



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET ITEM: A-01	BOARD MEETING: September 13, 2016	PROJECT NUMBER: 08-099
PERMIT HOLDERS(S): MGM Partners, L.P., Butterfield Healthcare III, LLC		
FACILITY NAME and LOCATION: Meadowbrook Manor, Geneva		

STATE BOARD STAFF REPORT
PERMIT RENEWAL REQUEST

I. Background

On September 1, 2009, the State Board approved Project #08-099. The permit authorized the establishment of a 150-bed general Long Term Care (LTC) facility in Geneva. State Board Staff notes that the project is obligated, and the current project completion date is July 31, 2016. Project cost: \$25,273,839.

State Board Staff notes the permit holders submitted this permit renewal request on June 16, 2016 to extend the project completion date 20 months, from July 31, 2016, to March 31, 2018. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Board at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee accompanied this renewal request.

II. Findings

The State Board Staff notes this is the **fifth renewal** request for this project and it appears the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. Board Staff notes this project **has not proceeded** with due diligence, as evidenced by the repeated permit renewals, and a negative finding results for Permit Renewal #08-099, based on this finding. Earlier permit renewals include:

- 1) 1st Renewal: 24 Months, January 31, 2011 to January 31, 2013
- 2) 2nd Renewal: 6 Months, January 31, 2013 to July 31, 2013
- 3) 3rd Renewal: 18 Months, July 31, 2013 to January 31, 2015
- 4) 4th Renewal: 18 Months, January 31, 2015 to July 31, 2016
- 5) 5th Renewal: 20 Months, July 31, 2016 to March 31, 2018

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of March 31, 2018. This would extend the project's completion date by twenty months, from July 31, 2016 to March 31, 2018.
- Status of the Project and Components Yet to be Finished: The permit holders state the following:
 - The permit holders' state construction has yet to commence on the project, due to the expiration of the initial site plan approval, and the subsequent resubmission of the plan to the Geneva City Planning Commission. The permit holders acknowledge having received a commitment letter from the Department of Housing and Urban Development on July 31, 2013, final approval of architectural plans from IDPH on November 10, 2014, and site plan approval from the Geneva City Council on May 16, 2016.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the following events occurred, which delayed completion of the project:
- The permit holders state significant delays in the HUD financing approval process delayed construction considerably, forcing the applicants to update their original HUD application. The permit holders received funding approval from HUD, via a commitment letter received on July 31, 2013.
 - While waiting for HUD approval, the initial site plan from the city of Geneva expired, requiring the permit holders to revise and resubmit another site plan. The revised site plan was resubmitted on several occasions, with additional comments needing clarification. The permit holders have since received site plan approval from the Geneva City Council and anticipate the commencement of construction.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate approximately \$1,444,671 (5.7% of total project costs), has been expended to date and that sufficient financial resources exist to complete the project.
- E. Anticipated Final Cost of the Project: The permit holders estimate the final project cost to be in compliance with the initially approved project cost of \$25,273,839.

IV. Project Description & Other Background Information

The permit authorized the establishment of a 150-bed General LTC facility in Geneva. Total project cost is \$25,273,839, and the LTC unit will be located in 89,402 GSF of space.

Permit Issuance Date: September 1, 2009

Original Project Completion Date: January 31, 2011

Project Obligation Date: March 1, 2011

Original Project Completion Date: January 31, 2011

Proposed Project Completion Date: January 31, 2013
(1st Renewal, 24-Months)

Proposed Project Completion Date: July 31, 2013
(2nd Renewal, 6-Months)

Proposed Project Completion Date: January 31, 2015
(3rd Renewal, 18-Months)

Proposed Project Completion Date: July 31, 2016
(4th Renewal, 18 Months)

Proposed Project Completion Date: March 31, 2018
(5th Renewal, 20 Months)

V. Applicable Rules for Permit Renewal Requests

77 IAC 1130.740 specifies that a permit holder may request a change in the approved project completion date by applying for a permit renewal.

77 IAC 1130.740(b) states that failure to complete a project or to renew a permit within the prescribed timeframes will subject the permit holders to the sanctions and penalties provided in the Act and this Subpart.

77 IAC 1130.740(c) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 IAC 1130.740(d) states that the State Board must be in receipt of a permit renewal request at least 45 days prior to the expiration date of the completion period, and include the following: 1) the requested completion date; 2) a status report on the project detailing what percent has been completed, a summary of project components yet to be finished, and a summary of the amount of funds expended on the project to date; 3) a statement as to the reasons why the project has not been completed; and 4) confirmatory evidence by the permit holders' authorized representative that the project's costs and scope are in compliance with

what the State Board approved and that sufficient financial resources are available to complete the project.

77 IAC 1130.740(e) states IDPH will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFSRB criteria, and if this is the first request for this project, then the request, IDPH's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFSRB, will approve, deny or refer the request to the HFSRB for action.

If IDPH finds that all criteria are not positive, if this is not the first request for the project, or if the Chairman refers this to HFSRB for action, then HFSRB will evaluate the information submitted to determine if the project has proceeded with due diligence (as defined in 77 IAC 1130.140). Denial of a permit renewal request constitutes HFSRB's Notice of Intent to revoke a permit and the permit holders will be afforded an opportunity for an administrative hearing.

VI. Other Information

Appended to this report are the following: the permit holders' documents for a permit renewal.



161 N. Clark Street, Suite 4200, Chicago, IL 60601-3316 • 312.819.1900

RECEIVED

JUN 16 2016

HEALTH FACILITIES & SERVICES REVIEW BOARD

June 15, 2016

Anne M. Cooper
(312) 873-3606
(312) 819-1910
acooper@polsinelli.com

Via Federal Express

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

Re: Permit Renewal Request - Meadowbrook Manor – Geneva (Proj. No. 08-099)

Dear Mr. Constantino:

I am writing on behalf of MMG Partners, L.P. and Butterfield Healthcare III, LLC (collectively, the “Permit Holders”) to request a renewal of Project permit 08-099, Meadowbrook Manor - Geneva. On September 2, 2009, the Illinois Health Facilities and Services Review Board (“Board”) approved the Permit Holders’ application to establish a 150-bed general long-term care facility to be located at 37W220 Keslinger Road, Geneva, Illinois (the “Project”). As detailed in the Permit Holders’ December 11, 2014 permit renewal request, this project has been delayed due to issues surrounding site plan approval from the City of Geneva (“City”) and U.S. Department of Housing and Urban Development (“HUD”) financing. Despite these delays, the Permit Holders have diligently worked to move this project forward. On July 31, 2013, the Permit Holders received an initial commitment from HUD for the financing; on November 10, 2014, the Permit Holders received final approval of their architectural plans from the Illinois Department of Public Health; and on May 16, 2016, the Geneva City Council approved the Permit Holders’ site plan.

1. Requested Project Completion Date

The Permit Holders request the Board grant a twenty month renewal of the Project permit and establish March 31, 2018 as the new project completion date.

Mr. Michael Constantino
June 15, 2016
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2. Status of the Project

As discussed in greater detail at the January 27, 2015 Board meeting, the Project has been significantly delayed due to two factors: (1) approval of the site plan from the City and (2) approval of HUD financing.

The Permit Holders diligently worked to obtain HUD financing for the Project for nearly two years. Importantly, filing of the HUD financing application was delayed approximately two years due to issues related to securing a second access point to the site. On July 31, 2013, the Permit Holders received a HUD commitment letter, which was submitted to the Board on September 12, 2013. On February 8, 2016, HUD executed an Amended and Restated Commitment Letter for the Project. HUD has subsequently granted extensions of the Amended and Restated Commitment Letter to August 6, 2016. See Attachment – 1. The Permit Holders have submitted draft closing documents and will schedule the closing on the financing once the City issues the building permit for the Project.

Due to the delay in obtaining HUD financing, the initial site plan approval from the City expired, and the site plan had to be resubmitted for approval. In September 2014, the Permit Holders resubmitted the 2011 site plan previously approved by the City to the Plan Commission. In December 2014, the Plan Commission required the Permit Holders to reopen negotiations with Delnor Community Hospital (“Delnor”) to obtain a second access point on the north side of the Project site utilizing Delnor’s ring road. As noted in the timeline attached as Attachment – 2, negotiations with Delnor and the City regarding the second access point continued for 15 months. On March 29, 2016, the Permit Holders and Delnor executed an access agreement for the second access point. On April 26, 2016, the Plan Commission approved the Permit Holders’ site plan, and on May 16, 2016, the City approved the site plan. The Permit Holders submitted their building permit application to the City on May 25, 2016. Construction will commence promptly upon approval of the building permit

3. Statement Regarding Completion of the Project

As described more fully in the application, the Permit Holders are constructing a 150-bed general long-term care facility to be located in Geneva, Illinois. As discussed above, the Permit Holders received City approval of its site plan on May 16, 2016 and submitted their application for a building permit on May 25, 2016. Once the building permit is approved, construction will commence. Construction and licensure of the facility are expected to be completed by March 31, 2018.



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4. Confirmatory Evidence of Project Compliance

Attached as Attachment 3 is the affidavit from John Maze confirming that the Permit Holders are complying with the scope and costs of the project approved by the Board pursuant to Project Permit #08-099.

Based on the above information, which is provided to the Board in compliance with Section 1130.740 of the Illinois Administrative Code, the Permit Holders formally request a twenty month renewal of its permit for Project #08-099 and a new project completion date of March 31, 2018.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely

A handwritten signature in black ink, appearing to read "Anne M. Cooper".

Anne M. Cooper

Attachments

**Commitment for
Insurance of Advances**
2 Stage, Final Submittal
(Amended and Restated)
Section 232

**U.S. Department of Housing
and Urban Development**
Office of Residential
Care Facilities

AMENDED AND RESTATED

- Section 232 Substantial Rehabilitation
 Section 232 New Construction
 Section 232 Blended Rate

FHA Project No.: 071-43247
Project Name: Meadowbrook Manor of
Geneva
Project Address: 37 W. 220 Keslinger Road
Geneva, Illinois 60134

Cambridge Realty Capital Ltd. of
Illinois
(Lender)
125 S. Wacker Drive, Suite 1800-A
(Address)
Chicago, Illinois 60606
(City, State, & Zip Code)

MMG Partners, L.P.
(Name of Borrower)
640 River Road, Suite 106
(Address)
Naperville, Illinois 60563
(City, State, & Zip Code)

This Amended and Restated Commitment for Insurance of Advances (the "Commitment") amends and restates in its entirety the Commitment for Insurance of Advances issued by HUD with respect to the Project dated 7/30/13 (the "Original Commitment Date"). The effective date of this Commitment shall be the Original Commitment Date.

We understand that you, as Lender, have agreed to make a loan (the "Loan") to MMG Partners, L.P. (hereinafter called the "Borrower"), in an amount not exceeding the sum of Fifteen Million Six Hundred Thousand Dollars (\$15,600,000), evidenced by a note (the "Note") to be secured by a "Security Instrument" covering real property with existing building(s) (if any) thereon identified above (hereinafter called the "Project"), as shown on the legal description of the property attached hereto as **Exhibit A**.

