



Fresenius Medical Care

March 18, 2013

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

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

Re: Second Annual Progress Report. Section 1130.760
Project # 10-067, Fresenius Medical Care Des Plaines
Permit Holder: Fresenius Medical Care Des Plaines, LLC and Fresenius
Medical Care Holdings, Inc.
Permit Amount: \$3,810,667

Dear Ms. Avery:

Enclosed please find the second annual progress report which summarizes the current status of the above-mentioned project.

If you have any questions, please contact me at 708-498-9121.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Ranalli

Fresenius Medical Services ♦ North Division

One Westbrook Corporate Center, Suite 1000 Westchester, IL 60154 708-562-0371

March 18, 2013

Annual Progress Report, Section 1130.760

Project # 10-067, Fresenius Medical Care Des Plaines

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

Permit Amount: \$3,810,667

This report summarizes the current status of the above-mentioned project. The development is located at 1625 Oakton Place, Des Plaines, Illinois. There have been no changes to the scope and size of this project. The Permit amount is \$3,810,667.

<u>Key Milestones Completed:</u>	<u>Date Completed</u>
• Project Obligation with Lease Execution	02/13/2012
• Preliminary Plan approved, notice sent to the Architect to proceed	03/07/2012
• Construction Drawings Completed	09/20/2012
• Building permit granted	10/21/2012
• Scope of Project sent out for bids	11/01/2012
• Construction Contract Awarded	01/15/2013
• Construction Commencement	02/01/2013

<u>Key Actions that need to be completed:</u>	<u>Target Date</u>
• Misc. Purchase orders placed	04/01/2013
• Vendor Installs	04/29/2013
• Certificate of occupancy granted	04/29/2013
• 1 st Patient Dialyzed	05/29/2013
• Permit Renewal Request	08/15/2013
• ESRD Federal Certification Survey	08/31/2013
• Project Complete With Receipt of Certification Letter	11/31/2013

The project is currently approximately 40% complete and is expected to be completed by November 31, 2013.

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 being secured through a leasing arrangement. This leasing arrangement was utilized to obligate the project. None of the project costs have exceeded the approved permit amounts.

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	1,239,750	0
Contingencies	123,500	0
Architectural/Engineering	135,000	29,800
Consulting and other fees	N/A	N/A
Movable & Other Equipment	281,000	0
Bond Issuance Expense	N/A	N/A
Net Interest Expense during Construction	N/A	N/A
FMV of Leased Space & Equipment	2,031,417	2,031,417
Other Costs to be Capitalized	N/A	N/A
Acquisition of Building or other Property (excluding land)	N/A	N/A
Total Project Costs	3,810,667	
Realized Total Project Costs To Date	CLINICAL	2,043,217
Cash & Securities	1,636,750	0
Pledges	N/A	N/A
Gifts & Bequests	N/A	N/A
Bond Issues	N/A	N/A
Mortgages	N/A	N/A
Lease FMV	2,031,417	2,031,417
Gov. Approp	N/A	N/A
Grants	N/A	N/A
Other funds and Sources	142,500*	0
Total funds	3,810,667	
Total Spent to Date		2,043,217

* Actual construction costs are \$1,363,250 however, the landlord is to contribute \$142,500 in tenant improvement allowances to be paid back over the term of the lease, but relates directly to the construction costs.