DaVita.

May 23, 2018

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

VIA FEDERAL EXPRESS

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Notice of Project Completion and Final Realized Cost Report – Forest City Dialysis (Proj. No. 16-015)

Dear Mr. Constantino:

On behalf of DaVita Inc. and Machesney Bay, LLC d/b/a Forest City Dialysis (collectively, "DaVita"), I am writing to submit the notice of project completion and final realized project cost report for Project No. 16-015. On June 21, 2016, the Illinois Health Facilities and Services Review Board ("State Board") approved DaVita's application for a certificate of need permit to establish a 12-station in-center hemodialysis facility located at 4103 West State Street, Rockford, Illinois (the "Project"). The Project was obligated on May 27, 2016. The facility was notified by the Centers for Medicare and Medicaid Services in a letter dated January 24, 2018 that the 12 stations were approved and certified with an effective date of December 19, 2017.

For your review, DaVita submits the following information as its final realized cost report for the establishment of Forest City Dialysis:

1. **Final Realized Project Costs**

Forest City Dialysis Final Realized Project Costs		
	Approved	Expended
Modernization Contracts*	$1,211,052	$1,009,169
Contingencies	$110,000	$0
Architectural /Engineering Fees	$103,700	$112,196
Consulting and Other Fees	$76,000	$6,670
Movable or Other Equipment (not in construction contracts)	$519,887	$494,498
Fair Market Value of Lease Space and Equipment	$1,120,324	$1,120,324
ESTIMATED TOTAL PROJECT COST	**$3,140,963**	**$2,742,857**

*The G702 does not include the Permit Holder's purchased lighting package of $33,723, security door and lock system of $30,447, and energy managements system of $13,377. These amounts were added to the Modernization Construction Contingencies costs.

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

2. Medicare and Medicaid Cost Reports and Certification of Compliance

Pursuant to 77 Ill. Admin. Code §1130.770, DaVita certifies the final realized costs are the total costs required to complete the Project and no additional or associated costs or capital expenditures related to the Project will be submitted for reimbursement under Title XVIII or Title XIX. I further certify DaVita has complied with all of the terms of the permit to date and all information submitted in this cost report for the facility is true and correct.

3. Final Application and Certification for Payment

Attached as Attachment A is the final Application and Certification for Payment (G702) for the Project.

If you have any questions or need any additional information related to the Project, please feel free to contact Anne Cooper at 312-873-3606 or acooper@polsinelli.com.

Sincerely,

Mary J. Anderson

Mary J. Anderson
Division Vice President
DaVita Inc.

SUBSCRIBED AND SWORN
to before me this 30 day of
May, 2018

Mindy L Leslie

My commission expires: 10/23/2021

"OFFICIAL SEAL"
MINDY L LESLIE
Notary Public, State of Illinois
My Commission Expires 10/23/2021

Attachment
cc: James Burke, DaVita Inc.

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DAVITA - APPLICATION FOR PAYMENT: Cover Sheet

TO OWNER:
DaVita, Inc.
1627 Cole Blvd. bldg 18
Lakewood, CO

PROJECT:
DaVita Forest City Dialysis - TI
198 No. Springfield Avenue
Rockford, IL 61101

APPLICATION NO: 6

Distribution to:
- [ ] OWNER
- [ ] ARCHITECT
- [ ] CONTRACTOR
- [ ]
- [ ]

PERIOD TO: 09/30/17

PERIOD FROM: 07/31/17

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

VIA ARCHITECT:
Studio GC, Inc.
223 W. Jackson Blvd., Suite 1200
Chicago, IL 60606

DVA PROJ NO: #11506
GC JOB NO: 7845
CONTRACT DATE: 11/10/16

CONTRACT FOR: General Construction

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.

1. ORIGINAL CONTRACT SUM		$ 994,179.00
2. Net change by Change Orders		$ (62,556.52)
3. CONTRACT SUM TO DATE (Line 1 ± 2)		$ 931,622.48
4. TOTAL COMPLETED & STORED TO DATE: Column G (TI Tab)		$ 931,622.48
5. RETAINAGE:		
a. 0.10 % of Completed Work (Column D + E on TI Tab)	$ 0.00	
b. 0.10 % of Stored Material (Column F on TI Tab)	$ 0.00	
Total Retainage (Lines 5a + 5b or Total in Column I of TI Tab)		$ 0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)		$ 931,622.48
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)		$ $854,254.21
8. CURRENT PAYMENT DUE		$ 77,368.27
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	$	(0.00)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	$0.00	$16,309.00
Total approved this Month	$0.00	$46,247.52
TOTALS	$0.00	$62,556.52
NET CHANGES by Change Order	$62,556.52	

CONTRACTOR: Stenstrom General Contractor - Design/Build Group

By: _____ Date: 9/30/2017

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 ..... $ $77,368.27

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

Authorized Representative: DaVita, Inc.

By: DocuSigned by: C441554FE7C04C0... Date: 11/13/2017

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.

