

Hills, Bonnie

From: Kendrick, Alexis
Sent: Monday, September 17, 2012 3:00 PM
To: Hills, Bonnie
Subject: FW: Annual Progress Report - Meadowbrook Manor LaGrange (Proj. No. 11-021)
Attachments: LaGrange - Annual Progress Report (09-17-2012).pdf

From: Anne Cooper [mailto:ACooper@Polsinelli.com]
Sent: Monday, September 17, 2012 2:57 PM
To: Kendrick, Alexis
Cc: Charles Sheets; Constantino, Mike
Subject: Annual Progress Report - Meadowbrook Manor LaGrange (Proj. No. 11-021)

Alexis,

Attached please find a copy of the annual progress report for Meadowbrook Manor LaGrange (Proj. No. 11-021). If you have any questions or need any additional information regarding the progress of the project, please feel free to contact me.

Anne



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September 17, 2012

ELECTRONIC MAIL

Alexis Kendrick
Compliance and Legislative Affairs Manager
Illinois Health Facilities and Services Review
Board
122 South Michigan Avenue, 7th Floor
Chicago, Illinois 60603

Re: Annual Progress Report - Meadowbrook Manor LaGrange (Proj. No 11-021)

Dear Ms. Kendrick:

This office represents Butterfield Healthcare VII, LLC and MML Properties, LLC (collectively, "Permit Holders"). As you are aware, on August 16, 2011, the Illinois Health Facilities and Services Review Board approved the Permit Holders' application to modernize its existing 197 bed long-term care facility located at 339 9th Street, LaGrange, Illinois (the "Project"). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #11-021.

1. Status of the Project

Construction of the Project has not commenced due to the inability to secure a U.S. Department of Housing and Urban Development ("HUD") loan to finance the project. The Permit Holders have been diligently working to obtain a HUD loan. On June 3, 2011, The Permit Holders submitted their application to HUD. About three or four years ago, HUD moved from a decentralized loan processing system to a centralized system. Instead of each region processing its own HUD loan applications, all applications are now processed in Washington, D.C. This has resulted in much longer delays in obtaining HUD approval. In fact, although the Permit Holders submitted their loan application over one year ago, HUD only recently began its review of their loan application. Because some of the data was over a year old, HUD has requested the Permit Holders to submit updated information. The Permit Holders will submit the requested data with in the next few weeks. While the Permit Holders are hopeful their loan application will be approved in the near future, given the new review process and the delays

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In California, Polsinelli Shughart LLP.

already encountered, the Permit Holders cannot provide any definitive timeframe for when they anticipate receiving HUD approval.

In addition to working on obtaining HUD financing, the Permit Holders obtained approval from the Village of LaGrange ("Village") for an extension of Village Ordinance O-10-09 granting a special use for the renovation of Meadowbrook Manor LaGrange. The process to extend the Special Use Permit involved, filing an application with the Village, submission of detailed site plans, and a public hearing before the Village Plan Commission. On April 24, 2012, the Village granted a one year the extension of the Special Use Permit. See Attachment 1.

2. Costs Incurred to Date

To date the Permit Holders have incurred \$552,388 in project costs.

PROJECT COSTS			
	Approved	Proposed	Expended
Preplanning Costs	\$438,800	\$438,800	\$13,065
Site Survey and Soil Investigation	\$35,000	\$35,000	\$0
Site Preparation	\$1,644,500	\$1,644,500	\$6,098
Off Site Work	\$75,000	\$75,000	\$0
New Construction Contracts	\$19,050,850	\$19,050,850	\$0
Modernization Contracts	\$789,400	\$789,400	\$0
Contingencies	\$1,744,920	\$1,744,920	\$0
A & E Fees	\$982,000	\$982,000	\$145,944
Consulting and Other Fees	\$450,225	\$450,225	\$387,281
Moveable or Other Equipment	\$1,410,000	\$1,410,000	\$0
Net Interest Expenses During Construction	\$1,173,730	\$1,173,730	\$0
Other Costs to be Capitalized	\$835,944	\$835,944	\$0
Estimated Total Project Cost	\$28,630,369	\$28,630,369	\$552,388

Alexis Kendrick
September 17, 2012
Page 3

3. Sources of Funds

The project will be financed through a \$28,630,369 mortgage.

4. Application and Certification for Payment

Construction of the project has not commenced. Therefore, no Application and Certification for Payment (AIA Form G702) has been presented for payment.

5. Anticipated Completion Date

The anticipated completion date for the Project is December 31, 2014.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me at 312-873-3606 or acooper@polsinelli.com.

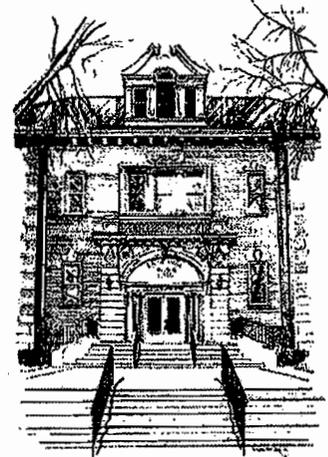
Sincerely,



Anne M. Cooper

Attachment
cc: Michael Constantino
056510 129229

Village of La Grange



April 24, 2012

Glenn C. Sechen
The Sechen Law Group, PC
13909 Laque Drive
Cedar Lake, Indiana 46303

Re: **EXTENSION – SPECIAL USE PERMIT, ORDINANCE O-10-09**

Dear Mr. Sechen:

In response to your request of February 27, 2012 for an extension of Village Ordinance O-10-09 granting a Special Use for the renovation of the Meadowbrook Manor skilled nursing facility, in accordance with Subsection 13-101-L "Extensions of Time," I hereby grant an extension of one year to April 31, 2013. In granting this extension we recognize, as cited in your letter, your due diligence in securing your required state approvals.

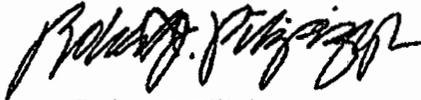
Please be aware that this is the final extension that the Village Manager may grant. Pursuant to Zoning Code Subsection 14-401I, you would need to renew your special use permit through the proper procedures as outlined in the Zoning Code if you do not obtain a Building Permit and actually begin construction and diligently pursue completion within the period of this extension.

We recognized that your request was for an extension to April 2014, which is not currently within the authorization of the Village Manger to grant. However, Staff will continue to develop language to amend the Zoning Code to create a process by which you can seek a reaffirmation of your approvals from the Plan Commission to extend the special use an additional year.

In granting this extension, we ask that you attain the following action items in the next year: (1) Obtain conditional approval from Housing and Urban Development for financing; and (2) continue negotiations with the Park District of La Grange to obtain a resolution on the pocket park.

In the interim, if we can be of assistance in any way in preparing your project for development please feel free to contact Patrick Benjamin, Community Development Director at (708) 579-2320.

Sincerely,
VILLAGE OF LA GRANGE

A handwritten signature in black ink, appearing to read "Robert J. Pilipiszyn". The signature is stylized and cursive.

Robert J. Pilipiszyn
Village Manager

Cc: Village President
Village Board of Trustees
Village Clerk
Village Attorney
Community Development Director