April 24, 2018

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 Project Completion and Final Realized Cost Report - Washington Heights (Proj. No. 15-054)

Dear Mr. Constantino:

On behalf of DaVita Inc. and Total Renal Care Inc. d/b/a Washington Heights Dialysis (collectively, "DaVita"), I am writing to submit the notice of project completion and final realized project cost report for Project No. 15-054. On February 16, 2016, the Illinois Health Facilities and Services Review Board ("State Board") approved DaVita's application for a certificate of need permit to establish a 16-station in-center hemodialysis facility located at 10620 S. Halsted Street, Chicago, IL 60628 (the "Project"). The Project was obligated on March 19, 2016 through execution of the lease to establish the dialysis facility. The facility was notified by the Centers for Medicare and Medicaid Services in a letter dated April 5, 2018 that the 16 stations were approved and certified with an effective date of March 23, 2018.

For your review, DaVita submits the following information as its final realized cost report for the establishment of Washington Heights Dialysis:

1. **Final Realized Project Costs**

Washington Heights Dialysis Final Realized Project Costs		
	Approved	Expended
Modernization Contracts	$1,293,997	$1,526,706
Contingencies*	$90,000	$0
Architectural /Engineering Fees	$125,400	$68,443
Consulting and Other Fees	$122,500	$13,331
Movable or Other Equipment (not in construction contracts)	$599,377	$597,863
Fair Market Value of Lease Space and Equipment	$1,668,363	$1,668,363
ESTIMATED TOTAL PROJECT COST	**$3,888,637**	**$3,874,706**

*The G702 does not include the Permit Holder's purchased lighting package of $42,663.95, door security of $30,065.90 or other miscellaneous expenses totaling $4,153.30. These amounts were added to the Modernization Construction Contingencies costs.

All of the costs reported in the Table above will be reported on the Medicare / Medicaid cost reports.

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

Pursuant to 77 Ill. Admin. Code §1130.770, DaVita certifies the final realized costs are the total costs required to complete the Project and 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 Anne Cooper at 312-873-3606 or acooper@polsinelli.com.

Sincerely,

Gaurav Bhattacharyya
Division Vice President
DaVita Inc.

SUBSCRIBED AND SWORN
to before me this 1st day of
~~April~~ May, 2018

DIANE E. LUCIA
Official Seal
Notary Public-State of Illinois
My Commission Expires April 1, 2021

My commission expires: 4-1-21

Attachment
cc: James Burke, DaVita Inc.

DocuSign Envelope ID: 8E357E9A-4C4D-4C8F-A4A9-788C23C23FD8

DAVITA - APPLICATION FOR PAYMENT: Cover Sheet

TO OWNER:
DaVita Healthcare Partners Inc.
c/o DaVita Heathcare Partners, Inc.
2000 16th St.
Denver, CO 80202

PROJECT: **Davita Washington Heights Dialysis**
Facility 11470 - 10620 S. Halsted St.
Chicago, IL 60628

APPLICATION NO: 5

PERIOD TO: 06/30/17

PERIOD FROM: 06/01/17

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

FROM CONTRACTOR:
Frontier Construction, Inc.
7615 Plaza Court
Willowbrook, IL 60527

VIA ARCHITECT:
StudioGC, Inc.
233 W. Jackson Blvd.
Chicago, IL 60606

DVA PROJ NO: **15093**
GC JOB NO: **2500-2**
CONTRACT DATE: **6/13/16**

CONTRACT FOR: General Construction

CONTRACTOR'S APPLICATION FOR PAYMENT

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

1. ORIGINAL CONTRACT SUM		$	1,432,687.00
2. Net change by Change Orders		$	17,135.60
3. CONTRACT SUM TO DATE (Line 1 ± 2)		$	1,449,822.60
4. TOTAL COMPLETED & STORED TO DATE: Column G (TI Tab)		$	1,449,822.60
5. RETAINAGE:			
a. 0.10 % of Completed Work (Column D + E on TI Tab)	$ 0.00		
b. 0.10 % of Stored Material (Column F on TI Tab)	$ 0.00		
Total Retainage (Lines 5a + 5b or Total in Column I of TI Tab)		$	0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)		$	1,449,822.60
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)		$	$1,278,404.10
8. CURRENT PAYMENT DUE		$	$171,418.50
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	$64,675.00	$2,701.00
Total approved this Month		$44,838.40
TOTALS	$64,675.00	$47,539.40
NET CHANGES by Change Order	$17,135.60	

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: Frontier Construction, Inc.

By: Date:

OFFICIAL SEAL
JOHN P MARSHALL
Notary Public - State of Illinois
My Commission Expires Jun 29, 2019

CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, 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 .... $ $171,418.50

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

Authorized Representative: DaVita, Inc.

DocuSigned by:
By: Mlki Bridges
0097F5877EBB455... Date: 8/23/2017

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.

