interests held by then existing Members. In addition, the LLC may obtain funds through loans (which may be made by a Member) having such terms and conditions as the Manager, in its reasonable discretion, deems to be in the best interest of the LLC provided that no Member shall be required to personally guarantee such debt unless (i) such guarantees are approved by a Majority-in-Interest of the Members and (ii) all Members are required to make such guarantees limited to their respective Percentage Interests.

Section 5.1.2 <u>Failure to Make Additional Capital Contribution</u>. Each Member acknowledges that its Percentage Interest may be reduced if such Member fails to contribute its full pro rata share of any Additional Capital Contributions requested by the Manager by the due date specified by the Manager (which date shall be no sooner than 90 days form the call for capital), and the Manager shall cause <u>Schedule 1</u> to be amended accordingly.

Section 5.1.3 Future Issuances or Sales of Membership Interests. Subject to the provisions of Section 5.1.4, in the event that the LLC sells or issues any additional Membership Interests, or if Satellite or any Community Member hereafter sells or otherwise transfers, in accordance with the applicable terms and conditions of this Agreement, all or any portion of its Membership Interest in the LLC, to any other Person or Persons, Schedule 1 to this Agreement shall be further amended to set forth the names of each such Member, the Percentage Interest in the LLC owned by such Member and, in the event the new Member acquired its Membership Interest from the LLC, the amount and nature of such Member's capital contributions to the LLC. The respective Percentage Interests of each Member shall be subject to adjustment upon the admission of additional Members, the withdrawal of Members and as otherwise provided in this Agreement.

- Section 5.1.4 <u>Professional Member</u>. In the event any potential transferee or any other Person desiring to become a Member is a Professional, as a condition precedent to the admission of such Person as a Member of the LLC (or the transfer of any Membership Interests to such Person), in addition to any other requirements for such transfer or admission as a Member set forth in this Agreement, such Person must deliver to the LLC those representations, warranties and covenants, as applicable set forth in Article VII and Article X (including those items described on <u>Schedule 2</u>, <u>Schedule 3</u>, <u>Schedule 5</u>, and <u>Schedule 6</u>, each as attached to this Agreement and made a part hereof).
- Section 5.2 <u>Capital Accounts</u>. A Capital Account shall be determined and maintained for each Member. Each Member's Capital Account shall be (i) credited with all Capital Contributions by such Member, including any Additional Capital Contributions, and the Member's allocable share of all Net Profits; and (ii) charged with the amount of all distributions to such Member and the Member's distributive share of Net Losses. Capital Accounts shall be maintained in accordance with federal income tax accounting principles as set forth in Regulations Section 1.704-1(b) at all times throughout the full term of the LLC. In the event of a permitted sale or assignment of all or any part of a Member's Membership Interest, the Capital Account of the transferred Membership Interest. Loans or advances by any Member to the LLC shall not be considered Capital Contributions and shall not increase the Capital Account of the lending or advancing Member.
- Section 5.3 <u>Capital Withdrawals: No Interest.</u> A Member shall not be entitled to withdraw any part of its Capital Contribution or to receive any distributions, whether of money or property, from the LLC except as provided in this Agreement. Except as otherwise stated in this Agreement, no Member shall be entitled to receive any interest on such Member's Capital Contribution.
- Section 5.4 <u>No Priority of Return</u>. No Member shall have priority over any other Member with respect to the return of a Capital Contribution or distributions or allocations of profits or losses, or items thereof, except as stated in this Agreement.

VI. ALLOCATIONS OF PROFITS AND LOSSES; DISTRIBUTIONS

Section 6.1 Allocation of Net Profits and Net Losses.

Section 6.1.1 Net Profits. Net Profits realized in any Fiscal Year of the LLC shall be allocated as follows:

- (a) First, to each Member in proportion to and to the extent of the amount of Net Losses previously allocated to such Member pursuant to Section 6.1.2(a) in excess of Net Profits previously allocated to each Member pursuant to this Section 6.1.1(a) and Section 6.2.1 hereof; and
- (b) Then, to and among all Members in accordance with their respective Percentage Interests.

- Section 6.1.2 <u>Net Losses</u>. Net Losses realized in any Fiscal Year of the LLC shall be allocated as follows:
- (a) First, to and among all Members in proportion to and to the extent of each Member's positive Adjusted Capital Account balance; and
- (b) Then, to and among all Members in accordance with their respective Percentage Interests.
- Section 6.2 <u>Special Allocations</u>. Notwithstanding Section 6.1, items of income, gain, loss, expense and deduction shall be allocated to and among the Members as set forth below, to the extent applicable:
- Section 6.2.1 <u>Nonrecourse Deductions</u>. Nonrecourse Deductions shall be allocated to Members in accordance with their respective Percentage Interests. Member Nonrecourse Deductions shall be allocated to those Members who bear the economic risk of loss with respect to the liability to which such items are attributable in accordance with Section 1.704-2(i) of the Treasury Regulations.
- Section 6.2.2 <u>Minimum Gains</u>. If there is a net decrease in LLC Minimum Gain or Member Minimum Gain in any fiscal year, determined in accordance with, respectively, Sections 1.704-2(f) and 1.704-2(i)(5) and related provisions of the Treasury Regulations, Members shall be allocated items of income or gain in the amount and in the proportions specified in such Sections 1.704-2(f) and 1.704-2(i)(5) and related provisions.
- Adjustments. If a Member unexpectedly receives an Section 6.2.3 adjustment, allocation or distribution described in Paragraph (4), (5) or (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations that creates or increases a deficit balance in such Member's Adjusted Capital Account (determined after first tentatively applying Section 6.1 as though this Section 6.2.3 were not applicable), then, to the extent that there are then other Members with positive Adjusted Capital Account balances, the Member with the deficit Adjusted Capital Account balance shall be allocated items of income or gain (consisting of a pro rata portion of each item of LLC income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate such excess deficit as quickly as possible. In the event there is an allocation of income or gain to a Member pursuant to this Section 6.2.3 in any fiscal year, then in subsequent years, to the extent possible without once again causing the application of this Section 6.2.3, income or gain (consisting of a pro rata portion of each item of LLC income, including gross income, and gain for such years) shall be allocated to other Members so that the net amount of Net Profits, Net Losses and other items of income, gain, loss and expense allocated to each Member equals, to the extent possible, the amounts thereof that would have been allocated to each Member pursuant to the provisions of this Article VI without regard to this Section 6.2.3.

VII. TRANSFERS OF MEMBERSHIP INTERESTS

Section 7.1 <u>Restrictions on Member Transfers</u>. No Member may effectuate a transfer of its Membership Interest except with the prior written consent of a Majority-in-Interest

of the Members. As a condition precedent to such transfer, any proposed transferee must execute and deliver a counterpart to this Agreement pursuant to which such transferee agrees to be bound by the terms and conditions hereof, including without limitation the representations, warranties and covenants as set forth on Schedule 2, Schedule 3, Schedule 5 and Schedule 6 hereof (as applicable). Each Member hereby acknowledges the reasonableness of this prohibition and other restrictions imposed on the transferability of Membership Interests by this Agreement in view of the purposes of the LLC and the relationship of the Members. Any attempted voluntary transfer and any involuntary transfer, whether as a result of the occurrence of a Transfer Event or otherwise, of all or any portion of a Member's Membership Interest in violation of the restrictions contained in this Article VII shall be void ab initio and shall be ineffective to transfer any Member's Membership Interest, in whole or in part, to any other Person.

Section 7.2 <u>Repurchase Rights</u>. Members of the LLC shall have certain repurchase rights upon the occurrence of a Transfer Event, which rights shall be exercised pursuant to the terms and conditions of <u>Schedule 5</u>.

VIII. <u>DISSOLUTION AND WINDING UP</u>

Section 8.1 <u>Dissolution</u>. The LLC shall be dissolved, its assets disposed of, and its affairs wound up, on the first to occur of the following: (i) the approval of a Super Majority-in-Interest of the Members to dissolve the LLC; (ii) the sale or other disposition of all or substantially all of the LLC's assets and distribution to the Members of the net proceeds thereof; or (iii) upon the happening of any other event of dissolution specified in the Certificate of Formation or this Agreement.

Section 8.2 <u>Consequences of a Dissolution Event</u>. The occurrence of a Dissolution Event with respect to a Member or Manager shall not cause or require the LLC to dissolve, notwithstanding any provision of the Act or any other laws applicable to the LLC to the contrary.

Section 8.3 Conclusion of Affairs. In the event of dissolution of the LLC for any reason, the Manager shall proceed, as soon as reasonably practicable, to wind up the affairs of the LLC. The Members (and their successors in interest) shall continue to share in allocations of income and loss and distributions during the period of winding up in the same manner as before the dissolution. The Manager shall have reasonable discretion to determine the time, manner and terms of any sale or sales of LLC property pursuant to such winding up, having due regard to the activity and the condition of the LLC and relevant market and financial and economic conditions, and consistent with his obligations to the Members.

Section 8.4 <u>Liquidating Distributions</u>. After paying or providing for the payment of all debts and liabilities of the LLC and all expenses of winding up, and subject to the right of the Manager to set up such reserves as it may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the LLC, any other remaining assets of the LLC shall be distributed as a liquidating distribution to or for the benefit of the Members (and their successors in interest) in accordance with Section 3.2.

Section 8.5 <u>Termination</u>. Within a reasonable time following the completion of the winding up of the LLC, the Manager shall supply to each Member a statement which shall set forth the assets and the liabilities of the LLC as of the date of complete winding up and each Member's portion of the distributions pursuant to this Agreement. Upon completion of the winding up of the LLC and the distribution of all LLC assets, the LLC shall terminate, and the Manager shall execute and file a certificate of cancellation of the LLC with the Secretary of State of Delaware, and shall take all other action necessary to effectuate the dissolution and termination of the LLC.

