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June 24, 2013

RECEIVED

JUN 25 2013

HEALTH FACILITIES &
SERVICES REVIEW BOARD

VIA FEDERAL EXPRESS

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Notice of Obligation – Lake County Dialysis (Proj. No. 11-114)

Dear Mr. Constantino:

Pursuant to Section 1130.720 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita HealthCare Partners, Inc. and Total Renal Care, Inc. (collectively, “DaVita”) to notify the HFSRB of the obligation of Lake County Dialysis (Proj. No. 11-114). On June 5, 2012, the HFSRB approved DaVita’s certificate of need application for the relocation of Lake County Dialysis (the “Project”). The Project permit included a December 5, 2013 obligation date. In compliance with the Project permit, the Project was obligated on August 16, 2012 through execution of the lease between DaVita and the landlord for the Lake County facility.

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

Sincerely,

Tim Tincknell

cc: Alexis Kendrick, HFSRB
Kelly Ladd, DaVita HealthCare Partners, Inc.



June 17, 2013

VIA FEDERAL EXPRESS

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Final Realized Cost Report – Lake County Dialysis (Proj. No. 11-114)

Dear Mr. Constantino:

On behalf of DaVita HealthCare Partners, Inc. and Total Renal Care, Inc. d/b/a Lake County Dialysis (collectively, “DaVita”), I am writing to submit the final realized project cost report for Project No. 11-114. On June 5, 2012, the Illinois Health Facilities and Services Review Board (“State Board”) DaVita’s application for a certificate of need permit for the relocation of its 16-station in-center hemodialysis facility (the “Project”). The permit provided for a project completion date of December 31, 2013. On February 25, 2013, the first treatment occurred at the relocated facility.

For your review, DaVita submits the following information as its final realized cost report for the relocation of the in-center hemodialysis facility:

1. Final Realized Project Costs

Lake County Dialysis Final Realized Project Costs		
	Approved	Expended
Modernization Contracts	\$1,186,000	\$984,638
Contingencies	\$118,600	\$194,159
Architectural /Engineering Fees	\$71,514	\$53,804
Consulting and Other Fees	\$75,000	\$75,000
Movable or Other Equipment (not in construction contracts)	\$337,247	\$426,803
Fair Market Value of Leased Space or Equipment	\$737,725	\$737,725
ESTIMATED TOTAL PROJECT COST	\$2,526,086	\$2,472,129

Michael Constantino
June 17, 2013
Page 2

2. **Medicare and Medicaid Cost Reports and Certification of Compliance**

Pursuant to 77 Ill. Admin. Code §1130.770, DaVita certifies that no additional or associated costs or capital expenditures related to the Project will be submitted for reimbursement under Title XVIII or Title XIX. I further certify DaVita has complied with all of the terms of the permit to date and all information submitted in this cost report for the facility is true and correct.

3. **Final Application and Certification for Payment**

Attached as Attachment A is the final Application and Certification for Payment (G702) for the Project.

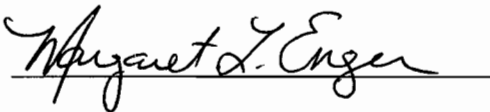
If you have any questions or need any additional information related to the Project, please feel free to contact Tim Tincknell at 773-549-9412 or timothy.tincknell@davita.com.

Sincerely,



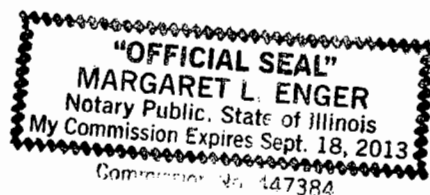
Penny Davis
Division Vice President
DaVita HealthCare Partners, Inc.

SUBSCRIBED AND SWORN
to before me this 17th day of
June, 2013



My commission expires: Sept 18, 2013

Attachment
cc: Kelly Ladd



APPLICATION AND CERTIFICATION FOR PAYMENT AIA DOCUMENT G702

TO (OWNER): Total Renal Care, Inc.
601 Hawaii Avenue
El Segundo, CA 90245

PROJECT: DaVita Lake County Hemo Dialysis
565 Lakeview Parkway, Suite 176
Vernon Hills, IL 60061

APPLICATION NO: 7

Distribution to:
OWNER
ARCHITECT
CONTRACTOR

FROM (CONTRACTOR): The Dubs Company
1699 East Chicago Street
Elgin, IL 60120-4721

VIA (ARCHITECT): Studio GC
223 West Jackson Boulevard
Chicago, IL 60606

PERIOD TO: 05/31/13

PROJECT NO: 0

CONTRACT FOR: General Construction (Hemo)

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Change Orders approved in previous months by Owner	ADDITIONS	DEDUCTIONS
TOTAL	44,458	14,146

Number	Date Approved	Amount
LC-7A		5,527
LC-16		709
LC-17		693
LC-18		2,099
TOTALS		9,028
Net change by Change Orders		39,338

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: The Dubs Company Inc.

