



## Fresenius Medical Care

November 28, 2012

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

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

**Re: Second Annual Progress Report. Section 1130.760**  
**Project # 10-064, Fresenius Medical Care South Deering**  
**Permit Holder:** Fresenius Medical Care South Deering, LLC, Fresenius Medical  
Care Holdings, Inc.  
**Permit Amount:** \$3,660,321

Dear Ms. Avery:

Enclosed please find the annual progress report which summarizes the current status of the above-mentioned project.

If you have any questions, please contact me at 708-498-9121.

Sincerely,

Lori Wright  
Senior CON Specialist

cc: Clare Ranalli

November 28, 2012

**Annual Progress Report, Section 1130.760**

**Project # 10-064, Fresenius Medical Care South Deering**

**Permit Holder:** Fresenius Medical Care South Deering, LLC, and Fresenius Medical Care Holdings, Inc.

**Permit Amount:** \$3,660,321

**This report summarizes the current status of the above-mentioned project. The facility is located at 10559 S. Torrence Avenue, Chicago. There have been no changes to the scope and size of this project. The Permit amount is \$3,660,321.**

<b><u>Key Milestones Completed:</u></b>	<b><u>Date Completed</u></b>
• Project Obligation with Lease Execution	05/06/2011
• Preliminary Plan approved, notice sent to the Architect to proceed.	07/05/2011
• Construction Drawings Completed	11/01/2011
• Scope of Project sent out for bids	11/14/2011
• Construction Contract Awarded	06/12/2012
• Building permit granted	06/25/2012
• Misc. Purchase orders placed	06/25/2012
• Construction Commencement	06/26/2012
• Vendor Installs	09/07/2012

- Certificate of occupancy granted 09/15/2012
- 1<sup>st</sup> Patient Dialyzed 11/26/2012
- Permit Renewal Request 11/28/2012

**Key Actions that need to be completed:**

**Target Date**

- ESRD Federal Certification Survey 04/26/2013
- Receipt of Certification Letter 07/26/2013
- Project Complete 07/26/2013

**The project is currently approximately 99% complete and is expected to be completed before 12/31/2013.**

## Sources and Uses of Funds

All Project financing to date has been funded from available cash and its equivalents as reported on the company's financial statements. The right to occupy the premises is being secured through a leasing arrangement. This leasing arrangement was utilized to obligate the project. None of the project costs have exceeded the approved permit amounts.

### Project Costs and Sources of Funds

Line Item	Allowance/CON	Realized Costs
Preplanning Costs	N/A	N/A
Site Survey & Soil Investigation	N/A	N/A
Site Preparation	N/A	N/A
Off-site work	N/A	N/A
New Construction Contracts	N/A	N/A
Modernization	1,305,000	1,432,888
Contingencies	130,000	130,000
Architectural/Engineering	142,000	111,169
Consulting and other fees	N/A	N/A
Movable & Other Equipment	440,000	212,586
Bond Issuance Expense	N/A	N/A
Net Interest Expense during Construction	N/A	N/A
FMV of Leased Space & Equipment	1,643,321	1,643,321
Other Costs to be Capitalized	N/A	N/A
Acquisition of Building or other Property (excluding land)	N/A	N/A
Total Project Costs	3,660,321	
<b>Realized Total Project Costs To Date</b>		<b>3,529,964</b>
Cash & Securities	1,817,000	1,686,643
Pledges	N/A	N/A
Gifts & Bequests	N/A	N/A
Bond Issues	N/A	N/A
Mortgages	N/A	N/A
Lease FMV	1,643,321	1,643,321
Gov. Approp	N/A	N/A
Grants	N/A	N/A
Other funds and Sources	200,000	200,000*
Total funds	3,660,321	
<b>Total Spent to Date</b>		<b>3,529,964</b>

\*Total construction cost is \$1,562,888 however, the landlord is to contribute \$200,000 tenant improvement allowance to be paid back over the term of the lease, but relates directly to the construction costs.