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HEALTH FACILITIES &
SERVICES REVIEW BOARD

September 27, 2018

Via Federal Express

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

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

Dear Mr. Constantino:

Pursuant to Section 1130.770 of the Illinois Health Facilities and Services Review Board ("State Board") rules, I am writing on behalf of Butterfield Healthcare VII, LLC and MML Properties, LLC (the "Permit Holders") to notify the State Board of the completion of Project No. 11-021. On August 16, 2011, the State Board approved the permit for modernization of a 197 bed long term care facility located at 339 9th Street, LaGrange, Illinois. The permit provided for a project completion date of June 30, 2018. On April 11, 2018, the Facility received its license for 197 skilled nursing beds from the Illinois Department of Public Health.

For your review, the Permit Holder submits the following information as its final realized cost report for the Project:

1. Final Realized Project Costs

Project Costs & Sources of Funds		
	Approved	Actual
Preplanning Costs	\$438,800	\$0
Site Survey and Soil Investigation	\$35,000	\$0
Site Preparation	\$1,644,500	\$852,694
Off Site Work	\$75,000	\$0
New Construction Contracts	\$20,872,781	\$20,779,395
Modernization Contracts	\$789,400	\$0
Contingencies	\$1,927,113	\$0

Project Costs & Sources of Funds		
	Approved	Actual
Architectural/Engineering Fees	\$982,000	\$1,088,727
Consulting and Other Fees	\$450,225	\$1,641,590
Movable or Other Equipment (not in construction contracts)	\$1,410,000	\$2,030,611
Bond Issuance Expense (project related)	\$0	\$0
Net Interest Expense during Construction (project related)	\$1,173,730	\$1,615,111
Fair Market Value of Leased Space or Equipment	\$0	\$0
Other Costs to be Capitalized	\$835,944	\$1,253,644
Acquisition of Building or Other Property (excluding land)	\$0	\$0
TOTAL PROJECT COSTS	\$30,634,493	\$29,261,772
Mortgage	\$30,634,493	\$29,261,772
TOTAL FUNDS	\$30,634,493	\$29,261,772

2. Medicare and Medicaid Cost Reports and Certification of Compliance

Pursuant to 77 Ill. Admin. Code §1130.770, I hereby certify the final realized costs, as itemized, are the total costs required to complete the project and that there are no additional or associated costs or capital expenditures related to the project. I further certify the Permit Holders have complied with all of the terms of the permit to date and all information submitted in this cost report for the Project is true and correct and meets the requirements of 77 Ill. Admin. Code §1130.770.

3. Final Application and Certification for Payment

Attached as Attachment A is the final Mortgagor's Certification of Actual Cost (HUD-92330) for the Project.

Mr. Michael Constantino
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If you have any questions or need any additional information related to the Project, please feel free to contact me.

Sincerely,

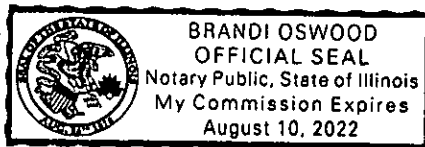


Christopher Vangel
Chief Executive Officer
Butterfield Healthcare VII, LLC
MML Properties, LLC

SUBSCRIBED AND SWORN
to before me this 27th day of
September, 2018



My commission expires: August 10, 2018



Mortgagor's Certificate of Actual Cost

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

OMB Approval No. 2502-0112
(exp. 01/31/2018)

Public reporting burden for this collection of information is estimated to average 8 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 agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The collection of this information is required by Section 227 of the National Housing Act (P.L. 479, 48 Stat., 1246, 12 USC 1701 et seq). Regulations stipulating these rules are Section 200.95 and 891.545. This form must be completed so that HUD can make an informed determination of mortgage insurance acceptability and to prevent windfall profits. The data collected is from the mortgagor relative to the actual cost of the project. The actual cost data is reviewed by HUD staff to determine that the mortgagor's original endorsement mortgage is supported by the applicable percentage of approved costs. Failure to receive and review the cost certification data could result in the Department's over-insurance of the mortgage in violation of the law. No questions of a sensitive nature are included on this form.

