Timothy V Tincknell, FACHE
(312) 243-9286 x230
timothy.tincknell@davita.com

1600 W 13th St, Ste 3
Chicago, IL 60608
Fax: (866) 586-3214
www.davita.com

September 16, 2016

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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 – South Holland Renal Center (Proj. No. 15-025)

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., ISD Renal, Inc., and Genesis KC Development, LLC (the "Permit Holders") to submit the annual progress report for South Holland Renal Center (Project No. 15-025). As you are aware, on August 25, 2015, HFSRB approved the Permit Holders' certificate of need application for the relocation and expansion of South Holland Renal Center (the "Project"). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #15-025.

1. **Status of the Project**

The Project was obligated on December 11, 2015 through the execution of the construction contract for the dialysis facility. Shell construction began March 14, 2016 and is estimated to be completed by October 28, 2016. The interior build out was started on June 20, 2016 and is 25% complete. The Certificate of Occupancy is estimated to be received by October 28, 2016.

2. **Costs Incurred to Date**

To date, the Permit Holders have incurred $482,334 in project costs.

PROJECT COSTS	**Approved**	**Expended**
Site Survey and Soil Investigation	$14,000	$0
New Construction Contracts	$2,962,193	$399,569
Contingencies	$275,640	$0
A & E Fees	$244,753	$69,674
Consulting & Other Fees	$297,000	$8,536
Moveable Equipment	$525,183	$4,555
Fair Market Value of Leased Space & Equipment	NA	NA
Other Costs to be Capitalized Net Book Value of Existing Equipment	$198,819	$0
Estimated Total Project Cost	**$4,517,588**	**$482,334**

3. **Sources of Funds**

The project will be financed through $4,517,588 in cash and cash equivalents.

4. **Anticipated Completion Date**

The anticipated completion date for the Project is October 31, 2017.

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: Penny Davis, DaVita Inc.