By: _____ Date: _____

- ORIGINAL CONTRACT SUM \$ 945,300
- Net change by Change Orders \$ 39,338
- CONTRACT SUM TO DATE (Line 1 + 2) \$ 984,638
- TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 984,638
- RETAINAGE:
 - % of Completed Work \$ _____ (Column D + E on G703)
 - % of Stored Material \$ _____ (Column F on G703)
 Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 0
- TOTAL EARNED LESS RETAINAGE \$ 984,638
- LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)
- CURRENT PAYMENT DUE \$ 982,410
- BALANCE TO FINISH, PLUS RETAINAGE (Line 3 less Line 6) \$ 22,228

State of Illinois
Subscribed and sworn to before me this 11th day of May, 2013
Notary Public: Joseph P. Bertolub
My Commission Expires: 08/04/13

OFFICIAL SEAL
Cook
2013

AMOUNT CERTIFIED
(Attach explanation if amount certified differs from the amount applied for.)
ARCHITECT: \$ _____

By: _____ Date: _____
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are with prejudice to any rights of the Owner or Contractor under this Contract.

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 2 OF 3 PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 7
 APPLICATION DATE: 05/31/13
 PERIOD TO: 05/31/13
 ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	% (G + C)					
	The Right Approach (Electric)	110,394	110,394				110,394	0	0
	Building Outfitters	3,773	3,773				3,773	0	0
	Engstrom Construction	24,700	24,700				24,700	0	0
	Executive Installations	13,950	13,950				13,950	0	0
	Classic Air HVAC	116,903	116,903				116,903	0	0
	Inverway (Paint)	15,770	15,770				15,770	0	0
	Interior Steel	2,475	2,475				2,475	0	0
	DeKalb Glazing	26,045	26,045				26,045	0	0
	Besam	7,942	7,942				7,942	0	0
	Complete Fire Protection	8,968	8,968				8,968	0	0
	Commercial Specialties	4,250	4,250				4,250	0	0
	Wilson Kitchens	69,296	69,296				69,296	0	0
	Alltech Plumbing	123,595	123,595				123,595	0	0
	Commercial Floor Covering	47,956	47,956				47,956	0	0
	IBEK Construction	140,600	140,600				140,600	0	0
	American Direct	27,466	27,466				27,466	0	0
	Permit Allowance	7,600	7,600				7,600	0	0
	Floor Prep Allowance	9,120	9,120				9,120	0	0
	Roof Patch Allowance	3,800	3,800				3,800	0	0
	Unused Floor Prep	(5,700)	(5,700)				(5,700)	0	0
	Cushions Allowance	2,280	1,000	1,280			2,280	0	0
	Change Order 17	693		693			693	0	0
	Change Order 18	2,099		2,099			2,099	0	0
	Credit Unused Cushion Allowance	(1,280)		(1,280)			(1,280)	0	0
	GRAND TOTALS	762,695	759,903	2,792	0		762,695	0	0

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 3 OF 3 PAGES

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APPLICATION DATE: 05/31/13

PERIOD TO: 05/31/13

ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
	Subtotal from page 2	762,695	759,903	2,792			762,695	0	0
	Change Order 16	709		709			709	0	0
	Glander Paving	2,700		2,700			2,700	0	0
	Dubs Fireplace	1,358	1,358				1,358	0	0
	Dubs Murphy Beds	7,400	7,400				7,400	0	0
	Dumpsters	15,000	15,000				15,000	0	0
	Labor	15,000	15,000				15,000	0	0
	Dubs FRP / RWC	8,740	8,740				8,740	0	0
	Dubs General Conditions	50,819	50,819				50,819	0	0
	Dubs OH&P	68,400	68,400				68,400	0	0
	Dubs Steel Work	9,000	9,000				9,000	0	0
	Change Order LC-2	7,535	7,535				7,535	0	0
	Change Order LC-4	(2,000)	(2,000)				(2,000)	0	0
	Change Order LC-5	1,203	1,203				1,203	0	0
	Change Order LC-1	11,881	11,881				11,881	0	0
	Change Order LC-8	609	609				609	0	0
	Change Order LC-9	8,580	8,580				8,580	0	0
	Change Order LC-10	3,827	3,827				3,827	0	0
	Change Order LC-11	(2,700)	(2,700)				(2,700)	0	0
	Change Order LC-12	2,646	2,646				2,646	0	0
	Change Order LC-13	389	389				389	0	0
	Change Order LC-14	5,922	5,922				5,922	0	0
	Change Order LC-15	(9,446)	(9,446)				(9,446)	0	0
	Change Order LC-6	1,864	1,864				1,864	0	0
	Change Order 7A	5,527		5,527			5,527	0	0
	GRAND TOTALS	977,658	965,930	11,728			977,658	0	0

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