

December 20, 2012

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

FEDERAL EXPRESS

Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Annual Progress Report – Mount Vernon Dialysis (Proj. No. 10-068)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita HealthCare Partners Inc. f/k/a DaVita Inc. and Renal Life Link, Inc. (the “Permit Holders”) to submit the annual progress report for Mount Vernon Dialysis. As you are aware, on December 14, 2010, HFSRB approved the Permit Holders’ application for the relocation and expansion of Mount Vernon Dialysis (the “Project”). On December 3, 2012, the Permit Holders requested a nine month renewal of the Project permit and to establish October 31, 2013 as the new project completion date. Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #10-068.

1. Status of the Project

The Project was obligated on May 10, 2012 through the execution of a lease for the facility. The Project is currently under construction and is approximately 65% complete. The shell building is finished. The framing is complete, plumbing and electrical is roughed in, and the sheet rock for the walls is up. Construction is projected to be complete in the next few months. Based on recent experience, the Permit Holders anticipate it may take four to six months for the initial Medicare certification survey and subsequent receipt of Medicare enrollment documentation.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$512,159 in project costs.

Chicago Dallas Denver Edwardsville Jefferson City Kansas City Los Angeles
New York
Overland Park Phoenix St. Joseph St. Louis Springfield Topeka Washington, DC
Wilmington

In California, Polsinelli Shughart LLP.

Michael Constantino

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| PROJECT COSTS | | | |
|---|--------------------|--------------------|------------------|
| | Approved | Proposed | Expended |
| Modernization Contracts | \$1,080,000 | \$1,080,000 | \$317,065 |
| Contingencies | \$95,000 | \$95,000 | \$0 |
| A & E Fees | \$75,000 | \$75,000 | \$72,012 |
| Consulting & Other Fees | \$37,500 | \$37,500 | \$0 |
| Moveable Equipment | \$450,000 | \$450,000 | \$123,082 |
| Fair Market Value of Leased Space & Equipment | \$851,301 | \$851,301 | \$0 |
| Estimated Total Project Cost | \$2,588,801 | \$2,588,801 | \$512,159 |

3. Sources of Funds

The project is being financed through \$1,737,500 in cash. Additionally, the fair market value of the lease is \$851,301.

4. Application and Certification for Payment

The most recent Application and Certification for Payment for the construction contract for the Project, form G702 published by the American Institute of Architects, is attached hereto at Attachment 1.

5. Anticipated Completion Date

The anticipated completion date for the Project is October 31, 2013.

If you need any additional information or have any questions regarding the status of the Project, please feel free to contact me.

Sincerely,



Anne M. Cooper

Attachments

cc: Alexis Kendrick
Don Robbins

R01697-0
02.01
12/05/12

David Geary

Digitally signed by David Geary
DN: cn=David Geary, o=DaVita, ou=Team
Genesis, email=david.geary@davita.com,
c=US
Date: 2012.12.05 14:52:11 -06'00'

REQUEST FOR PAYMENT

From: AKRA Builders, Inc.
P.O. Box 1225
Effingham, IL 62401

To: Renal Life Link, Inc.
c/o DaVita Legal Department
601 Hawaii Street
El Segundo, CA 90245

Invoice: 1225403
Draw: 12254A00002
Invoice date: 11/30/2012
Period ending date: 11/30/2012

Contract For:

Request for payment:

Original contract amount \$751,996.00
Approved changes \$10,627.00
Revised contract amount

Project: 12254A
DaVita Mt. Vernon Main Clinic

Contract date: 8/18/2012

Contract completed to date
Add-ons to date \$0.00
Taxes to date \$0.00
Less retainage \$35,229.50

Architect:
Scope:

Total completed less retainage \$317,065.50
Less previous requests \$159,038.10
Current request for payment \$158,027.40
Current billing \$175,586.00

Current additional charges \$0.00
Current tax \$0.00
Less current retainage \$17,558.60

Current amount due \rightarrow \$158,027.40
Remaining contract to bill \$445,557.50

| CHANGE ORDER SUMMARY | ADDITIONS | DEDUCTIONS |
|--|------------------|------------|
| Changes approved in previous months by Owner | | |
| Total approved this Month | 10,627.00 | |
| TOTALS | 10,627.00 | |
| NET CHANGES by Change Order | 10,627.00 | |

I hereby certify that the work performed and the materials supplied to date, as shown on the above represent the actual value of the accomplishment under the terms of the Contract (and all authorized changes thereof) between the undersigned and the Renal Life Link, Inc. relating to the above referenced project. I also certify that the contractor has paid all amounts previously billed and paid by the owner.

CONTRACTOR: AKRA Builders, Inc.