IX. INDEMNIFICATION AND INSURANCE

Section 9.1 <u>Indemnification of Members and Manager</u>. The LLC, its receiver or its trustee shall indemnify, defend and hold each Member, the Manager and their respective heirs, personal representatives, officers, directors, partners, members, shareholders and successors (the "<u>Indemnified Person</u>") harmless from and against any expense, loss, damage or liability incurred or connected with, or any claim, suit, demand, loss, judgment, liability, cost or expense (including reasonable attorneys' fees) arising out of their activities on behalf of the LLC or in furtherance of the interests of the LLC (exclusive of acts taken as an independent contractor for the LLC), and amounts paid in settlement of any of the foregoing, provided that the same were not the result of (i) fraud on the part of the Member or Manager against whom a claim is asserted, or (ii) a material breach of this Agreement by a Member or Manager. The LLC may advance to any Indemnified Person, in the sole discretion of the Manager, the costs of defending any claim, suit or action against such Indemnified Person if the Indemnified Person undertakes to repay the funds advanced, with interest, if the Indemnified Person is not entitled to indemnification under this Section 9.1.

Section 9.2 <u>Insurance</u>. The LLC shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Manager, officer, employee, or agent of the LLC against any liability asserted against such Person and incurred by such Person in such capacity, or arising out of the Person's status as a Manager, officer, employee or agent of the LLC, whether or not the LLC would have the power to indemnify such Person against such liability under the provisions of Section 9.1 or under applicable law.

X. REPRESENTATIONS, WARRANTIES, COVENANTS AND OBLIGATIONS OF MEMBERS

Section 10.1 <u>Representations</u>, <u>Warranties</u>, <u>Covenants and Obligations of Community Members</u>. Each Community Member that is a Professional Member represents, warrants and covenants to the LLC and to the other Members those matters contained on Schedule 2 (with respect to a Medical Group Member or Physician Member, as appropriate).

Section 10.2 <u>Member Restrictive Covenants</u>. Each Member agrees to be bound by those restrictive covenants as set forth on <u>Schedule 3</u> specifically applicable to such Member. Further, each Member represents to the other and to the LLC that the execution and delivery of this Agreement and the consummation of the transactions, matters and relationships

contemplated hereby, including the documents and agreements delivered in connection herewith (the "Related Agreements") do not conflict with or constitute a breach or violation of any other agreement, covenant, obligation or restriction to which such Member is bound, and the covenants and obligations of such Member set forth herein and in the Related Agreements are valid and enforceable against such Member in accordance with their respective terms.

Section 10.3 <u>Confidentiality and Proprietary Information</u>. Each Member hereby agrees to be bound by the provisions regarding confidentiality and proprietary information as set forth on Schedule 6.

Section 10.4 Enforceability of Restrictive Covenants and Confidentiality Provisions. Each Member acknowledges and agrees that it is responsible for ensuring the compliance by its Agents and Affiliates of the restrictive covenants and provisions regarding confidentiality and proprietary information set forth in this Agreement and on the Schedules attached hereto. To the extent any Agent or Affiliate of any Member breaches any of such covenants or obligations, such Member acknowledges that it shall be liable to the other Members and the LLC for any such breach, as if such Member were directly responsible for such breach, and that the other Members or the LLC may, in addition to other remedies available at law or in equity, enforce such provisions directly against such Member and seek damages from such Member resulting from any breach of such covenants and obligations by any Agent or Affiliate of such Member.

Section 10.5 No Application to the Practice of Medicine. Nothing in the Agreement shall be interpreted (i) to prohibit any Professional Member or any owner or employee of a Professional Member from engaging in the practice of medicine or from exercising his or her professional medical judgment concerning the treatment of any patient at any location whatsoever or (ii) to require any Professional Member or any owner or employee of a Professional Member to refer any patients for any dialysis service provided by the LLC, Satellite or any of their respective Affiliates, or to treat patients at any dialysis facility owned, operated or managed by the LLC, Satellite or any of their respective Affiliates, whether during the existence of the LLC, the LLC Restricted Period or thereafter, and nothing herein or otherwise in the Agreement shall be interpreted to prohibit any Professional Member or any owner of employee of a Professional Member from referring any patients to, or treating patients at, any home or other dialysis facility not owned by or affiliated with the LLC, Satellite or any of their respective Affiliates, whether during the LLC Restricted Period or thereafter, in the exercise of the professional judgment of such Professional Member or any owner or employee of a Professional Member.

Section 10.6 No Referrals or Related Services. The parties hereto acknowledge and agree that no Member is obligated to refer any patient to the LLC for healthcare or other services nor is the LLC obligated to refer any patient to any Member for healthcare or related service and neither the LLC nor any Member (or their respective Affiliates) will receive any payment or other compensation of any kind or nature hereunder or otherwise under the Agreement for referrals or recommendations made to the LLC by any Member or to any Member by the LLC.

Section 10.7 Right of First Refusal: Sale of A & I. In the event that A & I is to be sold, Satellite shall have a right of first refusal whereby it shall be permitted to acquire all interest in and assets of A & I at fair market value. Huatuco shall cause A & I to provide written notice to Satellite at least one hundred twenty (120) calendar days in advance of a sale of A & I. Satellite shall communicate its decision whether to exercise its right of first refusal to A & I in writing within two (2) business days of receipt of written notice from A & I. This right of first refusal held by Satellite may be assigned by Satellite to another party upon the same terms described herein. Other parties may acquire any or all interest in A & I if Satellite or its assignee elects not to exercise its right of first refusal. Notwithstanding the foregoing, neither Satellite nor its assignee shall have any right of first refusal with respect to the sale of any or all of the ownership interest in A & I once A & I is owned by at least two (2) or more nephrologists engaged in the full time practice of medicine.

XI. CONVERSION OF THE LLC

Each Member acknowledges and agrees that the business conducted by the LLC as a limited liability company may subsequently be more effectively conducted as a corporation. Accordingly, upon the agreement of a Super Majority-In-Interest of the Members, the business of the LLC as a limited liability company may be transferred to a corporation to be formed for the purpose of conducting such business. In connection therewith, each Member hereby constitutes and appoints the Manager as its attorney-in-fact and, in such Member's name, place and stead, authorizes the Manager to (i) form the new corporation and (ii) select the method by which the new corporation will acquire the business of the LLC. In the event the Manager makes the determinations set forth in the preceding sentence, the Manager shall deliver to each Member a written notice stating that the new corporation has been formed and describing the process of transferring the business of the LLC to such new corporation. If the Manager determines that the acquisition of the business by the new corporation will be effected through contributions by the Members of their Membership Interests in the LLC in exchange for shares of common stock of the new corporation, then the Members hereby agree to comply with such instructions and agree to transfer their Membership Interests, as necessary, to the new corporation, in exchange for shares of common stock of the new corporation.

XII. MISCELLANEOUS

Section 12.1 <u>Books and Records</u>. At all times during the term of the LLC, the Manager shall keep, or cause to be kept at the LLC's principal office, the books and records of the LLC.

Section 12.2 Member Meetings.

Section 12.2.1 Meetings. There shall be no requirement that the LLC hold annual or periodic meetings of the Members. Except as expressly set forth in this Agreement or as required by the Act or other applicable law, no vote of the Members shall be required to take any action with respect to the LLC or any of its assets or liabilities. Meetings of the Members may be called by the Manager, or not more frequently than quarterly, by any of the

Members, for the purpose of addressing any matter on which the Members may vote or take action.

Section 12.2.2 <u>Notice of Meetings</u>. Written notice stating the place, day and hour of each meeting of Members and the general purpose or purposes for which the meeting is called shall be given not fewer than 15 days before the date of the meeting.

Section 12.2.3 Waiver of Notice. A Member may waive any notice required by law or this Agreement, before or after the date and time of the meeting that is the subject of such notice. Except as provided in the next sentence, the waiver shall be in writing, signed by the Member entitled to the notice and delivered to the Manager for inclusion in the LLC's minutes or records. A Member's attendance at or participation in a meeting shall automatically waive any required notice to such Member of the meeting unless the Member, at the beginning of the meeting or promptly upon such Member's arrival, objects to the transaction of any business at such meeting on the ground that such meeting is not lawfully called or convened. A Member may participate in a meeting in person or by proxy.

Section 12.2.4 <u>Consent in Lieu of a Meeting</u>. Any vote, consent or approval of the Members may be accomplished by written consent in lieu of a meeting signed by Members constituting the required vote for the action so taken.

Section 12.2.5 <u>Telephone Meetings</u>. Members may participate in a meeting by, or conduct the meeting through, the use of teleconference or any other means of communication by which all Members participating may simultaneously hear each other during the meeting. Any Member who participates in a meeting in this manner is deemed to be present in person at the meeting, except where a Member participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 12.3 <u>Annual and Other Reports</u>. Within 90 days following the end of each fiscal year, the LLC shall provide each Member a financial report of the results of operations, including audited or unaudited financial statements, as determined by the Manager in its sole discretion. Additionally, the Manager shall prepare monthly unaudited financial statements, which shall be furnished to each Member within 30 days of the end of the applicable period.

Section 12.4 <u>Tax Information</u>. The LLC shall cause to be prepared and distributed at least annually, at LLC expense, information necessary for the preparation of the Members' federal and state income tax returns.

