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FEDERAL EXPRESS

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

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Progress Report – Calumet City Dialysis (Proj. No. 15-020)

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. and Total Renal Care Inc. (the "Permit Holders") to submit the annual progress report for Calumet City Dialysis (Project No. 15-020). As you are aware, on June 2, 2015, HFSRB approved the Permit Holders' certificate of need application for the establishment of Calumet City Dialysis (the "Project"). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #15-020.

1. Status of the Project

The Project was obligated on June 25, 2015, through the execution of a lease to establish the dialysis facility. Shell construction began May 6, 2016 and is complete. The interior build out was started in August 2016 and is 100% complete. The Certificate of Occupancy was received on November 29, 2016 and the facility had its first treatment on January 25, 2017. DaVita is presently awaiting Medicare certification and, based on recent experience, anticipates it may take four to six months for Medicare certification of the facility.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$3,831,265 in project costs.

PROJECT COSTS	Approved	Expended
New Construction Contracts	\$1,232,500	\$1,056,063
Contingencies	\$110,000	\$0
A & E Fees	\$97,500	\$172,554
Consulting & Other Fees	\$75,000	\$9,318
Moveable Equipment	\$588,942	\$578,305
Fair Market Value of Leased Space & Equipment	\$2,015,025	\$2,015,025
Other Costs to be Capitalized	\$0	\$0
Estimated Total Project Cost	\$4,118,967	\$3,831,265

3. Sources of Funds

The project will be financed through \$2,103,942 in cash and cash equivalents and a \$2,015,025 lease.

4. Anticipated Completion Date

The anticipated completion date for the Project is July 31, 2017. Pending approval of our permit renewal request for the Project, the anticipated completion date will be January 31, 2018.

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

Sincerely,



Timothy V. Tincknell

cc: Gaurav Bhattacharyya, DaVita Inc.
Kelly Ladd, DaVita Inc.
Jim Burke, DaVita Inc.
Anne Cooper, Polsinelli PC