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December 8, 2015

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**FEDERAL EXPRESS**

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

**Re: Annual Progress Report – Tinley Park Dialysis (Proj. No. 14-042)**

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 Kidney Center South, LLC (the “Permit Holders”) to submit the annual progress report for Tinley Park Dialysis (Project No. 14-042). As you are aware, on November 12, 2014, HFSRB approved the Permit Holders’ certificate of need application for the establishment of Tinley Park Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #14-042.

**1. Status of the Project**

The Project was obligated on March 2, 2015, through the execution of a lease to establish the dialysis facility. Shell construction began August 10, 2015 and is still in progress. The interior build out was started on October 23, 2015 and is 25% complete.

**2. Costs Incurred to Date**

To date, the Permit Holders have incurred \$2,049,266 in project costs.

PROJECT COSTS	Approved	Expended
New Construction Contracts	\$1,080,000	\$155,828
Contingencies	\$100,000	\$0
A & E Fees	\$90,250	\$47,928
Consulting & Other Fees	\$75,000	\$8,065
Moveable Equipment	\$483,187	\$0
Fair Market Value of Leased Space & Equipment	\$1,837,445	\$1,837,445
Other Costs to be Capitalized	\$0	\$0
<b>Estimated Total Project Cost</b>	<b>\$3,665,882</b>	<b>\$2,049,266</b>

3. Sources of Funds

The project will be financed through \$1,828,437 in cash and cash equivalents and \$1,837,445 lease.

4. Anticipated Completion Date

The anticipated completion date for the Project is October 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: Michael Mills, HFSRB  
Ronny Philip