Section 12.5 <u>Complete Agreement</u>. This Agreement, together with the Schedules and Exhibits hereto, and the Certificate of Formation constitute the complete and exclusive statement of all of the agreements among the Members with respect to the subject matter hereof and thereof and replace and supersede all prior written or oral agreements or statements by and among the Members or any of them relating to that same subject matter.

Section 12.6 Governing Law Venue. This Agreement and the rights of the parties hereunder shall be construed and enforced in accordance with the internal laws, and not

the law of conflicts, of the State of Delaware. Notwithstanding the foregoing, any dispute relating to this Agreement shall be brought in a court of competent jurisdiction in San Joaquin County, California.

Section 12.7 <u>Compliance with Laws</u>. The Members acknowledge that the LLC's operations are subject to various state and federal laws regulating permissible relationships between the Members and entities such as the LLC, including without limitation 42 U.S.C. 1320a-7b(b) (the "<u>Fraud and Abuse Statute</u>"), U.S.C. 1395nn (the "<u>Stark Act</u>"), and similar California laws. It is the intent of the parties that the LLC operate in a manner consistent with the foregoing statutes. Accordingly, each Member represents and warrants that (i) such Member has not entered into this Agreement, and has not provided remuneration or been provided remuneration with the intent to induce the referral of Medicare or Medicaid items or services to any other Person, including a Member or the LLC, (ii) no Person has requested information from the Member regarding the Member's ability to refer Medicare and Medicaid items or services, and (iii) the Member has not been encouraged to invest or not invest based on his or her ability to direct referrals to the LLC or other Members. The Members also acknowledge that the Stark Act may restrict the LLC (as presently formed) from providing Designated Health Services (as defined by the Stark Act) to patients referred by Members.

Section 12.8 Waiver of Conflicts. Each party to this Agreement acknowledges that it has been informed that Paul, Hastings, Janofsky and Walker, LLP ("PHJW") provided joint legal representation to the LLC and Satellite in connection with the preparation of this Agreement; and that in the past such firm has represented, and is now and in the future may represent Satellite and their Affiliates in other matters, including the formation of other entities and businesses that may operate or provide services to dialysis centers. The applicable rules of professional conduct require that PHJW inform the parties hereto of this joint representation and obtain their consent to its joint representation of the LLC, Satellite and Satellite in connection with this Agreement. Each of the LLC and each Member of the LLC, by executing this Agreement, does hereby, individually, (i) acknowledge that it has had an opportunity to ask for and has obtained information relevant to such joint representation, including disclosure of the reasonably foreseeable adverse consequences of such joint representation to the LLC and Satellite; and (ii) acknowledges that PHJW has not represented and is not representing any of the Members with respect to this Agreement except Satellite and its Affiliates; and (iii) gives its informed consent to PHJW's joint representation of the LLC and Satellite (and their Affiliates) in connection with this Agreement and to the continued representation by PHJW of the LLC and Satellite, and their Affiliates.

Section 12.9 <u>Community Obligations of LLC</u>. Notwithstanding any other provision of this Agreement or in any Related Agreement or any other agreement or instrument executed in connection with the management of the LLC or the Center, the LLC and its Members shall at all times be governed by the obligations set forth in this Section 12.8, which shall at all times take precedence over maximization of the LLC's profits.

Section 12.9.1 The LLC and the Center shall provide end stage renal dialysis services for the benefit of the community as a whole without discrimination on the basis of race, gender, sexual preference, ethnicity, creed, national origin or any other characteristic.

Section 12.9.2 Satellite shall at all times have a Membership Interest that represents a Controlling Percentage Interest in the LLC, and no action otherwise permitted by this Agreement shall be taken if the result thereof would be to cause Satellite's Percentage Interest to become less than a Controlling Percentage Interest in the LLC.

Section 12.9.3 Should the Manager delegate any of the day to day management of the Center to a third party, to be effective any such delegation must be embodied in a formal written management agreement, which agreement must be commercially reasonable and must not delegate undue control over the assets and operations of the Center to such third party.

Section 12.9.4 The LLC shall not enter into any agreement with a Member or any Affiliate of a Member unless the terms thereof are no less favorable to the LLC, in any material respect, than could be obtained from an unrelated third party, and any purported agreement to the contrary shall be void ab initio. By executing this Agreement, each Member acknowledges that they have determined that both the Management Services Agreement and the Medical Director Agreement comply with the foregoing criteria.

Section 12.10 Benefit and Binding Effect; Restriction on Assignment. Subject to the restrictions herein, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors who acquires a party's Membership Interest pursuant to the terms and conditions of this Agreement. Notwithstanding the foregoing, no Member may assign all or any part of its rights nor delegate any of its duties hereunder except as expressly set forth herein. Nothing in this Agreement confers any rights or remedies under or by reason of this Agreement on any other persons or entities, nor does anything in this Agreement relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor does any provision of this Agreement give any third person any right of subrogation or action over or against any party to this Agreement. Notwithstanding the foregoing, it is expressly agreed that each Member is an intended third party beneficiary of the rights of the LLC and the covenants of the other Members under this Agreement and that each Member shall be entitled to enforce such rights and such covenants in the name and on behalf of the LLC or in its own name and on its own behalf, as it may elect, and the LLC shall not be a necessary party to any action or proceeding, including any arbitration proceeding, that may be brought by any Member for such purpose or to resolve any dispute that may arise between the LLC and any Member hereunder, relating in any way to this Agreement or the performance of any party's obligations hereunder.

Section 12.11 <u>Interpretation and Headings and Exhibits</u>. The section, subsection and any paragraph headings contained herein are for the purpose of convenience only and are not intended to define or limit or affect, and shall not be considered in connection with the interpretation or application of, any of the of the terms or provisions of this Agreement. Unless otherwise indicated elsewhere in this Agreement, (i) the term "or" shall not be exclusive, (ii) the term "including" shall mean "including, but not limited to" and (iii) the terms "hereof," "herein" and "hereunder" and terms of similar import shall refer to this Agreement as a whole and not to any particular Section or paragraph where such term may be used. The Recitals to and all Schedules and Exhibits to this Agreement are fully incorporated into and are an integral part of this Agreement as if set forth in this Agreement.

Section 12.12 <u>Jurisdiction</u>. Each Member hereby consents to the exclusive jurisdiction of the federal and state courts in the State of California, County of San Joaquin, in any action on a claim arising out of, under or in connection with this Agreement or the transactions contemplated thereby.

Section 12.13 <u>Equitable and Other Remedies</u>. The remedies under this Agreement are cumulative and do not exclude any other remedies to which any person may be lawfully entitled, whether at law or in equity, or otherwise.

Injunctive Relief. Without limiting the generality of the Section 12.13.1 foregoing, if (i) any Member (or any Agent or Affiliate of any Member) breaches or violates or threatens to breach or violate, in whole or in part, any of the covenants or restrictions contained in or contemplated by this Agreement (including as set forth in Article X, on Schedule 2, on Schedule 3, and in any Physician Agreement), or (ii) any Receiving Party, or any of its Agents, breaches or violates, in whole or in part, any of such Party's covenants or restrictions regarding confidentiality and proprietary information contained on Schedule 6 then, each of the LLC or the Disclosing Party, as the case may be (each, a "Non-Breaching Party"), shall be entitled, upon application to any court of proper jurisdiction, to obtain, either jointly or individually, temporary, preliminary and permanent injunctive relief to restrain and enjoin the Member or Members (or their respective Agents or Affiliates) that are breaching or violating any such covenants (collectively, the "Breaching Parties"), from continuing such breach or violation, or to prevent any threatened breach or violation thereof from taking place (as the case may be). In or in connection with any such equitable proceeding, (a) each party that is alleged to be a Breaching Party shall stipulate that such breach or threatened breach, as the case may be, if not restrained and enjoined, will result in irreparable damage to the Non-Breaching Parties, for which damages, in and of themselves, would not be adequate, and (b) no Non-Breaching Party shall be required to post any bond or other security with respect thereto, or if nonetheless a bond is required, it may be posted without surety thereon.

Section 12.14 Severability. Every provision of this Agreement is intended to be severable from every other provision of this Agreement. If any provision of this Agreement or the application of any provision to any person or circumstance is held invalid or void or unenforceable, such provision shall be deemed to be reformed to the minimum extent necessary so that such provision as reformed may and shall be legally enforceable, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the provision held to be void or unenforceable or by the reformation of any such provision.

Section 12.15 <u>Additional Documents and Acts</u>. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be reasonably requested by any other party in order to better evidence effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

Section 12.16 Notices. Any notice or other communication to be given or to be served upon the LLC or any party to this Agreement in connection with this Agreement must be in writing (which may include facsimile) and shall be deemed given (i) at the time of personal delivery, or upon facsimile transmission if simultaneously mailed or mailed on the next

succeeding business day as provided herein; or (ii) one (1) business day following deposit for overnight delivery with a bonded courier holding itself out to the public as providing such service, or following deposit in the U.S. Mail for Express Mail overnight delivery; or (iii) two (2) business days following deposit in the U.S. Mail, registered or certified mail; and in any case postage prepaid and addressed to the party to whom such notice or communication is being given at the address of such party specified in Schedule 1 hereto. Any party may, at any time by giving five (5) days' prior written notice (in the manner set forth above) to the other parties, designate a different address to which such notices or communications shall be given thereafter.

Section 12.17 <u>Amendments and Waivers</u>. All amendments to this Agreement must be in writing and signed by a Super Majority-in-Interest of the Members, except as set forth in Section 3.4.4 hereto. No waiver of any terms or conditions hereof shall be valid unless given in writing, and signed by the party giving such waiver. No waiver of any term or condition hereof shall be construed as a future or continuing waiver of the same or any other term or condition hereof, whether or not similar.