It is your intention to present the said Security Instrument to the Federal Housing Commissioner acting herein on behalf of the U.S. Department of Housing and Urban Development ("HUD") for Security Instrument insurance under the provisions of Section 232 of the National Housing Act (the "NHA") and the Regulations thereunder in effect on the Original Commitment Date (the "Regulations").

HUD hereby agrees to insure said Security Instrument under the provisions of the NHA and the Regulations upon the following conditions:

1. (a) The Note shall bear interest at the rate of Four and Twenty Five Hundredths percent (4.25%) per annum during the construction period and at the rate of Four and Twenty Five Hundredths percent (4.25%) per annum thereafter. As used herein, construction period means the period beginning on the date of Initial Endorsement and ending on the cost-cut off date approved by HUD (or such other date as may be approved by HUD). Note: Any change in the interest rate will require reprocessing of the mortgage insurance application and amendment of this Commitment prior to Initial Endorsement.
 - (b) Payments of interest only on the outstanding principal balance shall be due and payable on the first day of each month, commencing not later than the first day of the month following initial endorsement of the Note for insurance ("Initial Endorsement") and continuing through the first day of the month immediately prior to the date on which the first monthly payment of principal is due.
 - (c) The first payment to principal (commencement of amortization) shall be due on the first day of the 21st month following the month in which Initial Endorsement occurs. The Note shall be payable on a level annuity basis by monthly payments of principal and interest in the amount of \$67,644.75 each. Monthly principal and interest payments due prior to, or on the first day of the month after, final endorsement of the Note ("Final Endorsement") shall be adjusted to the extent that the full principal amount of the Loan has not yet been advanced in order for such payments to equal the sum of (i) interest on the outstanding principal balance plus (ii) the regularly scheduled principal amortization payments due on the Note assuming that the full amount thereof has been advanced. The maturity and final payment date shall be 39 years and 11 months following the due date of the first payment to principal (commencement of amortization).
2. (a) A project shall be constructed (the term shall be deemed to include substantially rehabilitated, if applicable) on the mortgaged property in accordance with a construction contract approved by HUD and with the Drawings and Specifications filed with HUD and designated as Meadowbrook Manor of Geneva, FHA Project No.071-43247, dated 3/13/15 and identified in the Index attached hereto as Exhibit B. The Drawings and Specifications, which include "General Conditions of the Contract for Construction" (AIA Document A201) and "Supplementary Conditions of the Contract for Construction" (HUD-92554-ORCF), shall be identified in a manner acceptable to HUD by the following parties or their authorized agents: Borrower, design architect, architect administering the construction contract, contractor and, if applicable, the contractor's surety. HUD encourages Borrowers to utilize energy saving devices and methods.
 - (b) At or prior to Initial Endorsement, there shall be submitted to HUD assurance of completion of the Project in the form of (i) payment and performance bonds, each in the amount of 100% of the construction contract amount, in form and substance satisfactory to HUD and issued by a surety acceptable to HUD, or (ii) a completion assurance agreement reflecting a deposit thereunder of not less than 15.0% of the construction contract amount, in form and substance satisfactory to HUD.

- (c) The Borrower shall cause the Project to be equipped in order for the Project to operate in accordance with applicable laws, such equipment to include, but not be limited to, the major moveable equipment listed in Exhibit C attached hereto.
3. The Note and Security Instrument to be insured shall be in the forms prescribed by HUD for use in connection with loans insured under Section 232 of the NHA in the locality in which the property is situated. In addition, the Operator of the Project shall provide a security agreement, UCC financing statements, and deposit account control agreement(s) granting a first lien security interest in such tangible and intangible personal property related to the Project as may be required by HUD (subject only to liens for taxes and assessments that are not delinquent and such other liens, as with an accounts receivable financing transaction, as may be approved by the Secretary). If the property is currently occupied, prior to Initial Endorsement the Borrower must provide the deposit account control agreement; if the healthcare facility is not currently occupied, it must be submitted at or prior to 70% construction completion.
4. (a) Prior to Initial Endorsement, the Borrower shall present to HUD a title policy in conformity with the Regulations which shall show that title to the property (or, if approved by HUD, a leasehold estate therein) on the date of Endorsement is vested in the Borrower free of all exceptions to title (either junior or prior to said Security Instrument), except said Security Instrument and such other exceptions to title as are specifically determined to be acceptable by HUD. Said title policy shall (i) by its terms inure to the benefit of the Lender and/or the U.S. Department of Housing and Urban Development, as their interests may appear and (ii) unless otherwise approved by HUD, be on the ALTA Loan Policy 2006 Form and include ALTA Form 9-06, 9.6-06, 8.1-06, 22-06, 17-06, 25-06, 3.1-06, and 18-06 (or 18.1-06, as appropriate) endorsements and an endorsement deleting the arbitration clause. Said policy may contain a pending disbursements clause if customary in the area in which the Project is located.
- (b) If required by HUD, prior to Initial Endorsement and again prior to Final Endorsement, the Borrower shall present to HUD a survey of the Project in a form and substance satisfactory to HUD. At the request of HUD or the Lender, such survey will be updated from time to time during construction to show that the improvements on the site have been erected solely upon the mortgaged property and within applicable building restriction lines, if any, and do not encroach upon or overhang any land not covered by the Security Instrument or any easement or right-of-way.
5. The Borrower must possess the powers necessary for meeting all the requirements of HUD for insurance of the Note and Security Instrument. Prior to Initial Endorsement, there shall be delivered to HUD and the Lender (a) copies of ownership entity documentation that complies with applicable requirements of HUD, including a copy of the instrument under which the Borrower entity is created, together with copies of all instruments or agreements necessary under the laws of the applicable jurisdiction to authorize execution of the Note and Security Instrument and the other closing documents, and (b) a Regulatory Agreement in the form prescribed by HUD for use in connection with loans insured under Section 232 of the NHA (the "Regulatory Agreement"). Accordingly, Section 38 of the Regulatory Agreement shall apply to the following individuals or Entities: Kianoosh Jafari, Nicholas Vangal. Such Regulatory Agreement

shall provide, among other things, for the establishment of a Reserve Fund for Replacements (the "Reserve Fund for Replacements") under the control of the Lender by payment of \$226,388.83 per annum, to be accumulated monthly at the rate of \$18,865.74 per month (*rounded to the nearest dollar*), commencing on the date of the first payment to principal as established in the Note unless a later date is agreed upon by HUD. In addition to the per annum amount required to be accumulated monthly under the control of the Lender for the Reserve Fund for Replacements, there shall be an initial deposit in the amount of not less than \$0 made to the Reserve Fund for Replacements by the Borrower at the time of Initial Endorsement. If applicable, attached hereto as **Exhibit D** is the Reserve for Replacement Funding Schedule which supports the per annum and initial deposits to the Reserve for Replacements.

The amount of the annual deposits to the Reserve Fund for Replacements shall be subject to change in accordance with the requirements of HUD. In connection therewith, every 10 years the Lender shall obtain a new Project Capital Needs Assessment ("PCNA") for HUD to evaluate. The cost of each such PCNA report may be paid from the Reserve Fund for Replacements. The Lender's Certificate to be delivered prior to Initial Endorsement and the Regulatory Agreement shall each include a statement confirming the requirement for such periodic PCNA reports.

The Healthcare Regulatory Agreement – Borrower (HUD – 92466 – ORCF) executed at closing shall indicate that the Borrower is:

- Profit-Motivated;
- Non-Profit, and the Non-Profit Borrower is **not** permitted to take distributions; OR
- Non-Profit, and the Non-Profit Borrower is permitted to take distributions.

6. At or before Initial Endorsement, the Lender or its nominee shall collect the following escrows (in the form of cash and/or, except with respect to clause (c) below, one or more unconditional and irrevocable letters of credit) to be applied to the following items:
 - (a) Funds for application to taxes, mortgage insurance premiums, property insurance premiums and assessments required by the terms of the Security Instrument accruing subsequent to Initial Endorsement, and not with Loan proceeds, in the amount of \$312,000 (Working Capital).
 - (b) Funds for application to the cost of purchasing minor moveable equipment for use in Project operations in the amount of \$50,000.
 - (c) Funds required over and above Loan proceeds for completion of the Project in the amount of \$6,427,996. This sum represents the difference between HUD's estimate of the total cash required for carrying charges, financing, and for construction of the Project, including contractor's fees and overhead, architect's fees, and other fees, and the maximum amount of the Loan to be insured. These funds may be reduced by (i) so much of the contractor's fees up to a maximum of \$1,087,602, as the closing documents show are not to be paid in cash and (ii) amounts that have been prepaid by or on behalf of the Borrower, as evidenced by a certification of the Borrower.

- (d) Funds for application to the costs of off-site improvements in the amount of \$0, and demolition in the amount of \$0.
- (e) Funds in the amount of \$1,857,000 (Initial Operating Deficit) for application to the expenses of the Project beginning on the later of (i) the date on which all or part of the Project has received a certificate of occupancy or (ii) the date on which residents are first occupying units/beds in the Project and ending on the later of (1) 12 months after the date of Final Endorsement or (2) when the project has demonstrated to HUD's satisfaction that the project has achieved a debt service coverage ratio (including Mortgage Insurance Premium) of at least 1.45 for each month of three consecutive months.

At Initial Endorsement, the Lender shall deliver to HUD a Lender's Certification evidencing the collection of the amounts set forth in this paragraph. All funds deposited with the Lender or its nominee under this paragraph shall be held and disbursed by the Lender or its nominee in accordance with the applicable requirements of HUD.

- 7. (a) Approval of advances of Loan proceeds in accordance with the Building Loan Agreement (Form HUD-92441-ORCF) must be obtained on a form prescribed by HUD prior to the date of each advance to be insured. A Contractor's Prevailing Wage Certificate shall be filed with the request for approval of each advance which includes a payment for construction costs. HUD's execution of applications for insurance of advances of mortgage proceeds (Form HUD-92403) shall be required only for advances made at Initial Endorsement or Final Endorsement and for advances of all or part of the contractor's retainage. Lender shall have the authority to approve all other advances of Loan proceeds on behalf of HUD. The current Davis-Bacon Wage Decision for the subject is Kane County, Illinois General Decision No. IL160008, 01/15/2016, Modification No. 8 and Illinois General Decision No. IL160020, 01/08/2016, Modification No. 20. The current decision will need to be verified prior to closing.
 - (b) During the course of construction, HUD and its representatives shall at all times have access to the property and the right to inspect the progress of construction, and an inspection fee in the amount of \$78,000 shall be paid at or before Initial Endorsement. The inspection of construction by a representative of HUD shall be only for the benefit and protection of HUD.
 - (c) Upon completion of the Project in accordance with the Drawings and Specifications, the Note will be finally endorsed for insurance to the extent of the advances of Loan proceeds approved by HUD, subject to reduction as provided in the Regulations.
8. Any change in the Drawings and Specifications or in the conditions upon which this Commitment is based, that may occur after the date hereof, shall be explained in writing, or in a supplementary application if required by HUD, and must be approved by HUD prior to Initial Endorsement. Any such change occurring subsequent to Initial Endorsement that requires HUD's approval under this paragraph must be brought to the attention of HUD immediately upon occurrence, and must be approved by HUD prior to the date on which HUD is requested to approve any further advance for insurance. Changes in the Drawings and Specifications that result in any net construction cost

increase, will change the design concept, or will result in a net cumulative construction cost decrease of more than 2% of the contract amount, may be effected only with the prior written approval of the Lender and HUD. HUD's approval of any change described above may be subject to such conditions and qualifications as HUD, in its discretion, may prescribe.