To: Federal Housing Commissioner	Project Number	072-43113
	Project Name	Meadowbrook Manor of LaGrange
	Location	339 9th Avenue, LaGrange, IL 60525

No mortgage shall be insured unless a Certificate of Actual Cost is executed upon completion of all physical improvements on the mortgaged property and prior to final endorsement (Section 227, P.L. 479, 49 Stat., 12 U.S.C.)

This Certificate is made pursuant to the provisions of that Agreement and Certification of
MML Properties, LLC

(Mortgagor)

dated (mm/dd/yyyy) 3/11/2015 and in order to induce you to finally endorse the mortgage for insurance.

The actual cost to the owner of labor and materials and necessary services for construction of the physical improvements in connection with the subject project, after deduction of all kickbacks, rebates, adjustments, discounts, promotional or advertising recoupment made or to be made to the mortgagor, sponsor or any corporation, trust, partnership, joint venture or other legal entity in which they or any of them hold any interests set forth below, the cost of construction is (is not) supported by Form HUD-92330-A, Contractor Certificate of Actual Cost. (Form HUD-92330-A must be submitted when there is an identity of interest between mortgagor and general contractor and when a Cost Plus Contract is required in nonprofit projects.)

Note: This Certificate must be supported by a certification as to actual cost by an independent Certified Public Accountant or by an independent public accountant if required by HUD regulations or handbooks.

The undersigned hereby certifies that, except as noted below, there has not been and is not now any identity of interest between mortgagor and general contractor and/or any subcontractor, material supplier, or equipment lessor. It is further certified that, except as noted, there are not and have not been any such relationships between sponsor(s) of this project and general contractor and/or subcontractor, material supplier and equipment lessor.

All references to "Identity of Interest" herein made are made in the context of the definition printed below, which has been read by the undersigned.

Identity of Interest between the mortgagor and/or sponsor as parties of the first part and general contractors, subcontractors, material suppliers, or equipment lessors as parties of the second part will be construed as existing under any of the following conditions:

When there is any financial interest of the party of the first part in the party of the second part; when one or more officers, directors or stockholders of the party of the first part is also an officer, director, or stockholder of the party of the second part; when any officer, director, or stockholder of the party of the first part has any financial interest whatsoever in the party of the second part; when the party of the second part advances any funds to the party of the first part; when the party of the second part provides and pays on behalf of the party of the first part the cost of any architectural or engineering services other than those of a surveyor, general superintendent, or engineer employed by a general contractor in connection with his or its obligations under the construction contract; when the party of the second part takes stock or any interest in the party of the first part as part of the consideration to be paid them; when there exists or comes into being any side deals, agreements, contracts or undertaking entered into or contemplated, thereby altering, amending, or cancelling any of the required closing documents except as approved by the commissioner; when any relationship (e.g. family) existing which would give the mortgagor or general contractor control or influence over the price of the contract or the price paid to the subcontractor, material supplier or lessor of equipment.

The following identities of interest exist: If none, so state.

See Attached Statement

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 Name	Title
Signature	Date (mm/dd/yyyy)

Item	Column A Paid in Cash	Column B To be paid in cash within 45 days after final endorsement	Column C Total
* Attach itemized schedules and copies of bills and receipts where applicable			
* 1a. Amount due under terms of Lump-Sum Construction Contract (as adjusted)	20585956	193439	20779395
* 1b. Amount due under terms of Cost-Plus Construction Contract (as adjusted and exclusive of Builder's Profit)			
* 1c. Allowable Builder's Profit (Use only if 1b is used)	0		0
2a. Architect's Fee - Design	817775		817775
2b. Architect's Fee - Supervision	189310	90	189400
* 2c. Architect's Fee - Additional Services			
* 3. Interest During Construction	1540294	74816	1615110
* 4. Taxes During Construction	509094	125358	634452
* 5. Property Insurance	86957		86957
* 6. Mortgage Insurance Premium (MIP)	532235		532235
7. FHA Examination Fee	74850		74850
8. FHA Inspection Fee	81349		81349
* 9. Title and Recording Fees	29878		29878
* 10. Allowance To Make Project Operational (AMPO)			
* 11a. Initial Financing Fee	159750		159750
* 11b. Permanent Placement fee			
* 11c. Discounts			
* 11d. Other Approved Financing Expenses			
* 12a. Legal	53175	20000	73175
* 12b. Organization			
* 12c. Mortgagor's Cost Certification Audit Fee		45000	45000
* 13. Other (exclusive of items required by the Construction Contract)			
SEE ATTACHED SCHEDULE	1057137	17791	1074928
Subtotal	25717760	476494	26194254
14. Profit and Risk (if applicable)			
15a. Consultant's Fee			
* 15b. Major Moveable Equipment	1698413	311646	2010059
* 15c. Offsite and Demolition	616764		616764
* 15d. Other			
Subtotal			
* 16a. Reduction (if any) resulting from Operating Statement Attached	28032937	788140	28821077
* 16b. Reduction (if any) resulting from Grants / Loans			
Total	28032937	788140	28821077