Schedule of Values (Life Safety)

APPLICATION NO: 5
APPLICATION DATE: 6/2/2017
PERIOD TO: 6/30/2017
PERIOD FROM: 6/1/2017
DaVita PROJECT NO: 15093

Cost Categories hown below are not to be added to, or deviated from
In tabulations below, state amount for each category
Use Column I on Contracts where variable retainage for line items may apply.
Davita Washington Heights Dialysis

A	B	C	D	E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION (D + E)	WORK COMPLETED THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE) (% * G)
	LIFE SAFTEY								
1.1	General Requirements	$750.00	$750.00		$0.00	$750.00	100.00%	$0.00	
1.2	Overhead and Profit	$350.00	$350.00		$0.00	$350.00	100.00%	$0.00	
11.2	Fire Extinguishers & Cabinets	$1,032.00	$1,032.00		$0.00	$1,032.00	100.00%	$0.00	
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00			$0.00	$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	LIFE SAFTEY TOTALS	$2,132.00	$2,132.00	$0.00	$0.00	$2,132.00	100.00%	$0.00	$0.00

Schedule of Values (Tenant Improvements)

Cost Categories hown below are not to be added to, or deviated from
In tabulations below, state amount for each category
Use Column I on Contracts where variable retainage for line items may apply.
Davita Washington Heights Dialysis

APPLICATION NO: 5
APPLICATION DATE: 6/2/2017
PERIOD TO: 6/30/2017
PERIOD FROM: 6/1/2017
DaVita PROJECT NO: 15093

A	B	C	D	E	F	G		H	I	J
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE) (% * G)	DVA Task Code
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD						
	TENANT TOTALS									
1.1	General Requirements	$134,282.00	$134,282.00			$134,282.00	100.00%	$0.00		
1.2	Overhead and Profit	$74,000.00	$74,000.00			$74,000.00	100.00%	$0.00		
1.3	Insurance	$3,000.00	$3,000.00			$3,000.00	100.00%	$0.00		
2.1	Permit Allowance	$8,000.00	$8,000.00			$8,000.00	100.00%	$0.00		
3.1	Floor Leveling Allowance	$8,000.00		$8,000.00		$8,000.00	100.00%	$0.00		
4.1	Temp Fencing	$3,150.00	$3,150.00			$3,150.00	100.00%	$0.00		
5.1	Demolition	$15,000.00	$15,000.00			$15,000.00	100.00%	$0.00		
5.2	Concrete - (Natola Concrete)	$31,000.00	$31,000.00			$31,000.00	100.00%	$0.00		
5.3	Masonry - (H.P. Brickwork)	$15,750.00	$15,750.00			$15,750.00	100.00%	$0.00		
6.1	Steel - (Hillstone Structural Steel)	$48,500.00	$48,500.00			$48,500.00	100.00%	$0.00		
7.1	Roofing (Waukegan Roofing)	$12,500.00	$12,500.00			$12,500.00	100.00%	$0.00		
8.1	Rough Carpentry - Labor - (Frontier)	$110,000.00	$62,150.00	$47,850.00		$110,000.00	100.00%	$0.00		
8.2	Rough Carpentry - Material - (Frontier)	$68,000.00	$68,000.00			$68,000.00	100.00%	$0.00		
8.3	Architectural Woodwork - (Con-Temp Cabinets)	$107,000.00	$107,000.00			$107,000.00	100.00%	$0.00		
9.1	Aluminum Storefront (D&M Acrh.)	$67,015.00	$64,200.00	$2,815.00		$67,015.00	100.00%	$0.00		
9.2	Automatic Operators	$7,000.00	$7,000.00			$7,000.00	100.00%	$0.00		
10.1	Acoustical Ceilings - (Frontier)	$22,000.00	$22,000.00			$22,000.00	100.00%	$0.00		
10.2	Specialty Flooring - (CCI Flooring)	$20,874.00	$20,874.00			$20,874.00	100.00%	$0.00		
10.3	Painting - (Smith Painting)	$18,500.00	$8,500.00	$10,000.00		$18,500.00	100.00%	$0.00		
10.4	Carpet - (C.E. Korsgard)	$43,700.00	$43,700.00			$43,700.00	100.00%	$0.00		
11.1	Toilet Compartments & Access. (Commercial Spec)	$3,284.00	$3,284.00			$3,284.00	100.00%	$0.00		
12.1	HVAC (Rush Mechanical)	$170,000.00	$170,000.00			$170,000.00	100.00%	$0.00		
12.2	Plumbing (Provancal Brothers)	$300,000.00	$300,000.00			$300,000.00	100.00%	$0.00		
13.1	Electrical (Ranger Electric)	$140,000.00	$134,453.00	$5,547.00		$140,000.00	100.00%	$0.00		
	Change Order # 01	$25,000.00	$25,000.00			$25,000.00	100.00%	$0.00		
	Change Order # 02	$9,000.00	$9,000.00			$9,000.00	100.00%	$0.00		
	Change Order # 03	$30,675.00	$30,675.00			$30,675.00	100.00%	$0.00		
	Change Order # 04	($2,701.00)	($2,701.00)			($2,701.00)	100.00%	$0.00		
	Change Order # 05	($44,838.40)		($44,838.40)		($44,838.40)	100.00%	$0.00		
	TENANT TOTALS	$1,447,690.60	$1,418,317.00	$29,373.60	$0.00	$1,447,690.60	100.00%	$0.00	$0.00	2.01
	MBBI TOTALS	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00	2.02
	LIFE SAFTEY TOTALS	$2,132.00	$2,132.00	$0.00	$0.00	$2,132.00	100.00%	$0.00	$0.00	2.03
	TOTAL	$1,449,822.60	$1,420,449.00	$29,373.60	$0.00	$1,449,822.60	100.00%	$0.00	$0.00	