9. It is a condition of this Commitment that any change in ownership upon which this Commitment was predicated must be indicated in writing by the Borrower and such request must be approved in writing by HUD. Any principals of the Borrower or Operator that are added prior to Initial Endorsement and were not disclosed in the mortgage insurance application shall be subject to HUD's credit review and previous participation clearance before Initial Endorsement. Project principals have been identified to be relied on for financial capacity. Withdrawal of any individual/firm relied on for financial capacity requires prior approval by HUD. In addition, withdrawal of such individual/firm prior to Initial Endorsement could result in HUD declaring this Commitment null and void.
10. Upon Initial Endorsement, the Lender shall pay to HUD in advance, a mortgage insurance premium equal to 0.57% of the principal amount of the Loan to cover the first mortgage insurance premium and shall continue to make payments thereafter as required by the aforesaid Regulations.
11. This Commitment shall expire 60 days from the date hereof, unless extended by HUD. Upon such expiration, all rights and obligations of the respective parties shall cease. Prior to any extension of this Commitment, HUD may, at its option, reexamine this Commitment to determine whether it shall be extended, shall be extended in the same amount, or shall be amended to include a lesser amount.
12. A request for the reopening of this Commitment received within 90 days of its expiration must be accompanied by the reopening fee prescribed by the Regulations.
13. The Borrower, Operator, and/or Management Agent, as applicable, shall maintain professional liability insurance in accordance with the requirements established by HUD. The Borrower shall annually provide, or cause to be provided, to HUD a certification of compliance with HUD's professional liability insurance requirements. The Regulatory Agreement executed by the Borrower must require compliance with these requirements. For projects that are currently occupied, Professional Liability Insurance Policy acceptable to HUD must be in place prior to Initial Endorsement. For projects not currently occupied, Professional Liability Insurance acceptable to HUD must be in place prior to issuance of the Permission to Occupy.
14. The Operator must execute form HUD-92466A-ORCF, Healthcare Regulatory Agreement – Operator. If there is a master lease, form HUD-92332-ORCF, Master Lease Subordination[, Non-Disturbance and Attornment] Agreement will be required. If there is an operating lease but no master lease, form HUD-91110-ORCF, Subordination, Non-Disturbance and Attornment Agreement (SNDA) of Operating Lease will be required. Form HUD-92323-ORCF, Operator Security Agreement will be required, as will the Operator's Attorney's Opinion.

Any Operating Lease must conform to current program requirements, include form HUD-91116-ORCF, Addendum to Operating Lease, be approved by HUD and be executed prior to closing. This lease must have an annual lease payment of at least \$1,492,099, which is at least 1.05 times the sum of: annual principal and interest payments; annual mortgage insurance premium; annual deposit to reserve for replacement; annual property insurance; and annual property taxes. Any reduction to the minimum lease payment amount listed above must be explained and HUD review and approval is required.

[Please place an "X" in the following box, if applicable.]

An Identity of Interest exists between the Borrower and Operator; therefore, nondisturbance language must not be included in the subordination

Management agreements must include language to support the Program Obligations.

15. Any accounts receivable financing obtained by the Borrower or Operator, or Management Agent, as applicable, with respect to the Project will be subject to approval by HUD and the Lender.
16. All financing arrangements (other than the Note and Security Instrument and any other Note and Security Instrument insured by HUD), including repayment obligations and other secondary financing, and occupancy restrictions must be fully disclosed to and approved by HUD and must comply with HUD's requirements applicable to loans insured under the Section of the NHA applicable to the Note and Security Instrument.
17. Any interest savings resulting purely from a differential between the processed interest rate and the actual final interest rate may not be construed as excess funds offsetting costs in other categories at the time of cost certification. To the extent that the amount of the Loan set forth in this Commitment has been determined based upon replacement cost, any such savings must be applied as a reduction in the amount of the Loan.
18. Pursuant to Form HUD-2880, this Commitment is based on Borrower certifications regarding the absence or use of Tax Credits or Other Government Assistance. If the Borrower's intentions subsequently change, and Tax Credits or Other Government Assistance is applied for or eliminated, Form HUD-2880 must be updated, and HUD reserves the right to unilaterally alter any and all of his/her underwriting determinations, or revise the terms of the mortgage insurance commitment or regulatory agreement accordingly.
19. This Commitment is conditioned upon and shall not be enforceable against HUD until and unless all conditions to the endorsement stated herein have been satisfied or waived by HUD.
20. HUD reserves the right to examine the Lender's file materials related to the underwriting of the Loan at any time during the 10-year period following Initial Endorsement. If there is evidence of fraud or misrepresentation by the Lender, HUD reserves its legal rights under the contract of mortgage insurance and Mortgagee Review Board requirements. The Lender agrees to retain, in accessible files, all materials related to the underwriting of

the Loan for a period of 10 years, even though the Note and Security Instrument itself may be sold to another entity.

21. To the extent that the Borrower has not done so prior to Initial Endorsement, the Borrower must provide to HUD evidence/documentation from the appropriate local/state licensing authorities showing approval or conditional approval for the operation of the Project (or applicable portions thereof) prior to occupancy of the Project (or applicable portion thereof).
22. At least 10 calendar days prior to Initial Endorsement, an Estimated Progress Schedule of Work must be submitted by the general contractor for review and approval by HUD. The progress schedule is required by Article 3.10.1 of the AIA General Conditions, which is an integral part of the FHA Construction Contract, Form HUD-92442-ORCF.
23. Should any asbestos containing materials (ACMs) or environmental contaminants be encountered in the course of demolition or construction, they are to be handled in accordance with all applicable federal, state, and local requirements.
24. Prior to Initial Endorsement, both the design architect and supervising architect shall provide evidence of errors and omissions (liability) insurance and shall agree to maintain errors and omissions through acceptance of the 12-month warranty inspection.
25. Attention is directed to the Regulations covering the assignment or the transfer of the insured Note and Security Instrument, in whole or in part, and the transfer of the rights, privileges, and obligations under the contract of mortgage insurance.
26. This Commitment is subject to the conclusions stated on the attachments to this Firm Commitment.
27. The Borrower(s), its contractors, and subcontractors shall comply with all applicable Federal labor standards provisions as expressed in the Supplementary Conditions of the Contract for Construction (HUD-92554-ORCF), in connection with the construction of said Project.
28. If the property is currently occupied, prior to Initial Endorsement the Borrower must provide evidence that a management conference has been conducted with the HUD Account Executive assigned to the project. If the healthcare facility is not currently occupied, 30 days prior to occupancy a management conference must be conducted. The contact information for the Account Executive assigned to this project is below.

Name: Gloria Villarreal

Telephone: 904-208-6152

Email: Gloria.F.Villarreal@hud.gov

29. Prior to Initial Endorsement, evidence of flood insurance is required whenever the property is located in an area of special flood hazards in which flood insurance is available under the National Flood Insurance Act. On this project, flood insurance is:

REQUIRED

NOT REQUIRED

30. All comments in the Legal Punch List must be addressed to HUD's satisfaction prior to closing.
31. If an archaeological site, human remains, or cultural resources of tribal interest are revealed during the project's construction, HUD must be notified. HUD will contact responders to the Section 106 consultation, as applicable.
32. Prior to issuance of the Permission to Occupy, the Borrower must provide evidence of all required insurance in conformance with current program requirements. The final insurance policy must include Fidelity Insurance equal to at least two months underwritten potential gross income (\$4,281,592). Property insurance coverage must be a minimum of \$20,998,909, which is at least 90% of Estimated Replacement Cost Value, with a deductible of \$25,000.
33. Prior to Initial Endorsement, the Borrower and Operator must certify that between issuance of Firm Commitment and Initial Endorsement, none of the following have occurred: (a) federal, state, municipal and or other regulatory authority action against the project that demonstrates or alleges substantial deficiencies in the operation of the project which may be evidenced by an administrative or judicial proceeding or final audit finding; (b) filing of a bankruptcy petition of Borrower, or Operator; (c) filing of a lawsuit or criminal charges against the Operator or Borrower entity or any principal thereof; or (d) placement of a Special Focus Designation or ban on new admissions on the project. HUD reserves the right to suspend processing or terminate this Commitment in the event that any of the factors (a)-(d) listed above occur prior to Endorsement.
34. This Commitment is:

Subject to Special Conditions numbered 1 through 21, which are included below and are made a part hereof.

Not subject to any Special Conditions.

Special Conditions:

1. Prior to initial closing, provide an updated Certificate of Need.
2. An Operating Lease that includes all HUD provisions and with a lease payment of at least 12 months of debt service payments must be provided for initial endorsement. The lease must include the appropriate HUD Addendum.
3. An updated Progress Schedule of Work must be provided prior to initial closing.
4. If the Deposit Account Control Agreement (DACA) is not submitted and approved by HUD prior to initial endorsement, this document must submitted for HUD approval when the project reaches 70% construction completion.

