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March 2, 2017

FEDERAL EXPRESS

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

RECEIVED
MAR 03 2017
HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Annual Progress Report –Park Manor Dialysis (Proj. No. 15-048)

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 Inc. and Pawlier Dialysis, LLC (the “Permit Holders”) to submit the annual progress report for Park Manor Dialysis (Project No. 15-048). As you are aware, on February 16, 2016, HFSRB approved the Permit Holders’ certificate of need application for the establishment of Park Manor Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #15-048.

1. Status of the Project

The Project was obligated on February 27, 2016 through the execution of a lease to establish the dialysis facility. Shell construction began October 3, 2016 and was 75% complete as of February 28, 2017. The interior build out was started on February 17, 2017 and is 50% complete. The Certificate of Occupancy is estimated to be received on April 28, 2017.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$1,985,322 in project costs.

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| PROJECT COSTS | Approved | Expended |
|---|--------------------|--------------------|
| New Construction Contracts | \$1,405,263 | \$115,844 |
| Contingencies | \$110,000 | \$0 |
| A & E Fees | \$107,700 | \$53,981 |
| Consulting & Other Fees | \$88,000 | \$11,272 |
| Moveable Equipment | \$597,077 | \$1,031 |
| Fair Market Value of Leased Space & Equipment | \$1,803,194 | \$1,803,194 |
| Other Costs to be Capitalized | \$0 | \$0 |
| Net Book Value of Existing Equipment | | |
| Estimated Total Project Cost | \$4,111,234 | \$1,985,322 |

3. Sources of Funds

The project will be financed through \$4,111,234 in cash and cash equivalents.

4. Anticipated Completion Date

The anticipated completion date for the Project is February 28, 2018.

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: Gaurav Bhattacharyya, DaVita Inc.
Brent Habitz, DaVita Inc.