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*associates*

JAN 24 2013

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

January 23, 2013

**VIA UPS OVERNIGHT DELIVERY SERVICE**

Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson St  
Springfield, IL 62761

**Re: Project #11-016 – ARA McHenry Dialysis Center  
Final Realized Cost Report**

Dear Ms. Avery:

Pursuant to Section 1130.770 of the Illinois Health Facilities and Services Review Board ("HFSRB") administrative rules, I am writing on behalf of the permit holders to provide supporting documentation related to the above referenced project which was completed on October 31, 2012. We previously sent HFSRB notice of project completion on November 26, 2012.

Enclosed please find the following:

1. A copy of the permit letter related this project. (Attachment A)
2. A comparison of the approved project costs and sources of funding to those incurred. (Attachment B)
3. Confirmation of the final payment. (Attachment C)
4. A copy of the Final Application and Certification for Payment for the construction component of the project. (Attachment D)

Please be advised, that the undersigned hereby certifies that:

1. The final realized costs are the total costs required to complete the project.
2. There are no additional or associated costs or capital expenditures related to the project that will be submitted for reimbursement under Title XVIII or XIX.

*[Remainder of page intentionally left blank]*

Please do not hesitate to contact Erik Paulson if you have any questions or if you need additional information at this time. He can be reached 978-922-3080 x 453 or [epaulson@americanrenal.com](mailto:epaulson@americanrenal.com).

Sincerely,



Syed T. Kamal  
ARA McHenry Dialysis Center  
Manager

Notarized:



Notary



Enclosures

## Attachment A



STATE OF ILLINOIS  
**HEALTH FACILITIES AND SERVICES REVIEW BOARD**

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 • FAX: (217) 785-4111

December 13, 2011

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Marie Lascio, Area Facility Manager  
American Renal Associates  
35 Higgins Road, Suite 920  
South Barrington, IL 60010

**RE: PERMIT: #11-016 ARA McHenry Dialysis Center**

Dear Ms. Lascio:

On December 6, 2011, the Illinois Health Facilities and Services Review Board approved the application for permit for the referenced project based upon the project's substantial conformance with the applicable standards and criteria of Part 1110 and 1120. In arriving at a decision, the State Board considered the findings contained in the State Agency Report, the application material, and any testimony made before the State Board.

- **PROJECT: #11-016 - ARA McHenry Dialysis Center** - The permit holders are approved for the establishment of a 12 station end stage renal dialysis facility located at 4209 West Shamrock, McHenry, Illinois in 5,600 gross square feet of leased space. McHenry Dialysis Center, LLC. is the operating entity and the owner of the site is M&E, LLC.
- **PERMIT HOLDERS:** McHenry Dialysis Center, LLC, American Renal Associates, LLC, ARA Northwest Chicago, LLC, 66 Cherry Hill Drive, Beverly, MA
- **PERMIT AMOUNT:** \$2,187,768
- **PROJECT OBLIGATED BY:** June 6, 2013
- **PROJECT COMPLETION DATE:** December 31, 2012

This permit is valid only for the defined construction or modification, site, amount and the named permit holder and is not transferable or assignable. In accordance with the Planning Act, the permit is valid until such time as the project has been completed, provided that all post permit requirements have been fulfilled, pursuant to the requirements of 77 Ill. Adm. Code 1130.

**Permit Letter****Page 2 of 2**

The permit holder is responsible for complying with the following requirements in order to maintain a valid permit. Failure to comply with the requirements may result in expiration of the permit or in State Board action to revoke the permit.

**1. OBLIGATION-PART 1130.720**

The project must be obligated by the Project Obligation Date, unless the permit holder obtains an "Extension of the Obligation Period" as provided in 77 Ill. Adm. Code 1130.730. Obligation is to be reported as part of the first annual progress report for permits requiring obligation within 12 months after issuance. For major construction projects which require obligation within 18 months after permit issuance, obligation must be reported as part of the second annual progress report. If project completion is required prior to the respective annual progress report referenced above, obligation must be reported as part of the notice of project completion. The reporting of obligation must reference a date certain when at least 33% of total funds assigned to project cost were expended or committed to be expended by signed contracts or other legal means.

**2. ANNUAL PROGRESS REPORT-PART 1130.760**

An annual progress report must be submitted to IDPH every 12-month from the permit issuance date until such time as the project is completed.