5. The Legal Punch List provides an assessment of the title policy, license, survey and organizational documents. All comments on the attached punch list must be addressed prior to closing.
6. Prior to initial closing HUD will complete a Title/Survey review. Conditions of the Title/Survey review must be addressed prior to initial closing.
7. A Debt Service Escrow equal to 6 months of debt service (\$450,328.50) must be established prior to initial endorsement. Disbursements from the escrow are authorized monthly with written approval from the Lender's Servicer and OHP to make debt service payments. Unused portions are returned to the borrower after the project has maintained underwritten Debt Service Coverage of 2.49 (including Mortgage Insurance Premiums) for 12 consecutive months. OHP will look to the servicing mortgagee to certify that this requirement has been met, based on financial statements provided to the mortgagee by the mortgagor. Note: The escrow is not mortgageable and can be funded either through cash or one or more unconditional, irrevocable letter(s) of credit issued to the lender by a banking institution.
8. **Risk Management Program** – Prior to Final Endorsement the Mortgagor/Operator must enter into a risk management agreement/program with a third-party entity that addresses the facility's ongoing quality of care to residents and helps to reduce exposure to Professional Liability Insurance (PLI) claims. Such agreement/program must be reviewed and approved by HUD prior to initial closing. The risk management agreement/program must incorporate a real-time incident reporting and tracking system that informs senior management of all incidents with a potential liability to the company. A third-party review of the incidents must be performed by trained professionals and the risk management agreement/program must include provisions for training and follow up with facility staff as necessary.
9. The Regulatory Agreement must include a provision that requires HUD approval prior to the Mortgagor/Operator opting to cease participation in the third party risk management agreement/program.
10. Prior to Initial Closing a third party risk management program is required for the following projects: Meadowbrook Manor of Boilingbrook (071-22167), Meadowbrook Manor of Naperville (071-22166), and Lee Manor (071-22181). The mortgagor/operator may not cease participation in the risk management program at any of these facilities without prior approval from HUD.
11. HUD must approve the Affirmative Fair Housing Marketing Plan prior to the start of marketing.
12. As this Firm Commitment is being issued after July 12, 2013, the new Section 232 closing documents must be used for this closing. If there are any inconsistencies between the closing checklists and this Commitment, this Commitment controls.
13. Professional Liability Insurance acceptable to HUD must be reviewed and be in place prior to issuance of the Permission to Occupancy. The policy must cover the Operator.
14. A special escrow of \$31,200.75 is required to be established prior to initial closing to cover any increases in supervisory architect fees above the IOI fee amount contemplated in the underwritten estimated replacement cost. This escrow is not mortgageable and can be funded by cash or an irrevocable letter(s) of credit issued to the lender by a banking institution. Unused portions will be returned to the borrower when HUD determines that construction is complete.

15. The Identity of Interest subcontract between Butterfield Health Care Masonry, LLC and the general contractor must be approved by HUD prior to initial closing.
16. Prior to initial closing, the Architectural Reviewer shall have reviewed and approved the Landscaping Plans.
17. Prior to initial closing a Van Accessible Parking Space must be incorporated into the Plans.
18. Accounts Receivable Financing documents must be approved by HUD prior to utilizing Accounts Receivable Financing. Accounts Receivable Financing documents should be submitted at 70% construction completion to allow sufficient time for HUD review.
19. Prior to initial closing provide evidence that the third party architectural and cost reviewer has verified that the soil test has been coordinated with the civil engineering and foundation design.
20. Prior to initial closing provide evidence that Spaceco has renewed its Architect's Liability Insurance.
21. As there is an identity-of-interest with the general contractor, a Cost Plus Construction Contract is required.

[Balance of page intentionally left blank]

Draft closing documents, conforming to the terms of this Commitment, must be submitted not less than 15 business days prior to Initial Endorsement. This Commitment and exhibits referred to herein, together with the Portfolio Acceptance Letter (as amended), if any, and the statute, and applicable Regulations, constitute the entire agreement among the parties, and acceptance of the terms hereof is evidenced by the signature of the Borrower and Lender upon the lines provided below. Please return one original of this Commitment signed by the Lender and the Borrower to the ORCF Underwriter within 10 business days of the date of HUD's execution of this Commitment.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
acting by and through the **Secretary:**

By: 
Authorized Agent
Office of Residential Care Facilities

Original Commitment Date: 7/30/2013

Amended and Restated on: 2/8/2016

The above Amended and Restated Commitment for Insurance of Advances, including Special Conditions (if applicable), is hereby accepted by the undersigned, and we hereby agree to be bound by the terms hereof. The undersigned acknowledge and agree that the above Amended and Restated Commitment for Insurance of Advances amends and restates in its entirety the Commitment for Insurance of Advances previously issued by HUD with respect to the Project.

BORROWER:

MMG Partners, L.P.

Date: _____
By: 
Name: By Christopher Vangel
Title: ~~Asst. Secretary~~ Asst. Secretary

LENDER:

Cambridge Realty Capital Ltd. of Illinois

Date: _____
By: 
Name: Andrew L. Entos
Title: President

Draft closing documents, conforming to the terms of this Commitment, must be submitted not less than 15 business days prior to Initial Endorsement. This Commitment and exhibits referred to herein, together with the Portfolio Acceptance Letter (as amended), if any, and the statute, and applicable Regulations, constitute the entire agreement among the parties, and acceptance of the terms hereof is evidenced by the signature of the Borrower and Lender upon the lines provided below. Please return one original of this Commitment signed by the Lender and the Borrower to the ORCF Underwriter within 10 business days of the date of HUD's execution of this Commitment.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
acting by and through the **Secretary:**

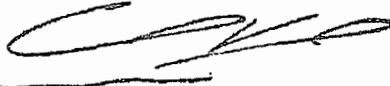
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BORROWER:

MMG Partners, L.P. 

Date: _____

By: By MMG, LLC _____

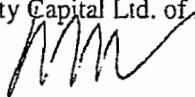
Name: By Christopher Venge

Title: ~~MMG~~ Assn. Secretary

LENDER:

Cambridge Realty Capital Ltd. of Illinois

Date: _____

By: 

Name: Andrew L. King

Title: President

Attachments:

Exhibit A Legal Description

Exhibit B Index to Drawings and Specifications

Exhibit C List of Major Movables

Exhibit D Reserve for Replacement Funding Schedule (if applicable)

Form HUD-92264a-ORCF

Form HUD 2328, Contractor's and/or Borrower's Cost Breakdown

Exhibit A

Legal Description

THE SOUTHERLY 579.93 FEET OF THE WESTERLY 400.0 FEET OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE CITY OF GENEVA, KANE COUNTY, ILLINOIS.

Exhibit B to Firm Commitment

MEADOWBROOK MANOR

SKILLED NURSING FACILITY

37W220 KESLINGER ROAD
GENEVA, ILLINOIS 60134
F.H.A. PROJECT No. 071-43247

SHEET INDEX

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4	ROOFING	11/23/71	11/23/71
5	MECHANICAL	11/23/71	11/23/71
6	ELECTRICAL	11/23/71	11/23/71
7	PLUMBING	11/23/71	11/23/71
8	PAINTING	11/23/71	11/23/71
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13	CONCRETE	11/23/71	11/23/71
14	ROOFING	11/23/71	11/23/71
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16	ELECTRICAL	11/23/71	11/23/71
17	PLUMBING	11/23/71	11/23/71
18	PAINTING	11/23/71	11/23/71
19	FINISHES	11/23/71	11/23/71
20	LANDSCAPE	11/23/71	11/23/71

CODE REQUIREMENTS

Building Classification: ...
Construction Class: ...
Code: ...

REQUIREMENTS

ROOFING: ...
MECHANICAL: ...
ELECTRICAL: ...
PLUMBING: ...
PAINTING: ...
FINISHES: ...

GENERAL NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.

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3. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT.

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6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES.

7. ALL MATERIALS SHALL BE STORED PROPERLY AND PROTECTED FROM THE ELEMENTS.

8. THE CONTRACTOR SHALL MAINTAIN A NEAT AND ORDERLY WORK SITE AT ALL TIMES.

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APPLICABLE CODES

1. BUILDING CODES

2. MECHANICAL CODES

3. ELECTRICAL CODES

4. PLUMBING CODES

5. PAINTING CODES

6. FINISHES CODES

7. LANDSCAPE CODES

SCANNING PAGE

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MEADOWBROOK MANOR SKILLED NURSING FACILITY

37W220 KESLINGER ROAD
GENEVA, ILLINOIS 60134

TITLE SHEET & PROJECT INFORMATION

SAS ARCHITECTS & PLANNERS

PROJECT MANUAL
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PROJECT MANUAL FOR

**Meadowbrook Geneva
SAS Project No. 09077**

VOLUME NO. 1

DATE: July 11, 2014 (Revised February 13, 2015)

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PROJECT MANUAL FOR

**Meadowbrook Geneva
SAS Project No. 09077**

VOLUME NO. 2

DATE: July 11, 2014

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END TOC			

Exhibit C

MEADOWBROOK MANOR OF GENEVA

MAJOR MOVABLE PURCHASE LIST

Room Category	Description	Qty	Cost (\$)	Total Cost (\$)
BASEMENT				
Staff Lounge	Tables	5	280	1,400
	Chairs	20	125	2,500
	Microwave	1	150	150
	Refrigerator	1	450	450
	TV 42"	1	700	700
Laundry	65lb Washer	2	8,250	16,500
	35lb Washer	1	4,245	4,245
	75lb Dryer	3	2,935	8,805
	Washer/Dryer Install, tax, freight, etc	1	5,300	5,300
	Laundry bins	6	200	1,200
	Folding Tables	2	300	600
Clean Linen Storage	Linex exchange carts (covered)	8	300	2,400
Sofled Linen Holding	Laundry bins	3	200	600
	Garbage can	1	50	50
Housekeeping	Wet vac	1	900	900
	Walk behind scrubber	1	2,800	2,800
	High speed buffer	2	938	1,876
	Low speed buffer	1	845	845
	Vacuum	6	190	1,140
	Air blower	4	200	800
	Carpet extractor	1	1,900	1,900
	Carpet sweeper	6	45	270
	Rubbermaid brute dollies	4	65	260
	Rubbermaid flatbeds	2	334	668
	Rubbermaid housekeeping carts	8	124	992
	Rubbermaid locking cabinets for carts	8	65	520
	Rubbermaid utility carts	6	127	762
	Bucket/Wringer combo	8	70	560
	Metal wire shelving 18x72	10	208	2,080
Storage Room	Shelving	20	193	3,860
Mechanical/Maintenance	Desk	1	350	350
	Chairs	2	200	400
	Metal shelving	8	208	1,664
	Ladders	1	500	500
	Tool carts		500	500
	Snow blower	1	600	600
	Tool racks	1	500	500

Receiving Office	Desk	1	450	450
	Chair	1	200	200
	Computer	1	1,500	1,500
	File cabinets	2	200	400
Kitchen office	Desk	2	450	900
	Chairs	2	200	400
	File cabinets	3	200	600
FIRST FLOOR				
NURSING UNIT				
Patient Rooms	Electric beds	40	1,000	40,000
24 Room-40 Patients	Overbed tables	40	85	3,400
	Pressure mattress	40	219	8,760
	Wardrobe Unit/dresser/nightstand	40	1,100	44,000
	Guest chair	40	350	14,000
	Bed side table	40	200	8,000
	Cubical Curtain/track	32	300	9,600
	26" flat screen tv	40	400	16,000
	Nurse Station	Chairs	4	200
Crash cart		1		800
Chart carts		2	1,500	3,000
Computer system		2	1,500	3,000
Medication Room	Undercounter refig	1	800	800
	Countertop Refig	1	200	200
	Medication Carts	1		800
Bathing Spas	Therapy Tub	2	12,000	24,000
	Shower chairs	4	146	584
	Soiled linen hampers	2	179	358
Nurses Lounge	Table	1	300	300
	Chairs	4	175	700
	Bulletin board	1	136	136
Solid Utility				
Clean Utility				
Offices	Desk	1	450	450
	Chair	1	200	200
	File Cabinet	2	200	400
	Computer	1	1,500	1,500
Exam Room	Exam Table	1	1,455	1,455
	Chair	1	125	125
Dining Room	Table	14	500	7,000
	Chairs	40	350	14,000

