FRESENIUS KIDNEY CARE

Fresenius Kidney Care
3500 Lacey Road, Downers Grove, IL 60515
T 630-960-6807 F 630-960-6812
Email: lori.wright@fmc-na.com

December 8, 2016

RECEIVED
DEC 09 2016
HEALTH FACILITIES & SERVICES REVIEW BOARD

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

Re: **Annual Progress Report. Section 1130.760**
Project #14-026, Fresenius Medical Care New City

Permit Holder: Fresenius Medical Care Chicagoland, LLC, and Fresenius Medical Care Holdings, Inc.

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 630-960-6807.

Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

cc: Clare Ranalli

Annual Progress Report, Section 1130.760

Project #14-026, Fresenius Medical Care New City
Permit Holder: Fresenius Medical Care Chicagoland, LLC, and Fresenius Medical Care Holdings, Inc.

This report summarizes the current status of the above-mentioned project located at 4616 S. Bishop Street, Chicago. The address for the site listed in the application was 4622 S. Bishop Street, however the City of Chicago has assigned a new street number to the new structure.

Status of the Project

This project is for the establishment of a 16-station ESRD facility in 10,250 GSF with a permit amount of $5,375,998. The project was obligated with the execution of the lease on February 23, 2015. The facility opened on November 2, 2016 and is now waiting for CMS certification to be complete.

Application and Certificate for Payment (AIA G702)

G-702 is attached.

Anticipated Completion Date

The project is currently approximately 99% complete and is expected to be completed by prior to December 31, 2017.

FRESENIUS
KIDNEY CARE

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 secured through a leasing arrangement. This leasing arrangement was utilized to obligate the project. Project costs have not exceeded the approved permit amount.

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	1,650,250	514,490*
Contingencies	164,000	0*
Architectural/Engineering	163,283	0*
Consulting and other fees	N/A	N/A
Movable & Other Equipment	427,000	76,557
Bond Issuance Expense	N/A	N/A
Net Interest Expense during Construction	N/A	N/A
FMV of Leased Space & Equipment	2,971,465	4,211,025*
Other Costs to be Capitalized	N/A	N/A
Acquisition of Building or other Property (excluding land)	N/A	N/A
Total Project Costs	**$5,375,998**	
Realized Total Project Costs To Date		**$4,362,512**
Cash & Securities	2,404,533	591,047
Pledges	N/A	N/A
Gifts & Bequests	N/A	N/A
Bond Issues	N/A	N/A
Mortgages	N/A	N/A
Lease FMV	2,971,465	4,211,025*
Gov. Approp	N/A	N/A
Grants	N/A	N/A
Other funds and Sources	N/A	N/A
Total funds	**$5,375,998**	
Total Spent to Date		**$4,802,072**

*This project had a majority of the construction and all of the architecture costs incurred by the landlord to be paid back over the term of the lease as rent. Fresenius Medical Care only spent $514,490 towards construction on this project.

APPLICATION AND CERTIFICATION FOR PAYMENT
AIA DOCUMENT G702/CMa

CONSTRUCTION MANAGER-ADVISER EDITION

TO CONTRACTOR:
DiNaso & Sons Construction Co., Inc.
9910 W. 191st St., Suite A
Mokena, IL 60448

PROJECT:
New City
4616 S. Bishop Street
Chicago, IL 60609

APPLICATION NO: 2

PERIOD TO: 09/19/16

Distribution to:
[X] OWNER
[ ] ARCHITECT
[X] CONTRACTOR

FROM SUBCONTRACTOR:
DiNaso & Sons Construction Co., Inc.
9910 W. 191st St., Suite A
Mokena, IL 60448

OWNER:
Fresenius Medical Care of Illinois, LLC
C/O Fresenius Medical Care NA
1909 Tyler Street, 8th Floor
Hollywood, FL 33020

PROJECT NOS: 9461-1-DN-W-GU-15

CONTRACT DATE:

CONTRACT FOR:
General Construction

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM $ 1,330,000.00
2. Net change by Change Orders $ (15,510.00)
3. CONTRACT SUM TO DATE (Line 1 ± 2) $ 1,314,490.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) $ 1,314,490.00
5. RETAINAGE:
   a. 0 % of Completed Work (Column D + E on G703) $ 0.00
   b. 0 % of Stored Material (Column F on G703) 0.00

   Total Retainage (Lines 5a + 5b or Total in Column I of G703) $ 0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) $ 1,314,490.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) $ 800,000.00 ⊗
8. CURRENT PAYMENT DUE $ 514,490.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) $ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	$0.00	$0.00
Total approved this Month	$0.00	($15,510.00)
TOTALS	$0.00	($15,510.00)
NET CHANGES by Change Order	($15,510.00)	

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: DiNaso & Sons Construction Co., Inc.

By: Charl R [signature] Date: October 20, 2016

State of: Illinois County of: Cook
Subscribed and sworn to before me this day of
Notary Public:
My Commission expires:

CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the 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.

AMOUNT CERTIFIED . . . . $ 514,490.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

CONSTRUCTION MANAGER:

By: Date:

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 without prejudice to any rights of the Owner or Contractor under this Contract.

⊗ Pd by Landlord