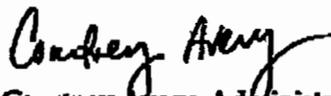
**3. PROJECT COMPLETION REQUIREMENTS-PART 1130.770**

The permit holder must submit a written notice of project completion as defined in Section 1130.140. Each permit holder shall notify IHFSRB within 30 days following the project completion date and provide supporting documentation within 90 days following the completion date and must contain the information required by Section 1130.770.

This permit does not exempt the project or permit holder from licensing and certification requirements, including approval of applicable architectural plans and specifications prior to construction. Please note the Illinois Department of Public Health will not license the proposed facility until such time as all of the permit requirements have been completed.

Should you have any questions regarding the permit requirements, please contact Mike Constantino at 217-782-3516.

Sincerely,



Courtney Avery, Administrator  
Illinois Health Facilities and Services Review Board

cc: Dale Galassie, Chairman

## Attachment B

<b>Project Costs and Sources of Funds</b>		
<b>USE OF FUNDS</b>	<b>APPROVED</b>	<b>REALIZED</b>
Preplanning Costs	\$15,000	
Site Survey and Soil Investigation		
Site Preparation		
Off Site Work		
New Construction Contracts		
Modernization Contracts	\$672,000	\$676,273
Contingencies	\$56,000	
Architectural/Engineering Fees	\$76,000	\$37,883
Consulting and Other Fees	\$50,000	\$90,288
Movable or Other Equipment (not in construction contracts)	\$420,000	\$372,839
Bond Issuance Expense (project related)		
Fair Market Value of Leased Space or Equipment	\$898,768	\$898,768
Other Costs To Be Capitalized		
Acquisition of Building or Other Property (excluding land)		
<b>TOTAL USES OF FUNDS</b>	<b>\$2,187,768</b>	<b>\$2,076,051</b>

<b>SOURCE OF FUNDS</b>	<b>APPROVED</b>	<b>REALIZED</b>
Cash and Securities	\$1,289,000	\$1,177,283
Pledges		
Gifts and Bequests		
Bond Issues (project related)		
Mortgages		
Leases (fair market value)	\$898,768	\$898,768
Governmental Appropriations		
Grants		
Other Funds and Sources		
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$2,187,768</b>	<b>\$2,076,051</b>

## Attachment C

Date 12/12/2012 Account Number 600257505 Serial Number 00000181305 Amount \$56,819.00

AMERICAN RENAL MANAGEMENT LLC

68 CHERRY HILL DRIVE  
BEVERLY, MA 01915  
PH. (978) 922-3080  
VOID AFTER 90 DAYS

EASTERN BANK  
BOSTON, MA 02110  
53-179/113

181305

DATE 11/20/2012 AMOUNT \$56,819.00

PAY Fifty Six Thousand Eight Hundred Nineteen Dollars And 00 Cents

TO THE ORDER OF  
HONER FAMILY BUILDERS INC.  
532 NUNDA TRAIL  
CRYSTAL LAKE IL 66012

*[Signature]*  
*[Signature]*

⑆ 18 1305 ⑆ ⑆ 01 1301 798 ⑆ 06 00257505 ⑆

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## Attachment D

**UNCONDITIONAL AFFIDAVIT AND FINAL WAIVER OF LIEN**

STATE OF: ILLINOIS

COUNTY OF: MCHENRY

Joseph Honer, being duly sworn upon his oath, deposed and says:

That he makes this Affidavit on behalf of Honer Family Builders Inc. having heretofore entered into and Agreement with Honer Family Builders and American Renal Associates for McHenry Dialysis Clinic in connection with ARA - McHenry located at 4209 Shamrock Lane McHenry, that all labor, materials, and services committed for have been fully paid and indebtedness discharged to date of this Affidavit

Eight Hundred Nineteen Upon receipt of the outstanding balance of the contract in the sum of Fifty Six Thousand 00 Dollars (\$ 56,819.05) the undersigned does hereby waive, release and relinquish all rights of lien which the undersigned may now have upon the premises above described for labor and material, general supervision, of construction of alterations and/or otherwise.

FURTHERMORE, the undersigned will hold American Renal Associates harmless, and pay any judgments or settlements, resulting from lien(s) filed by any supplier of materials or labor in connection with the above referenced project.

Honer Family Builders Inc.

COMPANY

By:

Joe Honer

SUBSCRIBED IN MY PRESENCE AND SWORN TO BEFORE ME THIS 6th day of September 2012

[Signature]

Notary Public

My commission expires:

7/23/14



American Renal Associates