Living Room	Lounge chairs	6	500	3,000
	Wall mounted tv 46"	1	1,000	1,000
	Sofa	2	1,750	3,500
	End tables	2	225	450
Nurishment/café	Undercounter refrig.	1	800	800
	Countertop ice makers	1	3,010	3,010
	Coffee brewer	1	384	384
	Microwave	1	150	150
Misc. Equipment	Recessed patient scale	1	1,900	1,900
	Lifts-total	2	1,000	2,000
FIRST FLOOR				
ADMINISTRATION, ACTIVITY and TREATMENT				
Offices (7)	Desk	7	1,200	8,400
	Chair	7	350	2,450
	Computer/printer	7	1,500	10,500
	File Cabinets	14	200	2,800
	Guest chairs	14	250	3,500
	Credenza	3	1,250	3,750
	Administrator	Desk	1	2,500
	Chair	1	350	350
	Computer/printer	1	2,000	2,000
	File cabinets	3	250	750
	Guest chairs	2	250	500
	Credenza	1	1,500	1,500
Beauty Shop	Washing chair	2	550	1,100
	Cutting chair	4	750	3,000
	Hair drying chair & dryer	2	650	1,300
	Waiting room chairs	2	250	500
Ice cream parlor	Table	5	500	2,500
	Chair	10	350	3,500
	Undercounter refrig.	1	800	800
	Undercounter ice maker	1	1,200	1,200
Multi-Purpose Activity Room	Tables	10	400	4,000
	Chairs	60	250	15,000
	Wall mounted tv 55"	1	2,000	2,000
Private Dining Room	Table	3	500	1,500
	Chairs	14	250	3,500
Arts & Crafts	Tables	4	450	1,800
	Chairs	16	250	4,000
Reception & Lobby	Desk chair	1	400	400
	Computer/printer/fax	1	1,500	1,500
	lounge chair	6	600	3,600
	End tables	3	250	750
	Accent tables	1	800	800
	Coffee table	1	500	500

SECOND FLOOR
NURSING UNIT

Patient Rooms 34 Room-56 Patients	Electric bed	56	1,000	56,000
	Overbed tables	20	85	1,700
	Pressure mattresses	56	219	12,264
	Wardrobe Unit/dresser/nightstand	56	1,100	61,600
	Guest chair	56	350	19,600
	Bedside table	56	200	11,200
	Cubical curtain/rack	56	300	16,800
	26" flat screen tv	56	400	22,400
Nurse Station	Chairs	4	200	800
	Crash cart	1		
	Chart carts	2	1,500	3,000
	Computer system	2	1,500	3,000
Medication Room	Undercounter refridg	1	800	800
	Countertop refrig	1	200	200
Bathing Spas	Therapy tub	2	12,000	24,000
	Shower chairs	4	146	584
	Soiled linen hampers	2	179	358
Nurses Lounge	Table	1	300	300
	Chairs	4	175	700
	Bulletin board	1	136	136
Soiled utility				
Clean utility				
Offices	Desk	1	1,200	1,200
	Chair	1	200	200
	File cabinet	2	200	400
	Computer	1	1,500	1,500
Exam room	Exam table	1	1,455	1,455
	Chair	1	125	125
Dining Room	Table	16	500	8,000
	Chairs	40	350	14,000
Living Room	Lounge chairs	6	500	3,000
	Wall mounted tv 46"	1	1,000	1,000
	Sofa	2	1,750	3,500
	End tables	4	225	900
Nourishment Café	Undercounter refrig.	1	800	800
	Countertop ice makers	1	3,010	3,010
	Coffee brewer	1	384	384
	Microwave	1	150	150
Misc. Equipment	Recessed patient scale	1	1,900	1,900

SECOND FLOOR
ACTIVITY & TREATMENT

PT/OT	Hi-lo mat tables	2	3,370	6,740	
	Crank hydraulic-power mat(4x6)	1	1,482	1,482	
	Stairs	1	519	519	
	Weight rack with mirror	2	1,038	2,076	
	Hustep	2	4,534	9,068	
	Treadmill	2	4,061	8,122	
	Hydro collator	1	938	938	
	Upper body bike	2	691	1,382	
	OT treatment table	2	311	622	
	Electric parallel bars	1	4,578	4,578	
	Standing frame	1	2,100	2,100	
	Tilt table	1	2,724	2,724	
	Fluidtherapt	1	4,990	4,990	
	Paraffin bath	1	128	128	
	Mobile mirror	1	549	549	
	Mobile tx stool	8	129	1,032	
	Cold pak freezer	1	1,195	1,195	
	Hand evaluation kit	1	479	479	
	18" therapy ball	1	22	22	
	22" therapy ball	1	22	22	
	Flaghouse shoulder ladder	1	109	109	
	Utility poly cart	1	172	172	
	Set of dumbbells	1	239	239	
	Triplex pully weight	1	935	935	
	Underweighting system gt stander	1	6,975	6,975	
	OL ADL equipment	20	75	1,500	
	Speech material equip	1	1,000	1,000	
	Splinting equipment	1	500	500	
	Library	Lounge chairs	4	700	2,800
		Game table	1	350	350
Chairs		4	400	1,600	
Table lamps		2	125	250	
End tables		4	250	1,000	
Computer/printer		1	1,500	1,500	
Office	Desk	2	550	1,100	
	Chair	2	250	500	
	Guest chair	2	175	350	
	File cabinet	2	700	1,400	
	Credenza	1	750	750	
	Computer/printer	1	1,500	1,500	
Classroom	Table	1	800	800	
	Chairs	8	125	1,000	
	Wall mounted tv 42"	1	700	700	
	Computer/printer	1	1,500	1,500	
Activity Room	Tables	3	400	1,200	
	Chairs	12	200	2,400	
Dialysis	Recliner chairs	8	600	4,800	
	Tv's and swing arms	8	600	4,800	
	Cubical curtains	8	250	2,000	

Living Room	Lounge chairs	6	500	3,000	
	Wall mounted tv 55"	1	1,800	1,800	
	Sofa	2	1,750	3,500	
	End tables	4	225	900	
Nourishment/café	Undercounter refridg	1	800	800	
	Countertop ice makers	1	3,010	3,010	
	Coffee brewer	1	384	384	
	Microwave	1	150	150	
Misc. Equipment	Recessed patient scale	1	1,900	1,900	
MISC EQUIPMENT AND SYSTEMS	Bed assist bars	40	75	3,000	
	Shower chairs-wide/heavy	6	186	1,116	
	Shower gurney	3	703	2,109	
	32 gal garbage cans	6	98	588	
	Telephone system	1	50,000	50,000	
	Computer system/server/wireless	1	30,000	30,000	
	Camera System	1	30,000	30,000	
	Nurses Call System	1	85,000	85,000	
	Phone/TV Cabling	1	60,000	60,000	
	Low Voltage, access control	1	30,000	30,000	
	Lockers	1	10,000	10,000	
	Interior signs	1	20,000	20,000	
	Hampers-floor	16	226	3,616	
	Personnel clothing deliver racks	6	339	2,034	
	Outdoor Patio	Tables	8	450	3,600
		Chairs	32	175	5,600
Benches		6	350	2,100	
FURNITURE, WAREHOUSING, UNCRATING, DELIVERY & SETUP		1	30,000	30,000	
			TOTAL	1,400,252	

Public reporting burden for this collection of information is estimated to average 1.25 hours. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation which must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties.

Warning: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

Project Name:		<u>Meadowbrook Manor of Geneva</u>		
Project Number:		<u>071-43247</u>		
Program Type:		<u>232</u>		
A. Requested Loan Amount				
				\$15,600,000
B. Original Principal Amount				
				\$0
C. Amount Based on Replacement Cost				
a. Replacement Cost in Fee Simple	\$23,227,996	x	80%	\$18,582,397
b (1) Optional Purchase Price from 92070M	\$0			
(2) Grant/Loan funds attributable to R C items	\$0			
(3) Excess Unusual Land Improvement	\$0			
(4) Total lines (1) to (3)	\$0	x	80%	\$0
c. Unpaid Balance of Special Assessment				\$0
d. Total line b plus line c				\$0
e. Line a minus line d				\$18,582,300
D. Amount Based on Required Loan to Value				
a. Value in Fee Simple	\$22,400,000	x	80%	\$17,920,000
b. Optional Purchase Price from 92070M	\$0	x	0%	\$0
c. Unpaid Balance of Special Assessment				\$0
d. 90% of As-is Value (for 241(a) only)				\$0
e. Total line b plus line c (lines b through d for 241(a))				\$0
f. Line a minus line e				\$17,920,000
E. Amount Based on Required Debt Service Coverage				
a. Mortgage Interest Rate			4.25%	
b. Mortgage Insurance Premium Rate			0.57%	
c. Initial Curtail Rate				
d. Sum of Above Rates	Loan term (years)	40	0.9534424%	\$ 7734424%
e. Net Operating Income	\$2,458,882	+	1.45	\$1,695,781
f. Annual Ground Rent + Annual Special Assessment	\$0	+	\$0	\$0
g. Line e minus line f		+		\$1,695,781
h. Line g divided by line d				\$29,372,090
i. Annual Tax Abatement Savings	\$0	+	0.00	#DIV/0!
j. Line h plus line i		+		\$29,372,000
F. Amount Based on Estimated Cost of Rehabilitation Plus				
(i) "as is" Value, or (ii) acquisition cost,				
or (iii) existing mortgage indebtedness against the property before rehabilitation:				
a. Total Estimated Development Cost				\$0
b. Estimated Cost of Off-Site Construction				\$0
c. Sum of lines a & b				\$0
d. Grant/Loan funds attributable to R C items				\$0
e. Line c minus line d				\$0
f. "As Is" Value of Prop Before Rehab.	\$0	x	90%	\$0
g. Existing Mortgage Indebtedness (Property Owned) or Purchase Price of Property (to be Acquired)	\$0	x	90%	\$0
h. Line e plus line f or line g, whichever is less				\$0
i. Line h		x	100%	\$0

