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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 –Washington Heights Dialysis (Proj. No. 15-054)

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 Inc. and Total Renal Care, Inc. (the “Permit Holders”) to submit the annual progress report for Washington Heights Dialysis (Project No. 15-054). As you are aware, on February 16, 2016, HFSRB approved the Permit Holders’ certificate of need application for the establishment of Washington Heights Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #15-054.

1. Status of the Project

The Project was obligated on May 19, 2016 through the execution of a lease to establish the dialysis facility. The interior build out was started on January 10, 2017 and is 50% complete. The Certificate of Occupancy is estimated to be received on April 28, 2017.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$2,060,769 in project costs.

PROJECT COSTS	Approved	Expended
Modernization Construction Contracts	\$1,293,997	\$326,462
Contingencies	\$90,000	\$0
A & E Fees	\$125,400	\$53,546
Consulting & Other Fees	\$122,500	\$10,639
Moveable Equipment	\$599,377	\$1,759
Fair Market Value of Leased Space & Equipment	\$1,668,363	\$1,668,363
Other Costs to be Capitalized	\$0	\$0
Net Book Value of Existing Equipment		
Estimated Total Project Cost	\$3,899,637	\$2,060,769

3. Sources of Funds

The project will be financed through \$3,899,637 in cash and cash equivalents.

4. Anticipated Completion Date

The anticipated completion date for the Project is September 30, 2017.

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.