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HEALTH FACILITIES &
SERVICES REVIEW BOARD

September 10, 2013

Anne M. Cooper
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Ms. Alexis Kendrick
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

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

Dear Ms. Kendrick:

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

1. Status of the Project

Construction on the Project has not commenced due to significant delays associated with obtaining a HUD commitment for the loan. The Permit Holders received a HUD commitment letter for the Project on July 31, 2013. By the end of September, the Permit Holders anticipate submitting completed plans to the Illinois Department of Public Health and an application for a Building Permit to the City of LaGrange. Construction, which is projected to take 24 months, is anticipated to begin in the Spring of 2014.

2. Costs Incurred to Date

To date the Permit Holders have incurred \$837,933 in project costs.

Project Costs Meadowbrook Manor – LaGrange (Proj. No. 11-021)		
	Approved	Expended
Preplanning Costs	\$438,800	\$13,065
Site Survey and Soil Investigation	\$35,000	\$6,420
Site Preparation	\$1,644,500	\$10,636
Off Site Work	\$75,000	\$0
New Construction Contracts	\$19,050,850	\$0
Modernization Contracts	\$789,400	\$0
Contingencies	\$1,744,920	\$0
A & E Fees	\$982,000	\$533,941
Consulting and Other Fees	\$450,225	\$273,931
Moveable or Other Equipment	\$1,410,000	\$0
Net Interest Expenses During Construction	\$1,173,730	\$0
Other Costs to be Capitalized	\$835,944	\$0
Estimated Total Project Cost	\$28,630,369	\$837,933

3. Sources of Funds

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

4. Application and Certification for Payment

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

5. Anticipated Completion Date

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

Ms. Alexis Kendrick
September 10, 2013
Page 3

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

Sincerely,

A handwritten signature in cursive script that reads "Anne M. Cooper".

Anne M. Cooper

AMC:

cc: John Maze
Michael Constantino
Charles P. Sheets Esq.