G. Amount Based on Borrower's Total Cost of Acquisition Section 223(f)		
a. HUD Eligible Costs	\$0	
b. Enter the Sum of any Grant/Loan and Reserves for Replacement and Major Movable Equipment to be Purchased as an asset of the project		
c. Line a minus line b	\$0	
d. Line c	x 0 %	\$0
H. Amount Based on the Cost to Refinance		
a. HUD Eligible Costs	\$0	
b. Enter the Sum of any Grant/Loan and Reserves for Replacement and Major Movable Equipment on Deposit		
c. Line a minus line b		\$0
I. Amount Based on Total Indebtedness		
a. As-Proposed Value	\$0	
b. Loan-to-Value Percentage	90%	
c. Line a times line b	\$0	
d. Total of All Outstanding Indebtedness Relating to Property	\$0	
e. Line c minus line d		\$0
J. Amount based on Percentage of the Operating Loss		\$0
K. Amount based on 100% of the Cost of Fire Safety Equipment		\$0
L. Amount Based on Deduction of Grant(s), Loan(s), LIHTCs and Gift(s) for mortgageable items		
a. 100% Project (Replacement) Cost	\$23,227,996	
b. (1) Grants/Loans/Gifts	\$0	
(2) Tax Credits	\$0	
(3) Optional Purchase Price from 92070M	\$0	
(4) Excess Unusual Land Improvement Cost	\$0	
(5) Unpaid Balance of Special Assessment	\$0	
(6) Sum of Lines (1) through (5)	\$0	
c. Line a. minus line b. (6)		\$23,227,996
Maximum Insurable Loan (Lowest of Foregoing Criteria)		\$1560000

Notes:

Estimated Liquidated Damages--Construction Contract 2652 per day
 Incentive Percentage--Construction Contract (if applicable) 0
 Estimated Soft Costs--Construction Period \$1,095,515

Lender's Underwriter Signature	Date: 1/25/2016
Office of Healthcare Programs Signature	Date: 2/8/16

Sources and Uses

Pursuant to New Construction, Substantial
Rehabilitation, Blended Rate and Section 231(a)

Project Name: Meadowbrook Manor of Geneva
Project Number: 071-43247
Program Type: 232

SOURCES	HUD Insured Loan	\$15,600,000.00
	Cash/Letter of Credit	\$8,040,923.25
	Existing Reserve for Replacement Deposit	\$0.00
	Grants/Other Loans (Describe)	\$0.00
	Other (Describe)	\$1,087,602.00
	TOTAL	\$24,728,525.25

USES

HUD ELIGIBLE COSTS		
	Existing Indebtedness	\$0.00
	Repairs	\$0.00
	Initial Deposit to the Reserve for Replacement	\$0.00
	Land Purchase	\$0.00
	Land Improvements	\$1,459,000.00
	Structures	\$14,393,939.00
	General Requirements	\$777,233.00
	Builder's Overhead	\$332,603.00
	Builder's Profit	\$1,087,602.00
	Architect Fees (Design)	\$797,479.00
	Architect Fees (Supervisory)	\$147,760.00
	Bond Premium	\$181,693.00
	Interest	\$524,875.00
	Taxes	\$70,000.00
	Insurance	\$20,000.00
	Appraisal (incl update)	\$45,000.00
	Market Study	\$0.00
	Phase I ESA / HUD 4128	\$5,000.00
	A&E / Cost Reviews	\$20,000.00
	Financing/Placement Fee/Lender Legal	\$143,000.00
	Borrower Legal	\$50,000.00
	Title and Recording	\$35,000.00
	Borrower's Cost Certification Audit Fee	\$9,920.00
	Major Movable Equipment	\$1,400,252.00
	Marketing	\$100,000.00
	Pre-Opening Management Fees	\$0.00
	HUD Inspection Fee	\$78,000.00
	HUD Initial MIP	\$177,840.00
	HUD Application Fee	\$46,800.00
	Soil Test	\$4,000.00
	Survey	\$10,000.00
	Permits	\$90,000.00
	Traffic Study	\$1,000.00
	Sewer Permit	\$10,000.00
	Contractor's Other Fee	\$10,000.00
	TOTAL HUD ELIGIBLE COSTS	\$22,027,996.00

NON-ELIGIBLE COSTS

	Initial Operating Deficit Escrow	\$1,857,000.00
	Working Capital Escrow	\$312,000.00
	Special Escrow - Minor Moveable Equipment	\$50,000.00
	Special Escrow - Demolition	\$0.00
	Special Escrow - Off-site Construction	\$0.00
	Special Escrow - Short-Term Debt Service Reserve	\$450,328.50
	Supervisory Architect Fee	\$31,200.75
	Other (Describe)	\$0.00
	Other (Describe)	\$0.00
	TOTAL ADDITIONAL COSTS	\$2,700,529.25

TOTAL COSTS \$24,728,525.25

Replacement Cost minus HUD Eligible Costs \$0.00

Maximum Insurable
Loan Calculation
Section 232

U.S. Department of Housing
and Urban Development
Office of Residential
Care Facilities

OMB Approval No. 2502-0605
(exp. 06/30/2017)

Schedule of Other Fees to be paid by Borrower

Pursuant to New Construction, Substantial
Rehabilitation, Blended Rate and Section 241(a)

Line	Description	Amount
A	Survey--Land and Final "as-built"	\$10,000.00
B	Building Permits	\$90,000.00
C	Soils Report	\$4,000.00
D	Traffic Study	\$1,000.00
E	Impact Fees	\$0.00
F	Hook-up Fees	\$0.00
G	Sewer Permit	\$10,000.00
H	Appraisal	\$45,000.00
I	Architectural Review/Cost Report	\$20,000.00
J	Phase I ESA	\$5,000.00
Total		\$185,000.00

Schedule of Other Fees included in Construction Contract

Line	Description	Amount
A	Survey	\$0.00
B	Cost Certification	\$10,000.00
C	Municipal Inspections	\$0.00
D	Special Engineering Tests/Fees	\$0.00
E	Special Taxes	\$0.00
F	Permits	\$0.00
G		\$0.00
H		\$0.00
I		\$0.00
J		\$0.00
Total		\$10,000.00

Information Concerning Land or Property	
Pursuant to New Construction, Substantial Rehabilitation, Blended Rate and Section 241(a)	
Last Arms-Length Transaction	
Buyer	MMG Partners LP
Seller	Patrick and Deborah White
Date Acquired	04/01/96
Purchase Price	\$1,210,000
Additional Cost	\$0.00
Annual Ground Rent	\$0.00
Total Cost	\$1,210,000.00
<i>Note: If this is an allocation of a purchase of a larger site or a combination of multiple sites provide detail (including basis of allocation) below.</i>	
Special Assessments	
Prepayable, Non-Prepayable or N/A	
Principal Balance	\$0.00
Annual Payment	\$0.00
Remaining Term	
Value of Land and Cost Certification	
Fair Market Value of land fully improved	\$0.00
Deduct unusual land improvements	\$0.00
Equals warranted price of land fully improved	\$0.00
For Cost Certification Purposes:	
Demolition	\$0.00
Off-site Cost	\$0.00
Estimate of "as is" by subtraction from improved value	\$0.00
Estimate of "as is" by comparison (from appraisal)	\$0.00
"As is" based on acquisition cost (include legal, title, etc.)	\$0.00
Estimate of value of land "as is" for cost certification purposes	\$0.00

Estimated Replacement Cost

Pursuant to New Construction, Substantial
Rehabilitation, Blended Rate and Section 241(a)

Unusual Land Improvements	\$0.00
Other Land Improvements	\$1,459,000.00
Total Land Improvements	\$1,459,000.00
Main Building	\$14,393,939.00
Other Structures (identify)	\$0.00
Other Structures (identify)	\$0.00
Total Structures	\$14,393,939.00
General Requirements	\$777,233.00
General Contractor General Overhead	\$332,603.00
General Contractor Profit	\$1,087,602.00
Architect Design Fee	\$797,479.00
Architect Supervisory Fee	\$147,760.00
Bond Premium	\$181,693.00
Borrower Other Fees	\$185,000.00
General Contractor Other Fees	\$10,000.00
Total Other Fees	\$195,000.00
Total For All Improvements	\$19,372,309.00
<i>Note: Estimated Construction Time (months)</i>	<i>17</i>
<i>Note: Estimated Interest Time (months)</i>	<i>19</i>
<i>Note: Estimated Interest Rate (percent)</i>	<i>4.25</i>
Interest	\$524,875.00
Taxes	\$70,000.00
Insurance	\$20,000.00
HUD Mortgage Insurance Premium	\$177,840.00
HUD Application Fee	\$46,800.00
HUD Inspection Fee	\$78,000.00
Initial Financing Fee	\$143,000.00
Non-profit Developer's Fee (includes consultant)	\$0.00
Permanent Placement Fee	\$0.00
Title and Recording	\$35,000.00
Total Carrying Charges and Financing	\$1,095,515.00

Maximum Insurable
Loan Calculation, by Program
Section 232

U.S. Department of Housing
and Urban Development
Office of Residential
Care Facilities

OMB Approval No. 2502-0605
(exp. 06/30/2017)

Legal	\$50,000.00
Organizational	\$0.00
Borrower's Cost Certification Audit Fee	\$9,920.00
Total Legal, Organizational, Audit	\$59,920.00
Major Movable Equipment	\$1,400,252.00
Marketing	\$100,000.00
Contingency	\$0.00
Relocation	\$0.00
Initial Deposit	\$0.00
Other (Describe)	\$0.00
Total Estimated Development Cost	\$22,027,996.00
Warranted Price of Land	\$1,200,000.00
Offsite Costs (Rehab only)	\$0.00
Total Estimated Replacement Cost	\$23,227,996.00

**Contractor's and/or Mortgagor's
Cost Breakdown
Schedules of Values**

U.S. Department of Housing and
Urban Development
Office of Housing
Federal Housing Commissioner

OMB No 2502-0044 (exp 09/30/2014)

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Section 227 of the National Housing Act (Section 126 of the Housing Act of 1954, Public Law 560, 12 U.S.C., 1715f), authorizes the collection of this information. The information is required for a general contractor when an identity of interest exists between the general contractor and the mortgagor or when the mortgagor is a non-profit entity and a cost plus contract has been used. The information is used by HUD to facilitate the advances of mortgage proceeds and their monitoring.

Privacy Act Notice: The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq. and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Date	Sponsor
February 4, 2015	MMG Partners LP
Project No	Building Identification
071-43247	
Name of Project	Location
Meadowbrook Manor of Geneva	37W220 Keslinger Rd, IL 60134

This form represents the Contractor's and/or Mortgagor's firm costs and services as a basis for disbursing dollar amounts when insured advances are requested. Detailed instructions for completing this form are included on the reverse side.