MML Properties
 HUD Form 92330 Attachment
 March 31, 2018

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Line	Description	Paid in Cash	To be Paid	Total
	Construction Contract	19,483,080	193,439	19,676,519
	Change order # 1 - City of Lagrange (add'l fees - Keslin)	47,088	47,088	94,176
	Change order # 1 - Acqua Corp - bedrock under storm trap	59,641		59,641
	Change order # 2 - Time extension - general requirements	209,144		209,144
	Change order # 3 - Time extension - general requirements	195,084		195,084
	Change order # 4 - Acqua Corp - fire hydrant replacement	13,471		13,471
	Change order # 5 - RJ Kielion - Shower Modules	96,891		96,891
	Change order # 6 - Time extension - general requirements	161,691		161,691
	Change order # 7 - Time extension - general requirements	161,691		161,691
	Change order # 8 - Time extension - general requirements	158,176		158,176
	Less: City of LaGrange-Keslin fee reduction-Change order # 1		(47,088)	(47,088)
1b	Total	20,585,956	193,439	20,779,395
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2a	Architect Fees - Design	817,775		817,775
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2b	Architect Fees - Supervisory	189,310	90	189,400
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	Interest - Draw # 2	15,843		15,843
	Interest - Draw # 3	3,628		3,628
	Interest - Draw # 4	4,981		4,981
	Interest - Draw # 5	7,678		7,678
	Interest - Draw # 6	9,758		9,758
	Interest - Draw # 7	12,530		12,530
	Interest - Draw # 8	14,265		14,265
	Interest - Draw # 9	15,586		15,586
	Interest - Draw # 10	20,363		20,363
	Interest - Draw # 11	23,467		23,467
	Interest - Draw # 12	29,330		29,330
	Interest - Draw # 13	32,955		32,955
	Interest - Draw # 14	39,856		39,856
	Interest - Draw # 15	44,465		44,465
	Interest - Draw # 16	46,229		46,229
	Interest - Draw # 17	52,001		52,001
	Interest - Draw # 18	54,572		54,572
	Interest - Draw # 19	58,900		58,900
	Interest - Draw # 20	63,550		63,550
	Interest - Draw # 21	65,435		65,435
	Interest - Draw # 22	69,419		69,419
	Interest - Draw # 23	71,396		71,396
	Interest - Draw # 24	74,153		74,153
	Interest - Draw # 25	130,215		130,215
	Partial July Interest	19,725		19,725
	August 2017 Interest	77,473		77,473
	September 2017 Interest	77,225		77,225
	October 2017 Interest	79,799		79,799
	Partial November 2017 Interest	27,751		27,751
	Remaining November 2017 Interest	49,896		49,896