* Note- All items in blue require manual entry

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Schedule of Values (Life Safety)

Cost Categories shown below are not to be added to, or deviated from

In tabulations below, state amount for each category

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 5
APPLICATION DATE: 9/7/2017
PERIOD TO: 9/31/17
PERIOD FROM: 7/31/2017
DaVita PROJECT NO: #11506

A	B	C	D	E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE) (% * G)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
	LIFE SAFTEY								
1.1	General Requirements	$1,000.00	$1,000.00	$0.00	$0.00	$1,000.00	100.00%	$0.00	$100.00
1.2	Overhead and Profit	$1,500.00	$1,500.00	$0.00	$0.00	$1,500.00	100.00%	$0.00	$150.00
10.2	Fire Extinguishers	$2,066.00	$2,066.00	$0.00	$0.00	$2,066.00	100.00%	$0.00	$206.60
15.3	Fire Protection Piping	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00
16.2	Fire Alarm System	$13,935.00	$13,935.00	$0.00	$0.00	$13,935.00	100.00%	$0.00	$1,393.50
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	Change Order # ?	$0.00				$0.00		$0.00	$0.00
	LIFE SAFTEY TOTALS	$18,501.00	$18,501.00	$0.00	$0.00	$18,501.00	100.00%	$0.00	$1,850.10

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

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Schedule of Values (Tenant Improvements)

Cost Categories shown below are not to be added to, or deviated from
In tabulations below, state amount for each category
Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 6
APPLICATION DATE: 9/7/2017
PERIOD TO: 9/31/17
PERIOD FROM: 7/30/2017
DaVita PROJECT NO: #11506

A	B	C	D	E	F	G		H	I	J
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION (D + E)	WORK COMPLETED THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE) (% * G)	DVA Task Code
	TENANT TOTALS									
1.1	General Requirements	$58,100.00	$58,100.00	$0.00	$0.00	$58,100.00	100.00%	$0.00	$5,810.00	
1.2	Overhead and Profit	$41,585.80	$41,585.80	$0.00	$0.00	$41,585.80	100.00%	$0.00	$4,158.58	
1.3	Permit Allowance	$12,191.34	$12,301.34	($110.00)	$0.00	$12,191.34	100.00%	$0.00	$1,219.13	
1.4	Utility Use Allowance	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00	
1.5	Temp Heat Allowance	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00	
1.6	Builder's Risk	$2,800.00	$2,800.00	$0.00	$0.00	$2,800.00	100.00%	$0.00	$280.00	
4.1	Masonry	$8,000.00	$8,000.00	$0.00	$0.00	$8,000.00	100.00%	$0.00	$800.00	
5.1	Misc. Metals	$6,500.00	$6,500.00	$0.00	$0.00	$6,500.00	100.00%	$0.00	$650.00	
6.1	Rough Carpentry	$16,800.00	$16,800.00	$0.00	$0.00	$16,800.00	100.00%	$0.00	$1,680.00	
6.2	Finish Carpentry & Cabinetry	$24,911.00	$24,911.00	$0.00	$0.00	$24,911.00	100.00%	$0.00	$2,491.10	
7.1	Insulation	$4,851.00	$4,851.00	$0.00	$0.00	$4,851.00	100.00%	$0.00	$485.10	
7.2	Fire Spray	$2,900.00	$2,900.00	$0.00	$0.00	$2,900.00	100.00%	$0.00	$290.00	
8.3	Glass & Glazing (Interior)	$29,991.00	$29,991.00	$0.00	$0.00	$29,991.00	100.00%	$0.00	$2,999.10	
8.4	Door Labor	$8,231.00	$8,231.00	$0.00	$0.00	$8,231.00	100.00%	$0.00	$823.10	
8.5	Auto Operators	$6,600.00	$6,600.00	$0.00	$0.00	$6,600.00	100.00%	$0.00	$660.00	
9.1	Drywall and Framing	$95,802.00	$95,802.00	$0.00	$0.00	$95,802.00	100.00%	$0.00	$9,580.20	
9.2	Ceilings	$18,784.00	$18,784.00	$0.00	$0.00	$18,784.00	100.00%	$0.00	$1,878.40	
9.3	Flooring	$39,260.00	$39,260.00	$0.00	$0.00	$39,260.00	100.00%	$0.00	$3,926.00	
9.4	Paints & Coatings	$16,515.44	$16,515.44	$0.00	$0.00	$16,515.44	100.00%	$0.00	$1,651.54	
10.1	Epoxy Flooring	$20,485.76	$20,485.76	$0.00	$0.00	$20,485.76	100.00%	$0.00	$2,048.58	
10.2	FRP	$45,448.00	$45,448.00	$0.00	$0.00	$45,448.00	100.00%	$0.00	$4,544.80	
10.3	Corner Guards	$4,064.00	$4,064.00	$0.00	$0.00	$4,064.00	100.00%	$0.00	$406.40	
10.4	Toilet Accessories	$4,122.00	$4,122.00	$0.00	$0.00	$4,122.00	100.00%	$0.00	$412.20	
11.1	Fire Place	$950.00	$950.00	$0.00	$0.00	$950.00	100.00%	$0.00	$95.00	
12.1	Casework	$50,760.00	$50,760.00	$0.00	$0.00	$50,760.00	100.00%	$0.00	$5,076.00	
15.1	HVAC Equip and Distribution	$149,246.00	$149,246.00	$0.00	$0.00	$149,246.00	100.00%	$0.00	$14,924.60	
15.2	Plumbing (Tenant improvements)	$184,380.00	$184,380.00	$0.00	$0.00	$184,380.00	100.00%	$0.00	$18,438.00	
16.1	Electrical	$77,282.00	$77,282.00	$0.00	$0.00	$77,282.00	100.00%	$0.00	$7,728.20	
16.3	Security System	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00	
16.4	Generator	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00	
17.1	Contract cost reconciliation	($17,438.86)	$0.00	($17,438.86)	$0.00	($17,438.86)	100.00%		($1,743.89)	
	TENANT TOTALS	$913,121.48	$930,670.34	($17,548.86)	$0.00	$913,121.48	100.00%	$0.00	$91,312.15	2.01
	LIFE SAFTEY TOTALS	$18,501.00	$18,501.00	$0.00	$0.00	$18,501.00	100.00%	$0.00	$1,850.10	2.03
	TOTAL	$931,622.48	$854,254.21	($17,548.86)	$0.00	$931,622.48	100.00%	$0.00	$93,162.25	2.03