Line	Div.	Trade Item	Cost	Trade Description
1	3	Concrete	\$ 1,575,000.00	Foundation Slabs Interior
2	4	Masonry	\$ 1,300,000.00	Brick, Stone Walls
3	5	Metals	\$ 1,475,000.00	Steel Structure, Stairs, Railings
4	6	Rough Carpentry	\$ 575,000.00	Framing, Trusses, Walls
5	6	Finish Carpentry	\$ 200,000.00	Trim, Door Install, Cabinet Installs
6	7	Waterproofing	\$ 45,000.00	Foundation Waterproofing, Caulking
7	7	Insulation	\$ 290,340.00	Exterior Walls, Fireproofing
8	7	Roofing	\$ 300,000.00	Flat Roof, Tile Roof
9	7	Sheet Metal	\$ 75,000.00	Gutters, Down Spouts, Fascia
10	8	Doors	\$ 335,000.00	HM Doors, Frames, Hardware
11	8	Windows	\$ 300,000.00	Exterior Windows
12	8	Glass	\$ 10,000.00	Tempered Glass
13	9	Lath and Plaster	\$ 5,475.00	Plaster
14	9	Drywall	\$ 1,127,153.00	Studs, Drywall, Metal Framing
15	9	Tile Work	\$ 90,552.00	Ceramic
16	9	Acoustical	\$ 175,000.00	Acoustical Grid and Tiles
17	9	Wood Flooring	\$ -	N/A
18	9	Resilient Flooring	\$ 128,971.00	VCT, Sheet Vinyl
19	9	Painting and Decorating	\$ 230,000.00	Paint, Stain, Wall Coverings
20	10	Specialties	\$ 63,307.00	Toilet Accessories, Wall Protection, Louvers
21	11	Special Equipment	\$ 160,000.00	Kitchen Equipment
22	11	Cabinets	\$ 325,000.00	Casework, Counter tops
23	11	Appliances	\$ -	
24	12	Blinds and Shades, Artwork	\$ 27,500.00	Curtain Track, Curtains, Lockers, Entrance Mat
25	12	Carpets	\$ 135,509.00	Carpet, Floor Prep
26	13	Special Construction	\$ 285,000.00	Fire Places, Fire Sprinkler System, Knox Box
27	14	Elevators	\$ 475,000.00	Elevators, Equipment
28	15	Plumbing and Hot Water	\$ 1,277,132.00	Fixtures, Piping, Domestic HW
29	15	Heat and Ventilation	\$ 1,750,000.00	Boiler, Chiller, Piping
30	15	Air Conditioning	\$ -	Included in Line 29
31	16	Electrical	\$ 1,650,000.00	Electrical, Fire Alarm, Generator
32		Subtotal (Structures)	\$ 14,393,939.00	
33		Accessory Structures	\$ -	
34		Total (Lines 32 and 33)	\$ 14,393,939.00	

Line	Div	Trade Item	Cost	Trade Description			
35	2	Earth Work	\$ 250,000.00	Excavation, Backfill Building			
36	2	Site Utilities	\$ 425,000.00	Sewer Water			
37	2	Roads and Walks	\$ 550,000.00	Subgrade Excavate Grade Concrete Walks paving			
38	2	Site Improvements	\$ 80,000.00	Site amenities, Sheet piling, Retaining walls, Chiller Enclosure			
39	2	Lawns and Planting	\$ 146,000.00	Landscaping			
40	2	Unusual Site Condition	\$ -	Nonresidential and Special Exterior Land Improvement		Offsite Costs	
41		Total Land Improvements	\$ 1,459,000.00	(costs included in trade item breakdown)		(costs not included in trade item breakdown)	
42		Total Struct. & Land Imprvts	\$ 15,852,939.00	Description	Est. Cost	Description	Est. Cost
43	1	General Requirements	\$ 777,233.00		\$ -		\$ -
44		Subtotal (Lines 42 and 43)	\$ 10,630,172.00		\$ -		\$ -
45		Builder's Overhead	\$ 332,603.00		\$ -		\$ -
46		Builder's Profit	\$ 1,087,602.00	Total	0		\$ -
47		Subtotal (Lines 44 thru 46)	\$ 18,050,377.00	Other Fees		Total	0
48			\$ -	Audit	\$ 10,000.00	Demolition	
49		Other Fees, Contractors Audit	\$ 10,000.00		\$ -	(costs not included in trade item breakdown)	
50		Bond Premium	\$ 181,693.00		\$ -	Description	Est. Cost
51		Total for All Improvements	\$ 18,242,070.00		\$ -		\$ -
52		Builder's Profit Paid by Means Other Than Cash	\$ 1,087,602.00		\$ -		\$ -
53		Total for All Improvements	\$ 19,329,672.00		\$ -		\$ -
		Less Line 52	\$ 17,154,468.00	Total	\$ 10,000.00	Total	0

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Mortgagor	By	Date
MMG Partners LP		5/19/15
Contractor	By	Date
Chesapeake Bay Construction LLC		5/19/15
FHA (Processing Analyst)	Date	FHA (Chief, Cost Branch or Cost Analyst)
FHA (Chief Underwriter)		Date
		2/8/16

Instructions for Completing Form HUD-2320

This form is prepared by the contractor and/or mortgagor as a requirement for the issuance of a firm commitment. The firm replacement cost of the project also serves as a basis for the disbursement of dollar amounts when insured advances are requested. A detailed breakdown of trade items is provided along with spaces to enter dollar amounts and trade descriptions. A separate form is prepared through line 32 for each structure type. A summation of these structure costs are entered on line 32 of a master form. Land improvements, General Requirements and Fees are completed through line 53 on the master 2320 only.

Date—Date form was prepared

Sponsor—Name of sponsor or sponsoring organization

Project No.—Eight-digit assigned project number

Building Identification—Number(s) or Letter(s) of each building as designated on plans

Name of Project—Sponsors designated name of project

Location—Street address, city and state

Division—Division numbers and trade items have been developed from the cost accounting section of the uniform system

Accessory Structures—This item reflects structures, such as: community, storage, maintenance, mechanical, laundry and project office buildings. Also included are garages and carports or other buildings. When the amount shown on line 33 is \$20,000.00 or 2% of line 32 whichever is the lesser, a separate form HUD-2320 will be prepared through line 32 for Accessory Structures.

Unusual Site Conditions—This trade item reflects rock excavation, high water table, excessive cut and fill, retaining walls, erosion, poor drainage and other on-site conditions considered unusual.

Cost—Enter the cost being submitted by the Contractor or bids submitted by a qualified subcontractor for each trade item. These costs will include, as a minimum, prevailing wage rates as determined by the Secretary of Labor.

Trade Description—Enter a brief description of the work included in each trade item.

Other Fees—Includable are fees to be paid by the Contractor, such as sewer tap fees not included in the plumbing contract. Fees paid or to be paid by the Mortgagor are not to be included on this form.

Total For All Improvements—This is the sum of lines 1 through 50 and is to include the total builder's profit (line 46).

Line 5:—When applicable, enter that portion of the builder's profit (line 46) to be paid by means other than cash and/or any part of the builder's profit to be waived during construction.

Non-Residential and Special Exterior Land Improvement Costs—Describe and enter the cost of each improvement, i.e. on-site parking facilities including individual garages and carports, commercial facilities, swimming pools with related facilities and on-site features provided to enhance the environment and livability of the project and the neighborhood. The Design Representative and Cost Analyst shall collaborate with the mortgagor or his representative in designating the items to be included.

Off-Site Costs—Enter description and dollar amount including fees and bond premium for off-site improvements.

Demolition—Enter description and dollar amount of demolition work necessary to condition site for building improvements including the removal of existing structures, foundations, utilities, etc.

Other Fees—Enter a brief description of item involved and cost estimate for each item.

Signatures—Enter the firm name, signature of authorized officer of the contractor and/or mortgagor and date the form was completed.

General Requirements Breakdown

Meadowbrook Manor of Geneva

FHA #071-43247

Project Supervisor (Salaries = Benefits)	234,000
Project Engineer (Salaries = Benefits)	101,400
Field Superintendent (Salaries/Benefits)	97,500
Scheduling	5,000
Temp. Office	5,400
Trailer Setup	1,263
Office Utilities	2,520
Office Supplies	1,800
Drinking Water	900
Telephone/Internet	4,500
Copy Machine	900
Fax Machine	900
Travel & Misc. Expense	7,800
Site Survey/Layout	45,000
Photo's	3,600
Project Sign	3,000
Testing and Q.C.	35,000
Printing/Reproduction	4,500
Storage Facilities	10,800
Temp. Enclosures	5,000
Heating Equip & Fuel	5,000
Temp. Elect. Installation	5,000
Temp Elect/Gas Cnsmption	18,000
Site Dewatering	10,000
Snow Removal	10,000
Temp. Toilets	2,700
Safety and First Aid	900
Handrails & Ladders	22,000
Fencing and Barricades	20,000
Security	35,250
Cleanup, General	18,000
Cleanup, Final	10,000
Dumpsters	35,000
Small tools and Equip.	5,000
Truck/Auto Usage	9,600
Total	777,233

Description	Period One		Period Two		Period Three		Period Four		Period Five		Period Six		Period Seven		Period Eight		Period Nine		Period Ten		Period Eleven		Period Twelve		Period Thirteen		Period Fourteen					
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual				
Total Occupied Units	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0				
Total Resident Days	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0	775	0				
ROI	79,284	0	158,567	0	317,135	0	475,702	0	713,554	0	1,070,331	0	1,605,496	0	2,408,244	0	3,612,366	0	5,418,549	0	8,127,823	0	12,191,734	0	18,287,601	0	27,431,401	0	41,644,201	0		
E.g. General & Administrative	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0	-79,514	0
E.g. Payroll Taxes and Benefits	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0	-50,606	0
E.g. Resident Care	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0	-143,883	0
E.g. Food Services	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0	-17,506	0
E.g. Activities	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0	-6,145	0
E.g. Housekeeping & Laundry	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0	-2,616	0
E.g. Maintenance	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0	-4,817	0
E.g. Utilities	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0	-6,832	0
E.g. Real Debt	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0	-489	0
Ground Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Marketing and Promotion	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0	-14,115	0
Insurance (property & liability)	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0	-50,886	0
Real Estate (Property) Taxes	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0	-10	0
Management Fees	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0	-13,997	0
Management Reserves	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0	-8,750	0
Total Expenses	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0	-430,447	0
ROI	-55,350	0	-111,700	0	-223,400	0	-335,100	0	-446,800	0	-558,500	0	-670,200	0	-781,900	0	-893,600	0	-1,005,300	0	-1,117,000	0	-1,228,700	0	-1,340,400	0	-1,452,100	0	-1,563,800	0	-1,675,500	0
Net Operating Income	34,837	0	68,674	0	137,348	0	274,696	0	549,392	0	1,098,784	0	2,197,568	0	4,395,136	0	8,790,272	0	17,580,544	0	35,161,088	0	70,322,176	0	140,644,352	0	281,288,704	0	562,577,408	0	1,125,154,816	0
Income/Loss per Period	-11,812	0	-23,624	0	-47,248	0	-94,496	0	-188,992	0	-377,984	0	-755,968	0	-1,511,936	0	-3,023,872	0	-6,047,744	0	-12,095,488	0	-24,190,976	0	-48,381,952	0	-96,763,904	0	-193,527,808	0	-387,055,616	0
Cumulative Income/Loss	-11,812	0	-23,624	0	-71,248	0	-165,744	0	-354,736	0	-732,720	0	-1,511,688	0	-3,023,376	0	-6,046,752	0	-12,093,504	0	-24,187,008	0	-48,374,016	0	-96,748,032	0	-193,496,064	0	-387,000,096	0	-774,000,192	0
Expense Ratio	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%	NA	0%
% of U/F Expense	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%	48.6%	0%
Occupancy	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%	5.2%	0%
Draw Amount Requested	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Dollar Difference from Scheduled Draws	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Amount Approved (entered by HUD)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Escrow Balance	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0
300 Day Requirement	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0	1,857,000	0

Draw Amount Requested
Dollar Difference from Scheduled Draws
Amount Approved (entered by HUD)
Escrow Balance

300 Day Requirement
\$1,857,000



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

March 21, 2016

Megan M. Town
Loan Administration Officer
Cambridge Realty Capital Ltd. of Illinois
125 S. Wacker Drive, Ste. 1800A, Chicago, IL 60606
Re: Firm Commitment Amendment #1
FHA No.: 071-43247
Project Name: Meadowbrook Manor of Geneva
Project Address: 37 W. 220 Keslinger Road, Geneva, IL 60134
Mortgagor: MMG Partners, L.P.