Section 12.18 <u>Multiple Counterparts</u>. This Agreement, and any amendments hereto, may be executed in separate counterparts, each of which signed counterparts, together with any photocopies or facsimiles thereof, shall constitute an original of this Agreement or such amendment (as the case may be), but all of which together shall constitute one and the same agreement between the parties.

COUNTERPART SIGNATURE PAGE FOR LIMITED LIABILITY COMPANY AGREEMENT OF SATELLITE DIALYSIS OF TRACY, LLC

IN WITNESS WHEREOF, the parties hereto have caused this Limited Liability Company Agreement to be duly executed and delivered as of the Effective Date set forth above.

Ву:

Name: Marc Branson Title: Vice President

HUATUCO

By:

Name: Aibar Huatuco, M.D. Title: Medical Doctor

MEMBERS AND PERCENTAGE INTEREST

Name and Address of Member	Capital Contribution	Percentage Interest	Designated Representative
Member: Satellite Healthcare, Inc. 401 Castro Avenue, Mountain View, California	\$546,000.00	50%	Marc Branson
Community Members: Aibar Huatuco, M.D 1530 North Bessie Avenue, Suite 102 Tracy, California 95376.	\$546,000.00	50%	Aibar Huatuco, M.D.

(A) Capital contributions for each party shall be funded as follows:

- 33% due upon execution of this Agreement.
- 33% due upon execution of the facility lease.
- 34% due upon completion of facility construction.

[INTENTIONALLY NOT USED]

RESTRICTIVE COVENANTS

- Non-Competition. As a material and bargained for inducement to Satellite and the other Members to enter into this Agreement and to admit the Community Members as Members of the LLC, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Community Member covenants and agrees that, for so long as it, he or she is a Member of the LLC and for a period of two (2) years thereafter (subject to the proviso below, the "LLC Restricted Period"), such Community Member shall not, and shall cause its Agents and Affiliates to not, directly or indirectly, own any interest in, lease, operate or extend credit to, or provide any assistance (financial or other), in any capacity, to any Competitor (as hereinafter defined), or otherwise participate with or be employed or engaged by (e.g., as an employee, medical director, contractor, lender or creditor or consultant to, for or with) any Competitor. Notwithstanding the foregoing, in the event that the Community Member is a resident of the State of California and that the circumstances surrounding the withdrawal of such Community Member as a Member of the LLC were anything other than a repurchase of Membership Interests by the LLC or a transfer of such Membership Interests to a third party in a transaction that required the approval of the LLC or any of its Members, then the "LLC Restricted Period" for purposes of this Part (A) only shall be reduced to such period of time as the Community Member was a Member of the LLC and no longer. For purposes of the Agreement, "Competitor" shall include any Person in the business of, or that is preparing to engage in the business of, providing Dialysis Services anywhere within Tracy, California or within ten (10) miles from the Center, except for those medical director services Huatuco currently provides to DaVita, Inc., or its successors or assigns at 425 W. Beverly Place, Suite A, Tracy, California, 95376-3010 or any future location of that particular center. For purposes of this Agreement, (a) "Dialysis Services" means all services related to renal dialysis including peritoneal dialysis services and home hemodialysis services.
- B. No Interference with Relationships; Non-Solicitation. Each Member further agrees that during the LLC Restricted Period, such Member shall not, and shall cause its Agents and Affiliates to not, directly or indirectly: (i) induce any patient or customer of the LLC or of another Member (or any of its Affiliates) (either individually or in the aggregate) to patronize any competing end stage renal dialysis facility; (ii) request or advise any patient or customer of or provider of services to the LLC or to another Member (or any of its Affiliates) to withdraw, curtail or cancel such Person's business with the LLC or with another Member (or any of its Affiliates), or enter into any contract or other agreement, either written or oral, for such purpose or that is intended or that could reasonably be expected to have such a result; or (iii) solicit, induce or encourage any employee or independent contractor of the LLC or Satellite (or any of its Affiliates) to curtail or terminate or leave such Person's employment or engagement with either of them, except that nothing in this clause (iii) shall prohibit a former Member of the LLC from recruiting or hiring any Person who responds to a general advertisement for employment placed in the ordinary course of business.
- C. <u>No Interference with Contracts</u>. Without limiting the generality of the foregoing, each Member shall not and shall cause its Agents and Affiliates to not, induce any Person that has a contract or other agreement with LLC or another Member (or any of their respective

Affiliates), which contract or agreement contains non-competition covenants or restrictions on that Person's ownership or operation of end stage renal dialysis centers or other businesses that are competitive with the business of the LLC or another Member (or any of their respective Affiliates), to terminate that contract or agreement or otherwise enter into a relationship with such Member (or any such Agent or Affiliate), that provides for the ownership or operation of end stage renal dialysis centers or other businesses that are competitive with any business then being conducted by the LLC or any Member or any of their respective Affiliates.

- D. Reasonableness of Restrictive Covenants. Each Member specifically acknowledges, represents and warrants that (a) the covenants of such Member set forth on this Schedule 3 are reasonable and necessary to protect the legitimate interests of the LLC and the other Members of the LLC; (b) the Members would not have entered into this Agreement and such Member would not have been admitted as a Member of the LLC if it had not agreed to comply fully and faithfully with such covenants. Each Member further acknowledges and agrees that, in the event of any breach or threatened breach by such Member, or by any of its Agents or Affiliates, of any of such Member's covenants contained in this Schedule 3, the LLC and each of the other Members shall have the rights and remedies set forth in this Agreement, in addition to any other rights or remedies available to any of them at law or in equity.
- E. <u>Severability</u>. If any of the covenants or restrictions contained in this <u>Schedule 3</u> is held by any court of competent jurisdiction to be unenforceable or unreasonable, as to time, geographic coverage or business limitation, the LLC and the Members agree that such provisions shall be and are hereby reformed to the maximum time, geographic area or business limitation that is enforceable under applicable laws.
- F. <u>Medical Director Agreements</u>. Nothing within this <u>Schedule 3</u> shall be construed to prohibit Provider from entering into other agreements for the provision of medical director services.

DEFINITIONS

- 1. "Act" means the Delaware Limited Liability Company Act, as it may be amended from time to time.
- 2. "Adjusted Capital Account" shall mean, with respect to any Member, the Capital Account of the Member adjusted as described in Paragraphs (4), (5), and (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and increased by the amount, if any: (i) of the Member's share of LLC Minimum Gain and Member Minimum Gain, as determined in accordance with Sections 1.704-2(g) and 1.704-2(i), respectively, of the Treasury Regulations; and (ii) that the Member is unconditionally obligated to contribute to the capital of the LLC.
- 3. "Affiliate" means, with respect to a Person, any individual or entity that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person; provided, however, that neither employees nor employers of any Person shall be deemed an Affiliate of any other Person solely by virtue of such employment relationship.
- 4. "Agent" shall mean, with respect to a Person, its officers, directors, managers, shareholders, members, partners, employees and independent contractors and agents.
- 5. "Capital Account" means the individual accounts established and maintained for each Member pursuant to Section 5.2 hereof, and in the manner provided in Regulations Section 1.704-1(b)(2)(iv), as amended from time to time.
- 6. "<u>Capital Contribution</u>" means the total value of cash and fair market value of property contributed to the LLC by a Member as set forth herein or agreed to in connection with the admission of such Member or at any time thereafter.
 - 7. "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- 8. "Community Member" shall mean any Member of the LLC other than (i) Satellite and (ii) any Affiliate of Satellite.
- 9. "Control" means, with respect to an entity, the right to exercise, directly or indirectly, fifty percent (50%) or more of the voting rights attributable to the entity or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the entity.
- 10. "Dissolution Event" means, with respect to any Member, one or more of the following: the Insolvency, dissolution or occurrence of any other event that terminates the continued membership of any Member, but does not include a change of ownership with respect to such Member or a transfer of such Member's Membership Interest as permitted by the Agreement.

- 11. "Economic Interest" means a Member's share of the LLC's profits, losses and distributions of the LLC's assets pursuant to this Agreement and the Act, but does not include any other rights of a Member, including, but not limited to, the right to vote or participate in the management or, except as otherwise specifically provided in the Act, any right to information concerning the business and affairs of the LLC.
 - 12. "Fiscal Year" means the fiscal year of the LLC, which ends on December 31.
- "Insolvency" means: (i) the filing of an application by a Member for, or the 13. Member's consent to the appointment of, or the entry of an order, judgment, or decree by any court of competent jurisdiction appointing, a trustee, receiver, or custodian for the assets of a Member unless, in the case of an involuntary proceeding brought against the Member seeking or such an appointment, the proceedings and the person appointed are dismissed within ninety (90) days; (ii) the voluntary filing by a Member of a petition for relief with respect to such Member in proceedings under the United States Bankruptcy Code, as amended or superseded from time to time (the "Bankruptcy Code") or the failure by a Member to contest an involuntary proceeding brought against it for relief under the Bankruptcy Code or, despite contesting same, the continuance of such a proceeding without dismissal within ninety (90) days of its filing; or (iii) the entry of an order against a Member for relief under the Bankruptcy Code; (iv) the making by a Member of a general assignment for the benefit of creditors; or (v) the failure by a Member generally to pay the Member's debts as the debts become due within the meaning of Section 303(h)(1) of the bankruptcy code, as determined by the bankruptcy court, or the admission in writing by a Member of its inability to pay the Member's debts as they become due.
- 14. "<u>Lien</u>" means any claim, security interest, pledge, option, mortgage, restriction, adverse interest or any other lien or encumbrance of any kind or nature, whether or not recorded or filed in a public record.
- 15. "<u>LLC Minimum Gain</u>" means "partnership minimum gain" as defined in Section 1.704-2(b)(2) of the Treasury Regulations, treating the LLC as a partnership.
- 16. "<u>LLC Value</u>" means the fair market value of the Membership Interest in the LLC held by the Affected Member, which fair market value shall be determined as follows:
- (i) The parties shall first negotiate in good faith in an attempt to agree upon an LLC Value.
- (ii) If the parties are unable to agree upon an LLC Value within a period of thirty (30) days following the occurrence of an event requiring the determination of the LLC Value, then the Members shall in good faith select an appraiser with expertise in the healthcare services industry. The Manager shall use its best efforts to cause the appraiser so selected to render, within thirty (30) days of his or her designation hereunder, his or her written opinion as to the LLC Value. If within thirty (30) days of delivery, any Member does not agree with the appraiser's opinion as the LLC value, the Members must in good faith select two other similarly qualified appraisers to prepare independent opinions as to the LLC Value. These opinions must be delivered within thirty (30) days of the engagement of the appraiser. The final determination

of the LLC Value, which shall be final and binding on all parties, will be the mathematical average of the LLC valuations from all three appraisals.

