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March 23, 2015

FEDERAL EXPRESS

Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RECEIVED

MAR 24 2015

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Progress Report – Belvidere Dialysis (Proj. No. 13-070)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita HealthCare Partners Inc. and Dialysis of Northern Illinois, LLC d/b/a Belvidere Dialysis (collectively, “DaVita” and the “Permit Holders”) to submit the annual progress report for Belvidere Dialysis (Project No. 13-070). As you are aware, on March 11, 2014, HFSRB approved the Permit Holders’ application to establish a 12-station in-center hemodialysis facility at 1751 Henry Luckow Lane, Belvidere, Illinois 61008 (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #13-070.

1. Status of the Project

The Project was obligated on April 9, 2014, through the execution of a lease for the building that will house the dialysis facility. Shell construction began August 25, 2014 and is 98% complete. The interior build out was started on November 19, 2014 and is 95% complete. The Certificate of Occupancy is expected the week of March 23, 2015, and the first treatment is expected in April of 2015.

Costs Incurred to Date

To date, the Permit Holders have incurred \$1,930,414 in project costs.

Michael Constantino

March 23, 2015

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PROJECT COSTS	Approved	Expended
New Construction Contracts*	\$921,400	\$707,605
Contingencies	\$90,000	\$0
Architectural / Engineering Fees	\$75,000	\$55,036
Consulting & Other Fees	\$75,000	\$18,025
Moveable Equipment or Other Equipment (not in construction contracts)	\$466,405	\$782
Fair Market Value of Leased Space & Equipment	\$1,148,966	\$1,148,966
Estimated Total Project Cost	\$2,776,771	\$1,930,414

*The G702 does not include the Permit Holder's purchased lighting package of \$34,598.00. This amount was added to the New Construction Costs.

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

2. Sources of Funds

The project will be financed through \$1,627,805 in cash and cash equivalents and a \$1,148,966 lease.

3. Application and Certification for Payment

The Application and Certification for Payment (AIA Form G702) is included as Attachment A.

4. Anticipated Completion Date

The anticipated completion date for the Project is March 31, 2016.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Timothy V. Tincknell

cc: Mary J. Anderson

DAVITA - APPLICATION FOR PAYMENT: Cover Sheet

TO OWNER:
 Total Renal Care, Inc.
 601 Hawaii Street
 El Segundo, CA 90245

PROJECT: DaVita Beldivere Dialysis #11112
 1755 Henry Luckow Lane
 Beldivere, IL 61008

APPLICATION NO: 5

Distribution to:

Facility #11112
Project Code: D11112-0

OWNER
 ARCHITECT

Task Code: 02.03 = \$8,655.00 / 02.01 = \$223,385.10

PERIOD TO: 02/28/15 CONTRACTOR

FROM CONTRACTOR:
 Stenstrom General Contractor
 2420 20th Street
 Rockford, IL 61104

VIA ARCHITECT:
 Studio GC
 223 West Jackson Blvd, Suite 1200
 Chicago, IL 60606

CONTRACT FOR: General Construction

DocuSigned by:
 James Burke
 1E08B40FCD4E4D5...

DVA PROJ NO: 7683
 GC JOB NO:
 CONTRACT DATE: 7/31/14

DocuSigned by:
 David Geary
 2C8CC47FC5D1438...

CONTRACTORS 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.

1. ORIGINAL CONTRACT SUM \$ 797,498.00
 2. Net change by Change Orders \$ 0.00
 3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 797,498.00
 4. TOTAL COMPLETED & STORED TO DATE: Column G (TI Tab) \$ 673,007.48

CONTRACTOR: Stenstrom General Contractor - Design/Build Group

By: *[Signature]* Date: February 28, 2015

5. RETAINAGE:
 a. 0.10 % of Completed Work \$ 67,135.26
 (Column D + E on TI Tab)
 b. 0.10 % of Stored Material \$ 165.50
 (Column F on TI Tab)
 Total Retainage (Lines 5a + 5b or Total in Column I of TI Tab) \$ 67,300.76

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 605,706.72

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 3373,666.62
 8. CURRENT PAYMENT DUE \$ 232,040.10
 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 191,791.28

State of Illinois
 County of Winnebago
 Subscribed and sworn before me this 28th day of February, 2015
 Notary Public: *[Signature]*
 My Commission Expires: 8/11/2017



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: \$ 232,040.10

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)
 Author: *[Signature]* DocuSigned by: DaVita, Inc.

By: **Craig Meadows** Date: **March 9, 2015**

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.

