

McGuireWoods LLP  
77 West Wacker Drive  
Suite 4100  
Chicago, IL 60601-1818  
Phone: 312.849.8100  
Fax: 312.849.3690  
www.mcguirewoods.com

James B. Riley, Jr.  
Direct: 312.750.8665

McGUIREWOODS

jriley@mcguirewoods.com  
Direct Fax: 312.920.6133

September 4, 2012

**RECEIVED**

SEP 05 2012

**Via Federal Express**

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Ms. Alexis Kendrick  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

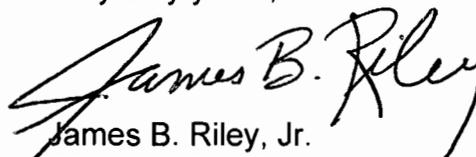
**Re: Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC  
d/b/a Satellite Dialysis of Glenview, San Jose California  
Project Number 11-061: Final Cost Report  
Permit Amount: \$4,112,506**

Dear Ms. Kendrick,

Enclosed herein please find the final realized cost report submission for our clients, Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC d/b/a Satellite Dialysis of Glenview, San Jose California, Permit Number: 11-061. In addition to the foregoing, we have also included a signed notarized cost report certification for the project, as required under and pursuant to Title 77, Section 1130.770 of the Illinois Administrative Code.

Please let us know upon your review if you have any questions or concerns, and thank you in advance for your consideration of the foregoing materials.

Very truly yours,



James B. Riley, Jr.  
77 W Wacker Drive  
Suite 4100  
Chicago, Illinois 60601  
(312) 750-8665 (Direct Line)  
(312) 920-6133 (Direct Fax)  
jriley@mcguirewoods.com

# SATELLITE HEALTHCARE

Better care. Better life. Better choice.™

August 30, 2012

Mr. Dale Galassie

Acting Chairman

Illinois Health Facilities and Services Review Board

525 West Jefferson Street, Second Floor

Springfield, Illinois 62761

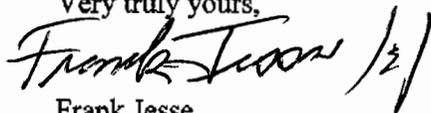
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Satellite Dialysis of Glenview, San Jose California  
Project Number 11-061: Final Cost Report  
Permit Amount: \$4,112,506**

Dear Mr. Galassie,

Enclosed please find the final realized cost report submission for Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC d/b/a Satellite Dialysis of Glenview, San Jose California, Permit Number: 11-061, along with a signed notarized cost report certification for the project as required pursuant to Title 77, Section 1130.770 of the Illinois Administrative Code.

Please contact me if you have any questions.

Very truly yours,



Frank Jesse  
Director, Real Estate and Facilities  
Satellite Healthcare  
300 Santana Row, Suite 300  
San Jose, California 95128

cc: James B. Riley, Jr.

SATELLITE  
DIALYSIS

SATELLITE  
WELLBOUND

August 31, 2012

**Final Cost Report**

**Permit Holder:** Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC  
d/b/a Satellite Dialysis of Glenview, San Jose California

**Project Number:** 11-061

**Permit Amount:** \$4,112,506

**Project Completion Date:** June 21, 2012

This report summarizes the final costs of the above-mentioned Project. The above-referenced Project involved the establishment of a 16 station end stage renal dialysis facility located at 2601 Compass Road, Glenview, Illinois in 6,941 gross square feet. The Project was completed, and a Certificate of Occupancy issued by the local jurisdiction, on June 21, 2012.

The Project's cost was above the capital expenditure minimum in place at the time of permit approval; therefore, the following information is provided pursuant to Title 77, Section 1130.770(c) of the Illinois Administrative Code. Pursuant to Title 77, Section 1130.770(c)(5), attached hereto as **Exhibit A** is the final Application and Certification for Payment for the construction contract (as per the American Institute of Architects form G70).

**Sources and Uses of Funds**

All Project financing to date has been funded from available cash and securities 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. The realized total project costs have not exceeded the approved amount.

<b>Project Costs</b>		
<b>Use of Funds</b>	<b>Allowance/CON</b>	<b>Realized Costs</b>
Preplanning Costs	N/A	N/A
Site Survey and 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 Contracts	\$1,026,824.00	\$853,188.75
Contingencies	\$102,682.00	\$0.00

Architectural/Engineering Fees	\$62,000.00	\$85,274.00
Consulting and Other Fees	N/A	N/A
Movable or Other Equipment (not in construction contracts)	\$758,000.00	\$543,806.24
Bond Issuance Expense (project related)	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A
Fair Market Value of Leased Space or Equipment	\$2,163,000.00	\$2,093,869.50
Other Costs to be Capitalized	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A
<b>Total Uses of Funds</b>	<b>\$4,112,506.00</b>	<b>\$3,576,138.49</b>
<b>Source of Funds</b>		
Cash and Securities	\$4,112,506.00	\$3,576,138.49
Pledges	N/A	N/A
Gifts and Bequests	N/A	N/A
Bond Issues (project related)	N/A	N/A
Mortgages	N/A	N/A
Leases (fair market value)	N/A	N/A
Government Appropriations	N/A	N/A
Grants	N/A	N/A
Other Funds and Sources	N/A	N/A
<b>Total Sources of Funds</b>	<b>\$4,112,506.00</b>	<b>\$3,576,138.49</b>

There are no costs that have been or will be submitted for reimbursement under Titles XVIII and XIX of the Social Security Act.