Dear Mr. Ash:

The U.S. Department of Housing and Urban Development has reviewed your request for an Amendment to the Firm Commitment issued on [Click here to enter a date.](#), for the above-referenced property. For all the numbers checked below, this Firm Commitment is hereby amended as follows:

- 1. The Choose an item. name is Click here to enter text.
- 2. The Choose an item. address is Click here to enter text.
- 3. The Mortgagee has agreed to make a loan to the Mortgagor in an amount not exceeding the sum of \$Mortgage Amount.
- 4. The Mortgage shall bear interest at the rate of Interest Rate% per annum payable on the first day of each month on the outstanding balance of principal.
- 5. The Mortgage shall be payable on a level annuity basis by monthly payments of principal and interest in the amount of \$Monthly P&I Payment.
- 6. The maturity and final payment date shall be # years and # month(s) following the due date of the first payment to principal.
- 7. This Commitment shall terminate on June 7, 2016.
- 8. There shall be an Choose an item. deposit in the amount of not less than \$Click here to enter text. made to the Reserve Fund for Replacements.
- 9. For 223(a)(7)s: Special Condition Choose an item.: A total escrow deposit in the amount of \$Total Escrow (\$Cost of Non-Critical Repairs for repairs plus \$Owner's Contribution or Choose an item. % owner contribution) shall be created for the completion of all non-critical repairs identified on Exhibit B.

For 223(f)s: The Secretary estimates that these critical repairs will cost \$Critical

Repair Cost. Non-critical repairs and owner-elective repairs, if any, must be completed within 12 months of Endorsement. The Secretary estimates that these repairs will cost **\$Non-Critical Repair Cost.** An escrow of 120% of this amount must be established prior to Endorsement.

- 10. **Special Condition** Choose an item.: Special condition Choose an item. is deleted.
- 11. **Special Condition** Choose an item.: The lease payment must be at least **\$Monthly Lease Payment** per month.
- 12. **Exhibit** Choose an item.: The attached Exhibit Choose an item. replaces the original Exhibit Choose an item..
- 13. Click here to enter additional amendments as needed.

This amendment supersedes all prior amendments. All other terms and agreements set forth in the Firm Commitment issued on the date set forth above remain in effect.

If you have any questions or concerns, please do not hesitate to contact Spencer Ash at 314/418-5236.

Sincerely,



Spencer Ash
Authorized Agent
Office of Residential Care Facilities



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

May 23, 2016

Megan M. Town
Loan Administration Officer
Cambridge Realty Capital Ltd. of Illinois
125 S. Wacker Drive, Ste. 1800A, Chicago, IL 60606
Re: Firm Commitment Amendment #2
FHA No.: 071-43247
Project Name: Meadowbrook Manor of Geneva
Project Address: 37 W. 220 Keslinger Road, Geneva, IL 60134
Mortgagor: MMG Partners, L.P.

Dear Choose an item. Addressee's Last Name:

The U.S. Department of Housing and Urban Development has reviewed your request for an Amendment to the Firm Commitment issued on [Click here to enter a date.](#), for the above-referenced property. For all the numbers checked below, this Firm Commitment is hereby amended as follows:

- 1. The Choose an item. name is Click here to enter text.
- 2. The Choose an item. address is Click here to enter text.
- 3. The Mortgagee has agreed to make a loan to the Mortgagor in an amount not exceeding the sum of \$Mortgage Amount.
- 4. The Mortgage shall bear interest at the rate of Interest Rate % per annum payable on the first day of each month on the outstanding balance of principal.
- 5. The Mortgage shall be payable on a level annuity basis by monthly payments of principal and interest in the amount of \$Monthly P&I Payment.
- 6. The maturity and final payment date shall be # years and # month(s) following the due date of the first payment to principal.
- 7. This Commitment shall terminate on August 6, 2016.
- 8. There shall be an Choose an item. deposit in the amount of not less than \$Click here to enter text. made to the Reserve Fund for Replacements.
- 9. For 223(a)(7)s: Special Condition Choose an item.: A total escrow deposit in the amount of \$Total Escrow (\$Cost of Non-Critical Repairs for repairs plus \$Owner's Contribution or Choose an item. % owner contribution) shall be created for the completion of all non-critical repairs identified on Exhibit B.

For 223(f)s: The Secretary estimates that these critical repairs will cost \$Critical

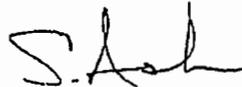
Repair Cost. Non-critical repairs and owner-elective repairs, if any, must be completed within 12 months of Endorsement. The Secretary estimates that these repairs will cost **\$Non-Critical Repair Cost.** An escrow of 120% of this amount must be established prior to Endorsement.

10. **Special Condition** Choose an item.: Special condition Choose an item. is deleted.
11. **Special Condition** Choose an item.: The lease payment must be at least **\$Monthly Lease Payment** per month.
12. **Exhibit** Choose an item.: The attached Exhibit Choose an item. replaces the original Exhibit Choose an item..
13. Click here to enter additional amendments as needed.

This amendment supersedes all prior amendments. All other terms and agreements set forth in the Firm Commitment issued on the date set forth above remain in effect.

If you have any questions or concerns, please do not hesitate to contact Spencer Ash.at Enter 314/418-5236.

Sincerely,



Choose an item.
Authorized Agent
Office of Residential Care Facilities

**Meadowbrook Manor Geneva
CON Project Timeline**

Date	Status
September 9, 2009	Permit approved
November 9, 2009	Site plan application filled with City of Geneva Plan Commission
March 11, 2010	City of Geneva Plan Commission reviews site plan application and recommended approval
June 7, 2010	Conditional approval of site plan from City of Geneva (approval conditioned on secondary emergency access via Delnor Community Hospital)
December 9, 2010	Request to renew the CON permit for 24 months submitted to CON Board Chair
December 14, 2010	24 month permit renewal approved by CON Board chair (January 31, 2013)
February 15, 2011	Construction contract executed/Project obligated
June 14, 2011	Delnor denied request for access easement through its property
June 28, 2011	Revised site plan with secondary emergency access to Keslinger Road submitted to Kane County Department of Transportation (KDOT)
July 11, 2011	HUD application submitted to Cambridge Realty Capital Companies
July 21, 2011	Mayor of Geneva notified of Delnor's denial an emergency access easement and KDOT variance requested
August 23, 2011	KDOT conditionally second access point to Keslinger Road
September 23, 2011	KDOT approval of final site plans
September 28, 2011	Revised site plan with secondary emergency access to Keslinger Road submitted to Plan Commission
October 3, 2011	City of Geneva approved site plan
October 1, 2012	Request to extend site plan approval
October 15, 2012	Site plan approval extended to October 3, 2013 (construction permit must be submitted by October 3, 2013)
December 17, 2012	Request to renew CON permit for 12 months submitted to CON Board Chair
February 5, 2013	CON Board approves 6 month permit renewal (July 31, 2013)
July 26, 2013	Request to renew CON permit for 18 months submitted to CON Board Chair
July 31, 2013	HUD Initial Commitment Letter received
September 24, 2013	CON Board approves 18 month permit renewal (January 31, 2015)
September 16, 2014	IDPH deems architectural drawings submission complete
	Site plan application resubmitted to the City of Geneva Plan Commission
September 24, 2014	City of Geneva Plan Commission reviews resubmitted site plan and provides first set of review comments
	Revised site plan submitted to City of Geneva Plan Commission
November 10, 2014	IDPH approves architectural drawings

November 12, 2014	City of Geneva Plan Commission provides second set of review comments
	Revised site plan submitted to City of Geneva Plan Commission
December 11, 2014	Request to renew CON permit for 18 months submitted to CON Board Chair
	City of Geneva Plan Commission requiring re-negotiation of Delnor access prior to placing site plan on agenda
February/March 2015	Revised site plan to considered by City of Geneva Plan Commission without Delnor's access
June 15, 2015	Submitted to Geneva for Site Plan Approval with Delnor Access
July 15, 2015	City of Geneva Reply's with Comments/Revisions and demands SSA and access agreement be formalized with Delnor prior to moving any further forward with Site Plan Approval Request
October-December 2015	Several reiterations of Access Agreement and SSA language with Delnor and Northwest Medicine in attempts to get to an agreement.
December 31, 2015	City of Geneva asks us to withdraw original submittal if we still cannot get access agreement done with Delnor.
January 29, 2016	Ask City to make last chance effort to get Delnor to table to wrap up agreements.
February 1, 2016	Meet with City of Geneva and Delnor at the City of Geneva to try to move SSA along.
March 29, 2016	Meadowbrook Manor and Delnor Hospital Execute Final SSA and Access Agreement to allow our site plan to proceed.
April 28, 2016	Plan Commission approves Site Plan.
May 9, 2016	City of Geneva Committee of the Whole approves Site Plan
May 16, 2016	City of Geneva City Council approves Site Plan
May 25, 2016	Submitted to City of Geneva for Building Permit

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

MEADOWBROOK MANOR - GENEVA

REQUEST FOR RENEWAL OF PROJECT PERMIT # 08-099

I, John Maze do hereby affirm and testify:

1. I am an authorized representative of the Permit Holders, MMG Partners, L.P. and Butterfield Healthcare III, LLC. I have personal knowledge of the facts stated herein.

2. Based on my personal knowledge of the on-going project to build a 150-bed general long-term care facility in Geneva, Illinois, I can attest that the project's cost and scope are in compliance with those approved by the Illinois Health Facilities and Services Review Board.

3. Additionally, I can also attest that there currently exists sufficient financial resources to complete the project.

FURTHER THE AFFIANT SAYETH NOT.

The undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.



John Maze

Subscribed and sworn before me

This 5th day of June, 2016



Notary Public