- (iii) The Affected Member and the LLC shall each bear fifty percent (50%) of the costs of such appraisal, and the LLC and each Member shall bear their own respective legal fees and expenses.
- 18. "Majority-in-Interest of the Members" means any one or more Members who, in the aggregate, possess Percentage Interests in the LLC of more than fifty percent (50%).
 - 17. "Manager" means Satellite Healthcare.
- 19. "Medical Group" means any professional medical corporation, partnership or other entity or arrangement or any licensed physician that employs or engages, in addition to himself or herself, one or more licensed physicians in the conduct of its medical practice or any Affiliate thereof formed for the purpose of investing in the LLC.
- 20. "Medical Group Member" means a Medical Group that becomes a Member of the LLC in accordance with the terms of this Agreement.
- 21. "Member" means each Person who: (i) is an initial signatory to this Agreement, or has been subsequently admitted to the LLC as a Member in accordance with the terms of this Agreement and (ii) has not resigned or been expelled or dissolved.
- 22. "Member Minimum Gain" means "partner nonrecourse debt minimum gain" as defined in Section 1.704-2(i)(2) of the Treasury Regulations, treating a Member as a partner and the LLC as a partnership.
- 23. "<u>Member Nonrecourse Deduction</u>" means "partner nonrecourse deductions" as defined in Section 1.704-2(i)(2) of the Treasury Regulations, treating a Member as a partner and the LLC as a partnership.
- 24. "Membership Interest" means a Member's entire interest in the LLC, including the Member's Economic Interest, any right to vote on or participate in management and any right to receive information concerning the business and affairs of the LLC.
- 25. "Net Profits" and "Net Losses" mean the taxable income or loss, respectively, of the LLC as computed for federal income tax purposes, but determined without regard to any item of income or expense that is specially allocated pursuant to Section 6.2 of this Agreement and determined with the following adjustments:
- (i) Income that is excludible from gross income for federal income tax purposes shall be included in determining Net Profits or Net Losses.
- (ii) Expenditures that are not deductible for federal income tax purposes and that may not be properly capitalized for federal income tax purposes, as well as expenditures that are described in Section 705(a)(2)(B) of the Code or treated as expenditures described in that

section pursuant to Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations, shall be included in determining Net Profits or Net Losses.

- (iii) If there is a distribution of LLC property to a Member, the unrealized gain or unrealized loss that would have been realized had the property been sold at fair market value in a taxable transaction shall be allocated among the Members as though there had been a taxable transaction and otherwise in accordance with Section 1.704-1(b)(2)(iv)(e) of the Treasury Regulations.
- (iv) If there is a contribution to the capital of the LLC by a new or existing Member or there is a distribution of LLC property to a Member as consideration for an interest in the profits of the LLC, other than a de minimis amount in either case, then, to the extent and in the manner reasonably determined by the Manager: (i) all LLC property shall be restated on the books of the LLC at the current fair market value of such property; and (ii) the unrealized gain or loss that would have been realized had all the LLC property been sold at fair market value in a taxable transaction shall be allocated among the Members as though there had been a taxable transaction, and otherwise in accordance with Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations.
- (v) If any LLC property is reflected in the Capital Accounts of the Members at a value that differs from the LLC's adjusted tax basis in such property (the "book value" of such property), whether as a result of the contribution of property, a revaluation of the LLC property pursuant to Paragraph (d) of this definition of "Net Profits" and "Net Losses" or otherwise, items of income, gain, loss, depreciation, and other deductions respecting such property shall be calculated for purposes of determining Net Profits or Net Losses with respect to the book value of such property in a manner consistent with Section 1.704-1(b)(2)(iv)(g) of the Treasury Regulations.
- (vi) In the event that an adjustment to the adjusted tax basis of any LLC property is made pursuant to Section 734(b) of the Code, then, to the extent required by Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations, the amount of the adjustment shall be taken into account as an item of gain or loss, as appropriate, in determining Net Profits or Net Losses.
- 26. "Nonrecourse Deductions" shall have the meaning set forth in Section 1.704-2(b)(1) of the Treasury Regulations.
- 27. "Percentage Interest" of a Member means that percentage obtained by dividing the amount of the Member's Capital Contributions by the amount of Capital Contributions of all of the Members.
- 28. "Person" means any individual or any group of individuals or any general partnership, limited partnership, limited liability partnership, limited liability company, professional limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any other organization that is not a natural person and any combination of any such entity or organization and any natural persons acting in concert, and the heirs, executors, administrators, legal representatives, successors, and assigns of any "Person" where the context so permits.

- 29. "<u>Physician Member</u>" means a physician who practices medicine as a sole practitioner and does not employ or engage other physicians in the conduct of his or her medical practice, and is a Member of the LLC.
- 30. "Professional" means (i) a physician, and (ii) any Medical Group (as hereinabove defined).
- 31. "<u>Professional Member</u>" shall mean a Professional that meets the qualifications applicable to him or her (and in the case of any Medical Group, those qualifications applicable to its Group Physicians) and otherwise becomes a Member in accordance with the terms of this Agreement.
- 32. "Representative" means the individual selected by a Member to act on the Member's behalf in that capacity, as described in the Agreement.
- 33. "Super Majority-in-Interest of the Members" means any one or more Members who, in the aggregate, possess Percentage Interests in the LLC of more than seventy-five percent (75%).
 - 34. "Tax Matters Member" means the Manager.
- 35. "Transfer Event" means, with respect to a Member (except as otherwise specified or identified herein), any one or more of the following events or conditions:
- (i) The Insolvency of such Member, which, if not filed by the Member, is not dismissed within sixty (60) days;
- (ii) The dissolution or liquidation of a Member, including, but excluding a dissolution or liquidation in which the assets and liabilities of the Member (including without limitation the Member's Membership Interest and rights and responsibilities as set forth in this Agreement) are transferred to and assumed by an Affiliate of the Member;
- (iii) An owner or member that is a natural Person dies or becomes legally incompetent;
- (iv) A Professional Member, or any shareholder, member, partner or other owner of such Professional Member, has any professional license, or his or its ability to bill Medicare or Medi-Cal (if applicable) revoked, suspended or terminated, if an attorney with sufficient expertise in health law matters determines, in its reasonable discretion, that such revocation, suspension or termination could adversely affect the right of the LLC or the Center to bill Medicare or Medi-Cal (if applicable) for services rendered by the LLC or the Center or in connection with any professional services that any Professional Member furnishes at the Center or for the LLC;
- (v) Any other event that, were it not for the provisions of this Agreement, would cause the Membership Interest of a Member, or any portion thereof or interest or right therein, to be awarded, confirmed or otherwise transferred for any consideration or otherwise, to

any Person, whether voluntarily, involuntarily, or by operation of law except as expressly permitted hereby;

- (vi) A Member (including any owners of any Professional Member), breaches or violates any of the covenants of such Member contained in this Agreement (including the Schedules and Exhibits hereto) or whose representations or warranties contained in Article X hereof (and the Schedules hereto) were materially untrue when made or cease to be materially true at any time during the period such Member is a Member hereof;
- (vii) A Member voluntarily withdraws its entire Membership Interest in accordance with the provisions of Article VII, above;
- (viii) Huatuco fails to successfully cause A & I to enter into a Medical Director Agreement with the LLC; or
- (ix) Termination or expiration of the Medical Director Agreement between the LLC and A & I.
- 36. "<u>Treasury Regulations</u>" means the regulations promulgated by the Treasury Department and codified at title 24 of the Code of Federal Regulations.