**Exhibit A**

**Final Application and Certification for Payment for the Construction Contract  
(as per the American Institute of Architects form G70)**

**Application and Certificate for Payment (AIA G702)**

OWNER: Satellite Healthcare, Inc.  
 300 Santana Row, Suite 300  
 San Jose, CA 95128-2424

CONTRACTOR: Satellite Dialysis  
 2601 Compass Road, Suite 145  
 Glenview, IL 60026

ARCHITECT: Entos Design  
 5400 LBJ Freeway, Suite 125  
 Dallas, TX 7524

PROJECT: Satellite Dialysis  
 APPLICATION NO.: 5  
 APPLICATION DATE: July 27, 2012  
 PERIOD TO: July 25, 2012  
 PROJECT NO.: 3468  
 CONTRACT DATE: February 2, 2012

CONTRACTOR FOR: Interior Buildout

**CONTRACTOR'S APPLICATION FOR PAYMENT:**  
 Application is made for payment, as shown below, in connection with the Contract.  
 Continuation Sheet is attached.

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.

ORIGINAL CONTRACT SUM \$ 789,817.00

Let change by Change Orders \$ 51,531.00

CONTRACT SUM TO DATE \$ 841,348.00

TOTAL COMPLETED & STORED TO DATE \$ 841,348.00

RETAINAGE:

0% of Completed work \$ -

0% of Stored Material \$ -

Total Retainage \$ -

TOTAL EARNED LESS RETAINAGE \$ 841,348.00

LESS PREVIOUS CERTIFICATES FOR PAYMENT \$ (758,484.00)

CURRENT PAYMENT DUE \$ 82,864.00

BALANCE TO FINISH, INCLUDING RETAINAGE \$ -

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, 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 **\$82,864.00**

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

By: *Thomas D. Eckhardt*  
 Thomas D. Eckhardt, President

State of Illinois  
 County of Cook

Subscribed and sworn to before me this 27th day of July 2012.

Notary Public: *Kathleen K Holm*  
 KATHLEEN K HOLM  
 OFFICIAL SEAL  
 Notary Public, State of Illinois  
 My Commission Expires July 19, 2015

Approved By: *[Signature]*  
 Date: 08/07/2012  
 Facility Name: Glenview

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner #1 - 13	\$ 58,037.00	\$ (5,776.00)
Total approved this Month: #10 - 13	\$ -	\$ (730.00)
<b>TOTALS</b>	<b>\$ 58,037.00</b>	<b>\$ (6,506.00)</b>
NET CHANGES by Change Order	\$ 51,531.00	

**Certification of Cost Report**

**Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC d/b/a Satellite Dialysis of Glenview, San Jose California**

**Project Number: 11-061**

Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC d/b/a Satellite Dialysis of Glenview, San Jose California certify that pursuant to Title 77, Section 1130.770 of the Illinois Administrative Code, the final realized costs of Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC, Project Number 09-067, are the total costs required to complete the Project, and that there are no additional or associated costs or capital expenditures related to the Project which will be submitted for reimbursement under Title XVIII or XIX of the Social Security Act. Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC further certify that the Project fully complied with the terms of the certificate of need permit and that there have been no changes in the cost or scope of the Project.

By:   
Its: EVP

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012, by \_\_\_\_\_, an authorized representative of the applicants for the Illinois Health Facilities and Services Review Board Project Number 11-061.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

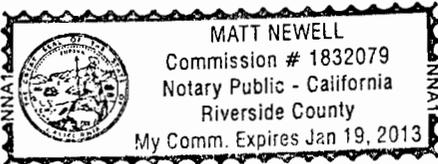
State of California

County of Riverside }

On Aug. 31st, 2012 before me, Matt Newell Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Marc Branson  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Matt Newell  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

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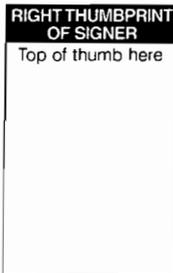
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Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

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County of Riverside }

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Signature Matt Newell  
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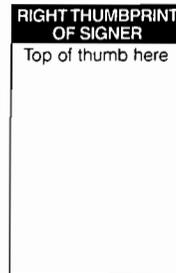
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**Certification of Cost Report**

**Satellite Healthcare, Inc. and Satellite Dialysis of Glenview, LLC d/b/a Satellite Dialysis of Glenview, San Jose California**

**Project Number: 11-061**

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By:   
Its: EVP

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The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012, by \_\_\_\_\_, an authorized representative of the applicants for the Illinois Health Facilities and Services Review Board Project Number 11-061.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Riverside }

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

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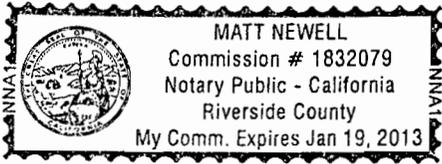
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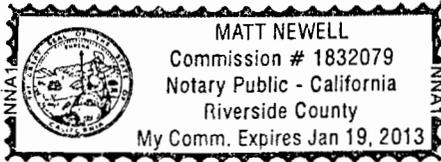
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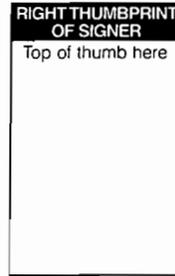
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