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September 11, 2014

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

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

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

Dear Mr. Constantino:

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

The Permit Holders received a HUD commitment letter for the Project and are working on final HUD approval of project documents and completing the closing checklist items. The Illinois Department of Public Health has approved the architectural plans for the Project. The Permit Holders submitted their application for a building permit to the Village of LaGrange and are addressing a few engineering comments from the Village. Once the Permit Holders submit the construction schedule, which cannot occur until closing on the HUD loan, the Village will issue the building permit. Demolition of existing structures has commenced. The Permit Holders anticipate construction will take 24 months to complete

Costs Incurred to Date

To date the Permit Holders have incurred \$1,375,953 in project costs.

Project Costs Meadowbrook Manor – LaGrange (Proj. No. 11-021)		
	Approved	Expended
Preplanning Costs	\$438,800	\$13,065
Site Survey and Soil Investigation	\$35,000	\$6,420
Site Preparation	\$1,644,500	\$10,636
Off Site Work	\$75,000	\$0
New Construction Contracts	\$19,050,850	\$0
Modernization Contracts	\$789,400	\$0
Contingencies	\$1,744,920	\$0
A & E Fees	\$982,000	\$943,523
Consulting and Other Fees	\$450,225	\$401,195
Moveable or Other Equipment	\$1,410,000	\$1,114
Net Interest Expenses During Construction	\$1,173,730	\$0
Other Costs to be Capitalized	\$835,944	\$0
Estimated Total Project Cost	\$28,630,369	\$1,375,953

2. Sources of Funds

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

3. 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.

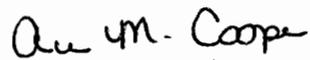
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4. **Anticipated Completion Date**

The anticipated completion date for the Project is June 30, 2016. The Permit Holders plan to request an 18 month renewal of the permit prior to expiration of Project Permit #11-021.

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

cc: John Maze
Charles P. Sheets Esq.