By: Paul [Signature]

Date: 12/4/2012

State Of IL

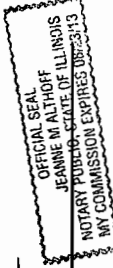
County Of Effingham

Subscribed and sworn to before me this 4th day of December, 2012

Notary Public

My commission expires:

[Signature]



REQUEST FOR PAYMENT DETAIL

Project: 12254A / DaVita Mt. Vernon Main Clinic Invoice: 1225403 Draw: 12254A000002 Period Ending Date: 11/30/2012 Detail Page 2 of 2 Pages

| Item ID | Description | Total Contract Amount | Previously Completed Work | Work Completed This Period | Presently Stored Materials | Completed And Stored To Date | % Comp | Balance To Finish | Retainage Balance |
|---------------|------------------------------|-----------------------|---------------------------|----------------------------|----------------------------|------------------------------|--------------|-------------------|-------------------|
| 1 | General Conditions | 45,491.00 | 10,379.00 | 10,379.00 | | 20,758.00 | 45.63 | 24,733.00 | 2,075.80 |
| 2 | Concrete | 27,471.00 | 27,471.00 | | | 27,471.00 | 100.00 | | 2,747.10 |
| 3 | Miscellaneous Steel | 2,112.00 | | | | | | 2,112.00 | |
| 4 | Carpentry | 30,408.00 | 11,965.00 | 11,965.00 | | 23,930.00 | 78.70 | 6,478.00 | 2,393.00 |
| 5 | Casework | 96,580.00 | | | | 96,580.00 | | | |
| 6 | Thermal-Moist Protection | 2,573.00 | | 2,573.00 | | 2,573.00 | 100.00 | | 257.30 |
| 7 | Doors, Frames, & Hardware | 32,866.00 | | | | | | 32,866.00 | |
| 8 | Aluminum & Glazing | 30,888.00 | | | | | | 30,888.00 | |
| 9 | Acoustical Ceilings | 24,035.00 | | | | | | 24,035.00 | |
| 10 | Floor Covering | 35,577.00 | | 9,357.00 | | 9,357.00 | 26.30 | 26,220.00 | 935.70 |
| 11 | Painting | 21,090.00 | | 6,812.00 | | 6,812.00 | 32.30 | 14,278.00 | 681.20 |
| 12 | Drywall | 28,500.00 | 10,087.00 | 13,825.00 | | 23,912.00 | 83.90 | 4,588.00 | 2,391.20 |
| 13 | Wall Protection | 16,870.00 | 7,454.00 | 4,708.00 | | 12,162.00 | 72.09 | 4,708.00 | 1,216.20 |
| 14 | Miscellaneous Accessories | 2,634.00 | | | | | | 2,634.00 | |
| 15 | Misc. Equipment Installation | 1,317.00 | | | | | | 1,317.00 | |
| 16 | Fire Protection | 31,555.00 | 23,924.00 | | | 23,924.00 | 75.82 | 7,631.00 | 2,392.40 |
| 17 | Plumbing | 111,155.00 | 32,486.00 | 13,198.00 | | 45,684.00 | 41.10 | 65,471.00 | 4,568.40 |
| 18 | HVAC | 144,958.00 | 21,256.00 | 66,878.00 | | 88,134.00 | 60.80 | 56,824.00 | 8,813.40 |
| 19 | Electrical | 65,916.00 | 31,687.00 | 25,264.00 | | 56,951.00 | 86.40 | 8,965.00 | 5,695.10 |
| 20 | CO#1 Drywall Fire Ceiling | 10,627.00 | | 10,627.00 | | 10,627.00 | 100.00 | | 1,062.70 |
| Totals | | 762,623.00 | 176,709.00 | 175,586.00 | | 352,295.00 | 46.20 | 410,328.00 | 35,229.50 |

PARTIAL
WAIVER OF LIEN

STATE OF ILLINOIS

County of Effingham

TO ALL WHOM IT MAY CONCERN:

Whereas the undersigned AKRA Builders, Inc.

have been employed by Renal Life Link, Inc.

to furnish material, labor, subcontractors and equipment

for the Building known as DaVita Mt. Vernon Main Clinic

City of Mt. Vernon

County of Jefferson

State of IL

NOW, THEREFORE, the undersigned for and in consideration of the sum of _____

\$158,027.40 Dollars

and other good and valuable considerations, does hereby waive and release any and all lien, or claim of or right to lien under the Statutes of the State of Illinois relating to Mechanic's Liens, with respect to and on said above described building and premises, and the improvements thereon, and on the fixtures, apparatus or machinery furnished, on account of labor, services, material, fixtures, apparatus or machinery, furnished by the undersigned to the date hereof only, to or on account of the said owner, for the above described premises, without prejudice to assert any right of lien as to any labor, services, material, fixtures, apparatus or machinery hereafter furnished by the undersigned.

Given under my hand and sealed this

4th day of December, 2012.

Jeanne M. Althoff
Notary

AKRA Builders, Inc.

Paul G. Muesel
Officer

