



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 • FAX: (217) 785-4111

June 16, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kara M. Friedman, Attorney
Polsinelli Shughart PC
161 North Clark Street, Suite 4200
Chicago, Illinois 60601

RE: Permit Change of Ownership
Health Facilities Planning Act
PROJECT NUMBER: 11-118
FACILITY NAME: Silver Cross Renal Center, Morris
APPLICANT(S): Total Renal Care, Inc. and DaVita, Inc.

Dear Ms. Friedman:

On June 5, 2012, the Illinois Health Facilities and Services Review Board ("State Board") approved the application for permit for the referenced project based upon the project's substantial conformance with the applicable standards and criteria of Part 1110 and 1120. In arriving at a decision, the State Board considered the findings contained in the State Agency Report, the application material, and any testimony made before the State Board.

- **PROJECT NUMBER: 11-118 Silver Cross Hospital and Medical Center, Joliet** - The permit holders are approved for a change of ownership of an existing 9-station ESRD facility located at 1551 Creek Drive, Morris, Illinois, in 4,250 GSF of leased space. The operating entity is Total Renal Care, Inc. The owner of the site is Keith & Barbara Jaeschke.
- **PERMIT HOLDERS:** Total Renal Care, Inc. and DaVita, Inc. 1551 Wewatta Street, Denver, Colorado.
- **CONDITION AND STIPULATION:** As a condition of approval, the permit holders have agreed that for a period of 7 years following the closing this acquisition, DaVita Inc. and Total Renal Care Inc. agrees to provide unreimbursed care up to historical levels of or above in the amount of \$5,295 per year as provided by Silver Cross Hospital and Medical Center. The permit holder agrees to provide the amount of unreimbursed care provided at this facility as part of the annual ESRD survey.
- **PERMIT AMOUNT:** \$461,930
- **PROJECT OBLIGATED BY:** August 1, 2012
- **PROJECT COMPLETION DATE:** August 1, 2012

This permit is valid only for the defined construction or modification, site, amount and the named permit holder and is **not transferable or assignable**. In accordance with the Planning Act, the permit is valid until such time as the project has been completed, provided that all post permit requirements have been fulfilled, pursuant to the requirements of 77 Ill. Adm. Code 1130.

The permit holder is responsible for complying with the following requirements in order to maintain a valid permit. Failure to comply with the requirements may result in expiration of the permit or in State Board action to revoke the permit.

1. OBLIGATION-PART 1130.720

The project must be obligated by the **Project Obligation Date**, unless the permit holder obtains an "Extension of the Obligation Period" as provided in 77 Ill. Adm. Code 1130.730. Obligation is to be reported as part of the first annual progress report for permits requiring obligation within 12 months after issuance. For major construction projects which require obligation within 18 months after permit issuance, obligation must be reported as part of the second annual progress report. If project completion is required prior to the respective annual progress report referenced above, obligation must be reported as part of the notice of project completion. The reporting of obligation must reference a date certain when at least 33% of total funds assigned to project cost were expended or committed to be expended by signed contracts or other legal means.

2. ANNUAL PROGRESS REPORT-PART 1130.760

An annual progress report must be submitted to the State Board every 12-month from the permit issuance date until such time as the project is completed.

3. PROJECT COMPLETION REQUIREMENTS-PART 1130.770

The permit holder must submit a written notice of project completion as defined in Section 1130.140. Each permit holder shall notify the State Board within 30 days following the project completion date and provide supporting documentation within 90 days following the completion date and must contain the information required by Section 1130.770.

Should you have any questions regarding the permit requirements, please contact Mike Constantino at 217-782-3516.

Sincerely,



Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board

cc: Dale Galassie, Chairman