REPURCHASE RIGHTS

- A. Repurchase Rights for Membership Interest. Upon the occurrence of a Transfer Event with respect to any Member (an "Affected Member"), the Affected Member shall become obligated to offer to sell to the other Members of the LLC (the "Unaffected Members"), and the Unaffected Members shall have the right (but not the obligation) to purchase from the Affected Member, the Affected Member's entire Membership Interest at the price determined in the manner and on the other terms and conditions set forth hereinafter in this Schedule 5.
- 1. Purchase Right. Within twenty (20) days after the occurrence of a Transfer Event, the Affected Member (or any representative thereof) shall give written notice to the Manager and each of the Unaffected Members of the occurrence of the Transfer Event, specifying the date and, in reasonable detail, the nature of such Transfer Event (a "Transfer Event Notice"). The Unaffected Members shall have twenty (20) days after the date of the Transfer Event Notice to elect to purchase that proportion of the Affected Member's Membership Interest as the number of Membership Interests held by such Unaffected Member bears to the total number of Membership Interests held by all Unaffected Members. The Unaffected Members may exercise the rights granted them hereby, in whole or in part, by written notice to the Affected Member or its representative setting forth that election (an "Election Notice").
- 2. Participation Rights. If any Unaffected Members entitled to exercise the purchase right under Part (1) above do not exercise such rights in whole as to the Membership Interests proposed to be sold, the Affected Member shall so notify the Unaffected Members who did exercise their rights under Part (1) above in whole (the "Participating Unaffected Members") by providing them with written notice (the "Second Notice") transmitted within five (5) days after the expiration of the twenty (20) day period in which such rights could have been exercised. For a period of ten (10) days from the date of the Second Notice, each Participating Unaffected Member shall thereupon be entitled to purchase that proportion of the Membership Interests which could have been purchased by the Unaffected Members who did not exercise their rights granted under Part (1) above in whole, as the number of Membership Interests held by such Participating Unaffected Members bears to the total number of Membership Interests held by all Participating Unaffected Members. Participating Unaffected Members may exercise the rights granted them hereby, in whole or in part, by notifying the Affecting Member and Manager in writing during such ten (10) day period.
- Member has elected to purchase any portion or all of the Affected Member's Membership Interest, promptly thereafter a determination shall be made as to the LLC Value (as defined in Schedule 4) of the Membership Interest of such Affected Member. The portion of the LLC Value that shall be payable by each Participating Unaffected Member shall be a percentage of the LLC Value equal to the number of Membership Interests desired to be purchased by the Participating Unaffected Member. Promptly after such determination, the Manager shall send to each Participating Unaffected Member a written notice specifying the LLC Value and the portion

thereof that is payable by such Participating Unaffected Member for the portion of the Affected Member's Membership Interest that it has elected to purchase. During the succeeding fifteen (15) days (the "Revocation Period"), each Participating Unaffected Member shall have the right to revoke, in its entirety, its earlier purchase election with respect to the Affected Member's Membership Interest by a written revocation notice that, to be effective, must be sent to the Manager and the Affected Member or its representative prior to the expiration of such Revocation Period. Following the Revocation Period, each Participating Unaffected Member that has not revoked its purchase election shall have thirty (30) days to deliver to the Affected Member cash in an amount equal to their applicable portion of the LLC Value. Following such transfers, the Manager shall amend Schedule 1 to reflect the new Percentage Interests.

For purposes of the foregoing, the portion of the LLC value payable to an Affected Member shall not be discounted to reflect a minority interest, lack of control or lack of marketability.

CONFIDENTIALITY AND PROPRIETARY INFORMATION

Each Member (a "Party") hereby agrees to the following provisions regarding Confidentiality and Proprietary Information, and agrees to cause any of their respective Agents and Affiliates to be bound by such provisions to the extent such Agents and Affiliates receive any Confidential Information.

- 1. <u>Confidentiality</u>. Without the prior written consent of the Disclosing Party, a Receiving Party shall keep confidential, and shall not disclose or make any use of, any Confidential Information of such Disclosing Party, except as and to the extent required to enable such Receiving Party to perform its obligations under the Agreement, or as may otherwise be required by law. At the termination of the Agreement, each Receiving Party shall return to any Disclosing Party all Confidential Information of such Disclosing Party in such Receiving Party's possession or in the possession of any of its Agents or Affiliates, including any and all copies, summaries and compilations thereof, and whether in electronic or hard copy form. An executive officer of the Receiving Party must also certify in writing to the Disclosing Party that the Receiving Party has returned (or if permitted by the Disclosing Party with respect to all or any part of such Confidential Information, destroyed) all Confidential Information in its possession or in the possession of any of its Agents or Affiliates.
- 2. Proprietary Information; License to Use. The Satellite Proprietary Information shall be provided by Satellite (or an Affiliate of Satellite) to the LLC during the term of this Agreement pursuant to a non-inclusive, non-transferable and non-assignable license as set forth in that certain License Agreement between Satellite and the LLC (the "License Agreement"), which License Agreement is terminable and the license granted thereunder revocable at any time or from time to time by Satellite, with or without cause. Each Receiving Party acknowledges and agrees that upon termination of this Agreement none of the Satellite Proprietary Information licensed pursuant to the License Agreement and subject to the confidentiality protection hereunder shall be considered to have lost its proprietary and confidential nature due to its disclosure to or use by the LLC or its disclosure to any other Party hereto. Except for the limited license granted pursuant to the License Agreement, all rights to and in the Satellite Proprietary Information are and shall be retained by Satellite (or its Affiliates, as appropriate).

3. Certain <u>Definitions</u>. For purposes of the foregoing:

(a) "Confidential Information" shall mean any and all information of a Disclosing Party, whether or not such information is designated as being confidential or proprietary, but shall exclude any information that a Receiving Party is able to demonstrate (i) was in the public domain when it was used or disclosed by such Receiving Party; (ii) was known by such Receiving Party prior to the time it was first disclosed to or was first obtained by any such Receiving Party or its Agents or Affiliates from the Disclosing Party or in connection with or as a result of the Receiving Party's involvement in the operations or business of the LLC or pursuant to the Agreement; (iii) was independently developed by the Receiving Party or any of its Agents or Affiliates prior to the time such Receiving Party or such Agent or Affiliate first

obtained access to such information or such information was furnished or otherwise made available to such Receiving Party or such Agent or Affiliate by the Disclosing Party or in connection with or as a result of the Receiving Party's involvement in the operations or business of the LLC or pursuant to the Agreement; (iv) was disclosed to or obtained by the Receiving Party or any Agent or Affiliate thereof, from a Person that the Receiving Party or such Agent or Affiliate did not know, and did not have reason to know, was subject to a confidentiality or fiduciary obligation to the Disclosing Party, or (v) constitutes or pertains to patient-identifiable medical information used by the Receiving Party in the care or treatment of a patient of the Center. Without limiting the generality of the foregoing, the Confidential Information of Satellite shall include, without limitation, the Satellite Proprietary Information (as hereinafter defined) and the Confidential Information of the LLC shall include any information, books, records or reports that it furnishes to the Members pursuant to the Agreement or the arrangements contemplated thereby.

- (b) "Disclosing Party" shall mean the LLC.
- (c) "<u>Receiving Party</u>" shall mean any Party who is provided or obtains or has access to the proprietary or Confidential Information of a Disclosing Party.
- (d) "Satellite Proprietary Information" shall mean and include all operating, billing and compliance manuals, standardized clinical or drug protocols, clinical software, inventions, contracts, pricing, clinical policies and procedures of Satellite or any Affiliate of Satellite, and any such information provided to or used in connection with the performance by Satellite or any Affiliate of Satellite of any services to the LLC in any capacity, including as a Manager of the LLC or as a service provider to the LLC, and also shall include all derivative works developed by any Receiving Party with or as a result of the disclosure to it or use by it of any of the Satellite Proprietary Information.

EXHIBIT A

FORM OF PHYSICIAN AGREEMENT

This Physician Agreement (this "Agreement") is entered into as of the	,
2007, by and among ("Physician"), Satellite Dialysis of Tracy, LLC, a	1
Delaware limited liability company (hereinafter, the "Company"), and Satellite Healthcare, a	1
California nonprofit public benefit corporation ("Satellite").	

RECITALS

- A. Physician, who is licensed to practice medicine in the State of California, provides services to A & I Huatuco, (the "<u>Provider</u>"), and is an owner, employee or independent contractor of the Provider.
- B. The Company is organized as a limited liability company between Provider and Satellite, and operates end stage renal dialysis facilities (the "Centers") located in and around San Joaquin County, California. The Limited Liability Company Agreement of the Company (the "LLC Agreement") requires that Provider shall cause each physician that is either an owner, employee or independent contractor of such Provider to execute and deliver to the Company a physician agreement in substantially the form of this Agreement.
- C. Physician acknowledges and agrees that as a result of Physician's relationship with Provider, Physician will both (i) have access to certain proprietary and confidential information concerning the Company and its business and (ii) benefit from Provider's ownership interest in and relationship with the Company.
- D. Accordingly, in furtherance of the covenants and obligations of Provider in the LLC Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and with the intent to be legally bound by the terms of this Agreement, Physician agrees as follows:

AGREEMENT

- 1. Representations and Warranties and Related Covenants of Physician. Physician represents and warrants and covenants to each of Company and Satellite, and their respective Affiliates as follows:
- No Conflicts. The execution, delivery and performance of this Agreement by Physician does not and will not (i) violate or conflict with, or constitute a default (or any event which, with the giving of notice or lapse of time or both, would constitute a default) under any promissory note, or any material agreement, contract or instrument, or any order, writ, injunction or decree to which Physician is a party or to which Physician is subject, including any contract or agreement containing non-competition covenants or restrictions on the ownership or operation of dialysis centers; or (ii) constitute a violation of any laws or regulations to which Physician is subject; or (iii) require the consent or approval of or the filing of any application or notice by Physician with any person or entity (governmental or other). Except as set forth in Section 2.2, below, other than by virtue of Provider's ownership interest in and relationship with

the Company, Physician does not, directly or indirectly, own any interest in, lease, operate, extend credit to, or provide or receive any assistance (financial or otherwise), in any capacity, to or from any Person that is a Competitor of the Company.