MML Properties
 HUD Form 92330 Attachment
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Line	Description	Paid in Cash	To be Paid	Total
	December 2017 interest	80,322		80,322
	January 2018 interest paid out of IOD	80,451		80,451
	February 2018 interest		74,816	74,816
	March 2018 interest	87,077		87,077
3	Total	1,540,294	74,816	1,615,111
Real Estate Taxes Paid for the following periods				
	3/11/2015 thru 12/31/2015	197,949		197,949
	2015 real estate taxes prorated \$ 244,093 X 296/365			
	1/1/16 thru 12/31/2016	200,739		200,739
	1/1/17 thru 6/30/2017	110,406		110,406
	7/1/17 thru 12/31/17		70,359	70,359
	1/1/18 thru 3/31/18		54,999	54,999
4	Total	509,094	125,358	634,452
	Insurance - Draw # 1	29,893		29,893
	Insurance - Draw # 7	9,546		9,546
	Insurance - Draw # 20	10,434		10,434
	Insurance - Draw # 21	2,440		2,440
	Builder's Risk Insurance 1/1/2017 - 7/31/2017	17,281		17,281
	Builder's Risk Insurance 8/1/2017 - 12/31/2017	12,612		12,612
	Builder's Risk Insurance 1/1/2018 - 2/28/2018	4,751		4,751
5	Insurance	86,957	0	86,957
	Mortgage Insurance Premium 3/11/2015 - 3/10/2016	142,215		142,215
	Mortgage Insurance Premium 3/11/2016 - 3/10/2017	142,215		142,215
	Mortgage Insurance Premium 3/11/2016 - 3/10/2017	49,900		49,900
	Mortgage Insurance Premium 3/11/2017 - 3/10/2018	186,852		186,852
	Mortgage Insurance Premium 3/11/2018 - 3/31/2018	11,053		11,053
6	Mortgage Insurance Premium	532,235	0	532,235
7	FHA Examination Fee - paid out of mortgage proceeds	74,850		74,850
8	FHA Inspection Fee - paid out of mortgage proceeds	81,349		81,349
9	Title and Recording Fees - paid out of mortgage fees	29,878		29,878
11a	Initial Financing Fee - paid out of mortgage proceeds	159,750		159,750

MML Properties
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Line	Description		Paid in Cash	To be Paid	Total
12a	Legal - paid out of initial closing funds		53,175		53,175
	Sher, LLP			20,000	20,000
	Total - Legal		<u>53,175</u>	<u>20,000</u>	<u>73,175</u>
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12c	Mortgagor's Cost Certification Audit Fee			45,000	45,000
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13a	Cambridge - Building Permit	Draw 1	131,699		131,699
13b	Cambridge - City of LaGrange Plan Review	Draw 1	27,408		27,408
13c	Cambridge - City of LaG Engineering Plan Review	Draw 1	11,988		11,988
13d	Cambridge - HUD Application - A/E Report	Draw 1	15,348		15,348
13e	Cambridge - HUD Application - Phase 1 ESA	Draw 1	2,550		2,550
13f	Cambridge - HUD Application - HUD Cost Report	Draw 1	2,500		2,500
13g	Cambridge - HUD Application - Appraisal	Draw 1	36,000		36,000
13h	Cambridge - Other Owners Fees	Draw 1	1,440		1,440
13i	Asbestos Removal	Draw 1	7,578		7,578
13j	Asbestos Removal	Draw 2	347,979		347,979
13k	Asbestos Removal	Draw 16	105,765		105,765
13l	Asbestos Removal	Draw 28	114,355		114,355
13m	Village of LaGrange - Payment of Heuer Engineering			17,791	17,791
13n	Health Facilities Planning CON Permit and renewal fees - IDPH		75,788		75,788
13o	Certificate of Need Consultation		39,436		39,436
13p	Certificate of Need Legal Fees		15,390		15,390
13q	Legal fees - Illinois Historical Preservation Agency matter		52,313		52,313
13r	Consulting fees - Illinois Historical Preservation Agency matter		17,250		17,250
13s	Landscaping Plans and Zoning Testimony		18,796		18,796
13t	Engineering fees		13,461		13,461
13u	Preliminary Engineering Plans		14,100		14,100
13v	Architect Consultant - Illinois Historical Preservation Agency matter		5,994		5,994
	Total - Other		<u>1,057,137</u>	<u>17,791</u>	<u>1,074,928</u>
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15b	Major Moveable Equipment - see attached schedule		1,698,413	311,646	2,010,059
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15c	Offsite and Demolition		616,764		616,764