

September 23, 2016

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

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

**Re: Notice of Project Completion & Final Project Cost Report – Machesney Park
Dialysis Proj. No. E-028-16**

Dear Mr. Constantino:

Pursuant to Section 1130.770 of the Illinois Health Facilities and Services Review Board ("HFSRB") rules, I am writing on behalf of the permit holders DaVita Inc., Total Renal Care, Inc., and Machesney Bay Dialysis, LLC (collectively, "DaVita") to submit the Notice of Project Completion & Final Project Cost Report for Project No. E-028-16. On September 13, 2016, the HFSRB approved the change of ownership of Machesney Park Dialysis (the "Transaction"). The Transaction closed effective July 15, 2016.

For your review, we are submitting the following information:

1. Project Costs and Sources of Funds

The Transaction involved the change of the operating entity of Machesney Park Dialysis from a DaVita wholly owned entity (Total Renal Care, Inc.) to a joint venture entity (Machesney Bay Dialysis, LLC). Machesney Bay Dialysis, LLC is a joint venture between Total Renal Care, Inc. and Rockford Nephrology Partners, Ltd. Total Renal Care, Inc. contributed the assets of Machesney Park Dialysis in exchange for an 80% membership interest in Machesney Bay Dialysis, LLC. Total Renal Care, Inc.'s capital contribution was valued at \$1,487,200. Rockford Nephrology Partners, Ltd. contributed \$371,800 for a 20% membership interest in Machesney Bay Dialysis.

- Total Renal Care Inc. - \$1,487,200
- Rockford Nephrology Partners, Ltd. - \$371,800

2. Certification of Final Realized Costs and Compliance

Pursuant to 77 Ill. Admin. Code §1130.770, DaVita certifies that no additional or associated costs or capital expenditures related to the Transaction will be submitted for

reimbursement under Title XVIII or Title XIX of the Social Security Act. 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 Transaction is true and correct.

3. Final Application and Certification for Payment

The Project did not include any construction. Accordingly, no Application and Certification for Payment is available or required.

Thank you for your time and consideration. If you have any questions or need any additional information, please feel free to contact our legal counsel, Charles Sheets at 312/873-3605.

Sincerely,

Mary J. Anderson

Mary J. Anderson
Divisional Vice President
DaVita Inc.

Subscribed and sworn to me

This 28 day of September 2016

Cathy A Pavolko

Notary Public