- Continuing Representations; Related Covenants. The foregoing representations, warranties and covenants of Physician shall constitute continuing representations, warranties and covenants required to remain true and correct at all times during the term of this Agreement. If, at any time during the term of this Agreement, Physician learns or determines that any of the foregoing representations or warranties was untrue when made, or there occurs any event or circumstance that would cause any of the foregoing representations, warranties or covenants to cease to be true and correct, as if such representations and warranties had been made again immediately following such occurrence, or there occurs an event or circumstance that, with the passage of time or giving of notice, would constitute a breach of any of such representations, warranties or covenants, then Physician shall, promptly but not later than ten (10) days following such discovery or such occurrence (as the case may be), notify the Company and Satellite thereof in writing, specifying in reasonable detail the nature of any such event or circumstance that caused such representation, warranty or covenant to no longer be true, accurate, complete, or constituted or caused a breach of any obligation of Physician hereunder, as appropriate.
- 2. <u>Protective Covenants.</u> As a material and bargained for inducement to Satellite to enter into the LLC Agreement, and for Satellite to support the operation of the Center and the arrangements and agreements contemplated thereby, all of which Physician acknowledges will benefit Physician as a result of Physician's relationship with Provider, Physician covenants and agrees as follows:
- 2.1 <u>Confidential Information</u>. Physician understands and acknowledges that he will have access to proprietary Confidential Information, which includes the Satellite Proprietary Information. Accordingly, Physician covenants and agrees as follows:
- Confidentiality. Without the prior written consent of the Company (or Satellite with respect to any Satellite Proprietary Information), Physician shall keep confidential, and shall not disclose or make any use of, any Confidential Information, except as and to the extent required to enable Physician to perform any obligation under any written agreement with the Company or Satellite, or as may otherwise be required by law. At the termination of this Agreement, Physician shall return to the Company (or Satellite, as appropriate) all Confidential Information in Physician's possession or control, including any and all copies, summaries and compilations thereof, and whether in electronic or hard copy form. If requested in writing by the Company, the Physician must also certify in writing to the Company (or Satellite, as appropriate) that the Physician has returned (or if permitted by the Company (or Satellite, as appropriate) with respect to all or any part of such Confidential Information, destroyed) all Confidential Information in Physician's possession or control. Further, Physician shall not use any of the Confidential Information in any way for Physician's own benefit or for the benefit of any Person other than the Company or Satellite, nor shall Physician make any use thereof that would be, or could reasonably be expected to be, directly or indirectly detrimental to business and affairs, including patient relationships, of the Company or Satellite.

- (b) Proprietary Information; License to Use. Physician acknowledges that the Satellite Proprietary Information will be provided by Satellite (or an Affiliate of Satellite) to the Company pursuant to a non-exclusive, non-transferable and non-assignable license that is revocable at any time or from time to time by Satellite, with or without cause, which license will automatically terminate on termination of the LLC Agreement, and none of the Satellite Proprietary Information will be considered to have lost its proprietary and confidential nature due to its disclosure to or use by the Company, or its disclosure to Provider and Physician. Except for the limited license granted pursuant to the license agreement between the Company and Satellite, all rights to and in the Satellite Proprietary Information are retained by Satellite (or its Affiliates, as appropriate). Additionally, if Physician ceases, for any reason, to be an owner, employee or independent contractor of Provider, then, without the necessity of a request therefor from the Company or Satellite, Physician shall promptly return or cause to be returned to the Company (or an Affiliate, as appropriate) all Confidential Information in Physician's possession or control.
- Non-Competition Covenants. Physician covenants and agrees that, during 2.2 the period commencing on the date hereof and continuing to and ending on the second (2nd) anniversary following the earlier of (i) the date that Physician ceases to be an owner, employee or independent contractor of Provider(the "Restricted Period"), and except for the benefit of the Company or Satellite, Physician shall not directly or indirectly, own any interest in, lease, operate or extend credit to, or provide any assistance (financial or other), in any capacity, to any Competitor, or otherwise participate with or be employed or engaged by (e.g., as an employee, medical director, contractor, lender or creditor or consultant to, for or with) any Competitor. Notwithstanding the foregoing, nothing in this Section 2.2 shall be interpreted or applied to prohibit Physician from (a) engaging in the practice of medicine or from exercising his or her professional medical judgment concerning the treatment of any patient at any location whatsoever, (b) owning stock in any publicly-traded dialysis company or (c) from, in connection with the Provider, establishing a new dialysis center in the event Provider delivers a written request to Company to establish a new dialysis center and Company either fails to respond within 30 days of the date of the request or otherwise expressly declines.
- 2.3 No Interference with Relationships; Non-Solicitation. Subject to the exception set forth in the proviso at the end of this Section 2.3, Physician further covenants and agrees that during the Restricted Period, Physician shall not, either directly or indirectly:
- (a) induce any patient of the Company, Satellite, or any of their respective Affiliates, to obtain dialysis services from any dialysis facility other than the Center;
- (b) request or advise any patient or customer of or provider of services to the Company or Satellite (or any of their respective Affiliates) to withdraw, curtail or cancel such Person's business with the Company or Satellite (or any of their respective Affiliates), or enter into any contract or other agreement, either written or oral, for such purpose or that is intended or that could reasonably be expected to have such a result;
- (c) solicit, induce or encourage any employee or independent contractor of the Company, Satellite, or any of their respective Affiliates, to curtail or terminate or leave his or her employment or engagement with any of them, except that nothing in this

- Section 2.3(c) shall prohibit Physician from recruiting or hiring any natural person who responds to a general employment advertisement placed in the ordinary course of Physician's business; provided, however, that, notwithstanding anything to the contrary that may be contained above in this Section 2.3, the practice of medicine by Physician, or the exercise of Physician's professional medical judgment concerning the medical treatment of any patient shall not be deemed to constitute a violation of this Section 2.3 by Physician, even if in the exercise of Physician's professional medical judgment, Physician recommends that a patient receiving dialysis services from the Company cease receiving such services or seek dialysis services from another provider.
- 2.4 No Interference with Contracts. Without limiting the generality of the foregoing, Physician shall not induce any Person that has a contract or other agreement with the Company (or any of its Affiliates), which contract or agreement contains non-competition covenants or restrictions on that Person's ownership or operation of dialysis services centers or other businesses that are competitive with the business of the Company (or any of its Affiliates), to terminate that contract or agreement or otherwise enter into a relationship with Physician that provides for the ownership or operation of dialysis services centers or other businesses that are competitive with any business then being conducted by the Company or any of its respective Affiliates.
- 2.5 <u>Reasonability of Restrictive Covenants</u>. Physician specifically understands, acknowledges and represents, warrants and agrees that the covenants and restrictions set forth in this Section 2 (collectively, the "<u>Protective Covenants</u>") are reasonable and necessary in order to protect the legitimate interests of the Company, its Members, and their respective Affiliates because:
- (a) the taking of any actions proscribed or restricted by the Protective Covenants would damage, irreparably, (i) the value of the investments and the goodwill of Satellite and each of the other Members in the Company, (ii) the Company's investment in and the goodwill of the Company in the Center and its business, and (iii) the value to and goodwill of the Company in the Confidential Information, which includes Proprietary Information that Satellite has developed and has licensed to the Company for use in the Company's business and operations; and
- (b) in good faith reliance on Physician's agreements to comply fully and faithfully with all of the Protective Covenants contained in this Section 2, (i) Satellite and Provider are entering into the LLC Agreement and consummating the transactions contemplated hereby and thereby, (ii) in the case of the Company, undertaking the financial and other obligations necessary to continue the operation of the Center and its business, and (iii) licensing to the Company the right to use (A) the Satellite Proprietary Information in its business, which will make such information accessible to Provider and Physician, and (B) the "Satellite" name in its business.
- 2.6 Remedies for a Breach or Threatened Breach of Any Protective Covenants
 Physician further acknowledges and agrees that, in the event of any breach or threatened breach
 by Physician of any of the Protective Covenants contained in this Section 2 then, without
 prejudice to any other rights or remedies that any of the Company, Satellite or any of their

Affiliates may have, either at law or in equity, as a consequence of any such actual or threatened violation or breach, each of the Company, Satellite and their respective Affiliates shall be entitled, individually or jointly with the others or either of them, upon application to any court of competent jurisdiction, to obtain temporary, preliminary and permanent injunctive relief to restrain and enjoin the Physician from violating or continuing to violate or breach any such covenant, or to prevent any threatened violation of any such covenant from taking place. In or in connection with any such equitable proceeding, (i) Physician shall stipulate that such violation or threatened violation, if not restrained and enjoined, will result in irreparable damage to each of the Company and Satellite, and their respective Affiliates, for which damages, in and of themselves, would not be adequate as a remedy for such violation or breach (provided, that such stipulation shall not constitute, and may not be asserted by the Company, Satellite or their respective Affiliates, to be, an admission by Physician that such a violation or threat of a violation by Physician has occurred), and (ii) none of the Company, Satellite or their respective Affiliates shall be required to post any bond or other security as a condition to the granting or continuance of any such equitable relief or as consideration or security therefor.

- 2.7 <u>Severability</u>. If any of the Protective Covenants contained in this Section 2 is held by any court of competent jurisdiction to be unenforceable or unreasonable, as to time, geographic coverage or business limitation, the Company and Physician agree that such provisions shall be and are hereby reformed to the maximum time, geographic area or business limitation that is enforceable under applicable laws.
- 2.8 Other Protective Covenants. Physician acknowledges that the Protective Covenants contained in this Agreement are in consideration of the ownership interest and relationship of Provider in and with the Company, and that such Protective Covenants shall be in addition to and not in lieu of any other restrictive covenants or agreements that the Physician may have with the Provider, the Company or any of their respective Affiliates.
- 3. <u>Definitions</u>. The following capitalized terms used herein shall have the following meanings:
 - (i) "Affiliate" means, with respect to a person, any individual or entity that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such person; provided, however, that neither employees nor employers of any person shall be deemed an Affiliate of any other person solely by virtue of such employment relationship.
 - (ii) "Competitor" shall include any person in the business of, or that is preparing to engage in the business of, providing Dialysis Services anywhere within the city of Tracy, California or within 10 miles from the Center.
 - (iii) "Confidential Information" shall mean any and all information of the Company or Satellite, whether or not such information is designated as being confidential or proprietary, but shall exclude any information that Physician is able to demonstrate (i) was in the public domain when it was used or disclosed by such Physician; (ii) was known by Physician prior to the time it was first disclosed to or was first obtained by any such Physician from the Company or its Satellite or in connection with or as a result of

the Physician's involvement in the operations or business of the Company or Satellite or pursuant to this Agreement; (iii) was independently developed by the Physician prior to the time such Physician first obtained accesses to such information or such information was furnished or otherwise made available to such Physician by the Company or Satellite or in connection with or as a result of the Physician's involvement in the operations or business of the LLC or pursuant to the Agreement; (iv) was disclosed to or obtained by the Physician or any Agent or Affiliate thereof, from a Person that the Physician or such Agent or Affiliate did not know, and did not have reason to know, was subject to a confidentiality or fiduciary obligation to the Company or Satellite, or (v) constitutes or pertains to patient-identifiable medical information used by the Physician in the care or treatment of a patient of the Center. Without limiting the generality of the foregoing, the Confidential Information of the Company shall include the Satellite Proprietary Information any information, books, records or reports that it furnishes to the members of the Company pursuant to the LLC Agreement or the arrangements contemplated thereby.

- (iv) "Control" means, with respect to an entity, the right to exercise, directly or indirectly, fifty percent (50%) or more of the voting rights attributable to the entity or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the entity.
- (v) "<u>Dialysis Services</u>" means all services related to renal dialysis, including peritoneal dialysis services and home hemodialysis services.
- (v) "Satellite Proprietary Information" shall mean and include all operating, billing and compliance manuals, standardized clinical or drug protocols, clinical software, inventions, contracts, pricing, clinical policies and procedures of Satellite or any Affiliate of Satellite, and any such information provided to or used in connection with the performance by Satellite or any of its Affiliates of any services to the Company in any capacity, including as a manager of the Company or as a service provider to the Company, and also shall include all derivative works developed by Provider or Physician with or as a result of the disclosure to it or use by it of any of the Satellite Proprietary Information.
- (vi) "Self-Care Dialysis" means self-care dialysis services, including peritoneal dialysis, home hemodialysis and other forms of self-care dialysis, and all related educational and support services to patients and family members to enable them to conduct self-care dialysis.
- 4. No Obligations to Make Referrals. The parties hereto acknowledge and agree that, notwithstanding any other provision of this Agreement that may be interpreted to be to the contrary, Physician is not and shall not be obligated to refer any patient to the Company, Satellite or any of their respective Affiliates for dialysis services or any other healthcare services and none of the Company, Satellite or any of their respective Affiliates is, and none of them shall be, obligated to refer any patient to Physician for healthcare services and none of the Company, Satellite, or Physician will receive any payment or other compensation of any kind or nature under this Agreement, or otherwise, for referrals or recommendations that might be made by the

Physician or Provider to the Company or to Satellite or by the Company or Satellite to Physician or Provider.

5. Miscellaneous.

- 5.1 Amendment and Waiver. No amendment or other modification to this Agreement and no waiver of any provision of this Agreement shall be effective unless it is set forth in a written document or instrument that has been signed by each of the parties hereto, and no failure or delay by a party in exercising any rights or remedies it may have under this Agreement or under applicable law or otherwise shall constitute or be construed as a waiver of such right or remedy. No written waiver of any provision of or obligation or default or breach under this Agreement shall operate as, or be construed to constitute, a continuing waiver or a waiver of any prior or subsequent breach or violation of the same or a breach or violation of any other provision hereof.
- 5.2 No Assignment; Inurement. In recognition of the fact that the obligations of Physician and the respective rights of the Company under this Agreement are of a personal nature, Physician shall not be entitled to assign any of Physician's rights or obligations under this Agreement. Subject to any restrictions in the LLC Agreement, this Agreement and the rights and obligations of the Company may be assigned or transferred without the consent of Physician. Subject to the foregoing restrictions on assignment, this Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and their respective successors, heirs, representatives and permitted assigns. With the exception of the named parties hereto and their respective Affiliates and successors, heirs, representatives and permitted assigns, no Person is intended to be a beneficiary of and no Person shall be entitled to enforce any of the representations, warranties, covenants or agreements of any of the parties hereto.
- Notices. To be effective, any notice, demand, or communication required, permitted, or desired to be given hereunder (a "Notice") by any party to any of the other parties hereto must be in writing and must be delivered to such other party or parties at their respective addresses on the signature page of this Agreement by one of the methods or means set forth hereinaster in this Section 5.3. Any Notice may be (a) personally delivered, in which event it shall be deemed received when actually delivered to the party to whom it is addressed; (b) sent by certified or registered mail, return receipt requested, in which event it shall be deemed received two (2) business days after being deposited, postage prepaid, in the United States Mail; (c) sent by a nationally recognized overnight courier for delivery on the next business day, in which event it shall be deemed received one (1) business day after being deposited with such courier; or (d) sent by fax to the fax number of the party to which such Notice is addressed, in which case it shall be deemed received on the first business day after it is transmitted, provided that a copy of such fax is sent, in the manner set forth in clause (b) or clause (c) of this Section 5.3, to the addressee not later than the second business day after it has been so faxed. Any party hereto may change its address or fax number for purposes of receiving Notices under this Agreement by giving to each of the other parties hereto a Notice of such change by one of the means set forth in any of clauses (a), (b), (c) or (d) of this Section 5.3, and any such change shall be effective five (5) business days after receipt of such Notice by the other parties hereto.

- 5.4 Governing Law; Venue. This Agreement shall be governed by, construed in accordance with and enforced under the laws of the State of Delaware, without reference to its choice of law rules or principles. Notwithstanding the foregoing, any dispute relating to this Agreement shall be brought in a court of competent jurisdiction in San Joaquin County, California. Manager and Company each hereby consent to and waive any objection to the jurisdiction and venue of any state court or federal court of general jurisdiction in or near San Joaquin County, California with respect to any action or proceeding relating in any way to this Agreement. Further, the parties agree that any action brought against either party by the other party relating to this Agreement shall be brought in such a court in or near San Joaquin County, California.
- 5.5 Entire Agreement. This Agreement, together with the LLC Agreement and the other agreements and arrangements contemplated therein, constitutes the entire agreement of the parties with respect to, and supersedes all prior or contemporaneous agreements, written and oral, among the parties relating to, the subject matter hereof.
- 5.6 <u>Further Assurances</u>. Except as may be specifically provided for herein to the contrary, the provisions of this Agreement shall be self-operative and shall not require further agreement by the parties; <u>provided</u>, <u>however</u>, each party hereto agrees to execute and deliver such additional instruments and documents and to take such additional actions as may be reasonably requested by any of the other parties hereto to better evidence or effectuate this Agreement.
- 5.7 <u>Severability</u>. The provisions of Section 2.7 shall govern the severability of the provisions contained in Section 2 of this Agreement. If any of the terms or provisions of this Agreement (other than the provisions contained in Section 2) or the application of any such terms or provisions to any Person or circumstance shall be adjudged to any extent invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction or an arbitration tribunal, such provision shall be construed only so narrowly as is necessary to prevent such a finding of invalidity or unenforceability, and all of the remaining terms and provisions of this Agreement or their application to other persons or circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by applicable law.
- 5.8 Contract Modifications for Prospective Legal Events. In the event any federal or state statutes or regulations, now existing or enacted or promulgated after the effective date of this Agreement, are interpreted by judicial decision or a regulatory agency in such a manner so as to cause any of the provisions hereof or the contractual arrangements between the parties hereunder to be in violation of such statutes or regulations, the parties shall use their good faith best efforts to reach agreement on the amendment or amendments needed to this Agreement to cure such violation. To the maximum extent possible, any such amendments shall preserve the underlying economic and financial arrangements among the parties as set forth in this Agreement.
- 5.9 Remedies Cumulative. No remedy set forth in this Agreement or otherwise conferred upon or reserved to any party shall be considered exclusive of any other remedy available to such party, but the same shall be distinct, separate and cumulative and may be exercised from time to time as often as occasion may arise or as may be deemed expedient by

the party seeking to enforce such remedy. Neither the pursuit nor receipt of any remedy set forth in this Agreement or that is available at law or in equity shall preclude pursuit or receipt of any other remedy provided in this Agreement or at law or in equity.

- 5.10 <u>Headings</u>. The section, subsection and any paragraph headings contained in this Agreement are for convenience of reference only and are not intended to define or limit or affect any of the terms or provisions of this Agreement.
- 5.11 <u>Counterparts</u>. This Agreement, and any amendments hereto, may be executed in separate counterparts. Each executed counterpart of this Agreement or of any such amendment, and any photocopies or facsimile copies thereof, shall be deemed an original, but all such copies, together, shall constitute one and the same instrument.

(Remainder of page intentionally left blank. Signatures of parties follow on next page.) IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and date first above written:

PHYSICIAN

Name: Aiber Hugtare, M.D.

Medical License Number: A 32 630

THE COMPANY:

401 Castro Street Mountain View, CA 94041 Fax No. (650) 404-3601

Satellite:

401 Castro Street Mountain View, CA 94041 Fax No. (650) 404-3601 SATELLITE DIALYSIS OF TRACY, LLC

By: Satellite, Inc., as Manager

By: Its:

SATELLITE HEALTHCARE

By:

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