

MUSKEGON COUNTY BOARD OF COMMISSIONERS
MUSKEGON COUNTY, MICHIGAN

AGENDA

FULL BOARD

Hall of Justice

990 Terrace, Muskegon, MI

June 8, 2010 - 3:30 PM

Kenneth Mahoney, Chair

Charles Nash, Vice-Chair

-
-
1. Call to Order
 2. Invocation
 3. Pledge of Allegiance
 4. Roll Call
 5. Approval of Agenda
 6. Approval of Minutes of May 25, 2010 (Previously Forwarded)
 7. Presentation - Kay Cummings, MSU Extension Structure
 8. Communication
 - City of Ludington Great Lake Wind Farms Permitting Resolution
 9. Committee Reports
 - A. Courts & Public Safety Committee (Page 4)
 - B. Human Resources Committee (Page 5)
 - C. Ways & Means Committee (Pages 6 & 7)

AMERICAN DISABILITY ACT POLICY FOR ACCESS TO OPEN MEETINGS
OF THE MUSKEGON COUNTY BOARD OF COMMISSIONERS
AND ANY OF ITS COMMITTEES OR SUBCOMMITTEES

The County of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting upon 24-hours notice to the County of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the County of Muskegon by writing or calling:

Administration
990 Terrace Street
Muskegon, MI 49442
(231) 724-6520

Full Board
Agenda
June 8, 2010

10. Chairman's Report/Committee Liaison Reports
11. Administrator's Report
 - Approve Resolution to Allocate \$2,400,000 of Recovery Zone Facility Bonds to West Michigan Renal Properties
12. Old Business
13. New Business
14. Public Participation
15. Adjournment

Note: Public Participation - Persons may address the Commission during the time set aside for Public Participation or at any time by suspension of the rules. All persons must address the Commission and state their name for the record. Comments shall be limited to two minutes for each participant, unless time is extended prior to the public participation period by a vote of a majority of the commission.



CITY OF LUDINGTON

400 SOUTH HARRISON STREET
LUDINGTON, MICHIGAN 49431
PHONE (231) 845-6237
FAX (231) 845-1146

JOHN HENDERSON, MAYOR
JOHN E. SHAY, CITY MANAGER
DEBORAH L. LUSKIN, CITY CLERK
LINDA J. ROGERS, INTERIM CITY TREASURER

GREAT LAKE WIND FARMS PERMITTING RESOLUTION

WHEREAS, Governor Granholm formed the Michigan Great Lakes Offshore Wind Council (GLOW) in early 2009 to study and report back its findings with recommendation on possible rules and regulation addressing the permitting of offshore wind farms on the Great Lakes; and

WHEREAS, in its report, GLOW recommended a minimum of a 6-mile buffer between an offshore wind farm and the shoreline; and

WHEREAS, the GLOW report does not directly address how local community input should be obtained to address the establishment of offshore wind farms areas; and

WHEREAS, the local communities that are affected by, or would be able to view, an offshore wind farm should be a part of any approval process involving the permitting of offshore wind farms on the Great Lakes; and

WHEREAS, the State Legislature is in the process of developing legislation that would establish the rules, regulations, and overall process by which the State would issue a permit for the construction of offshore wind farms on the Great Lakes.

NOW, THEREFORE BE IT RESOLVED, that the Ludington City Council hereby requests the State of Michigan to include in legislation currently being drafted on the permitting of offshore wind farms the provision that approval from the governing bodies of the local communities that would be affected by, or would be able to view, an offshore wind farm must be obtained before any permit is issued for an offshore wind farm located within 15 miles of the shoreline on the Great Lakes; and

BE IT FURTHER RESOLVED, that a copy of this resolution shall be sent to Governor Granholm, the City of Ludington's state legislators, and the GLOW Council.

Yeas 5

Nays 0

Absent 2

MOTION CARRIED

I, Deborah L. Luskin, Ludington City Clerk, do hereby certify that the foregoing is a true and original copy of a resolution adopted by the Ludington City Council at a regular meeting thereof held on the 24th day of May 2010.

Deborah L. Luskin
Deborah L. Luskin
City Clerk
On the Shores of Lake Michigan

The Courts/Public Safety Committee met on June 1, 2010, it was recommended and I move:

- CPS10/06 - 38 To apply for funding from the Michigan Department of Corrections for continuation funding for the Community Corrections Program and authorize the County Board Chairman to sign the resolution and the County Administrator to sign the grant application.
- CPS10/06 - 39 To apply for funding from the Department of Labor for the Incarcerated Veterans Transition Program in the amount of \$300,000 with no match and authorize the County Administrator to sign the application.
- CPS10/06 - 40 To authorize the Prosecutor to submit a request for a contract amendment to the FY10 CRP contract to change the amount of the contract from \$312,000 to \$334,319.
- CPS10/06 - 41 To implement the reorganization plan created by the Sheriff in conjunction with the Prosecutor by reclassifying the Support Services Supervisor, X87301, to Law Enforcement Administrative Services Manager (NX00362 \$59,723 - \$75,525) and approve a waiver of Rule 7 of the Personnel Rules to appoint at step 5 of the salary range; eliminating the Sheriff Finance Supervisor position, X84801; creating the positions of Sheriff Secretary, (GU00170 \$11.55 - \$16.84) Sheriff Account Clerk II (GU00170 \$11.55 - \$16.84) and Legal Secretary II (GU 00175 \$14.14 - \$17.52) and deleting the vacated positions of those employees who fill the newly created positions and reclassifying Administrative Secretary, N04009, to Sheriff Administrative Secretary (NO 00200 \$15.312 - \$19.416) and waive the hiring freeze to fill all positions effective immediately.

The Human Resources Committee met on June 1, 2010, it was recommended and I move:

- HR10/06 - 43 To approve the amendments to the Muskegon County Board of Commissioners' Rule III-Order of Business and Rule XVII-Agenda.
- HR10/06 - 44 To authorize Community Mental Health (CMH) to submit the 2010 PATH Application and Intended Use Plan for CMH of Muskegon County to apply for a PATH contract for October 1, 2010 through September 30, 2011.
- HR10/06 - 45 To award Hooker De Jong a contract for architectural services at the Community Mental Health Clubhouse in the amount of \$1,800 for Phase I and \$15,700 for Phase II.
- HR10/06 - 46 To authorize Public Health - Muskegon County to accept \$5,000 from the Community Foundation for Muskegon County to support vision exams and glasses for City of Muskegon Youth and further authorize the Board Chair to sign the Grant Agreement Summary.
- HR10/06 - 47 To approve Amendment No. 4 of the FY09/10 CPBC agreement with the Michigan Department of Community Health, with no effect on County General Funds, and further authorize the Board Chair to sign the Amendment.

The Ways & Means Committee met on June 3, 2010, and it was recommended and I move:

- WM10/06 - 97 To approve payment of the accounts payable of \$17,757,524.61 covering the period of May 12, 2010 through May 25, 2010, as presented by the County Clerk.
- WM10/06 - 98 To award West Michigan Therapy a contract to be the Third Party Administrator for a two year period not to exceed \$72,000 for the CDBG funding from the Michigan State Housing Development Authority for the homeowner assistance program in the non-entitlement communities and authorize the County Board Chairman to sign the contract.
- WM10/06 - 99 To award the following contracts and authorize the County Board Chairman to sign the contracts: CoC Strategic Support, LLC, Corporation for Supportive Housing, West Michigan Therapy, Brickley DeLong, Woods Consulting Group, Mark R. Fisher and Associates, Partec Consulting Group, Glow Communications and Cornerstone Community Resources, L3C.
- WM10/06 - 100 To create an intern position titled "Administrative/Legal Analyst" at a pay rate of \$8.50 per hour to provide assistance to the Core Functions Committee.
- WM10/06 - 101 To approve the operating levy of 5.6984 mills for Muskegon County to be levied in July, 2010, the operating levy of 0.3221 mills for the Lakeshore Museum Center to be levied in December, 2010, the operating levy of 0.0752 mills for the Department of Veteran's Affairs to be levied in December, 2010, the operating levy of 0.3000 mills for Muskegon County Central Dispatch to be levied in December 2010 and the debt repayment levy of 0.3000 mills for the Quality of Life bond issuance to be levied in December 2010 and to authorize the Muskegon County Clerk and the Chair of the Muskegon County Board of Commissioners to sign the associated forms required by the State of Michigan which will be submitted to the State of Michigan by the Muskegon County Equalization Department.
- WM10/06 - 102 To approve County Clerk to solicit \$10,000 in advertising in the 2011 Muskegon County Directory from local businesses and organizations to offset printing and mailing costs in accordance with request and tear sheet.
- WM10/06 - 103 To approve the Summer Tax Collection Bond from 07/10/10 through 3/31/11 with Hartford Insurance Company in the amount of \$9,430.

- WM10/06 - 104 To appoint Deborah Groeneveld as employer delegate and Kristen Wade as employer alternate to the 2010 Municipal Employees Retirement System (MERS) annual meeting and the cost of attending for the employer and employee delegates and alternates be paid from the Risk Management Fund.
- WM10/06 - 105 To approve the increase of \$9,150 to the Northern Analytical contract (RFP-10-1705) for the specifications, bidding and construction oversight services for the asbestos abatement associated with the Brookhaven windows bringing the total estimated contract cost of \$25,650 with costs being paid from the Honeywell Energy project fund, 6350-1630.
- WM10/06 - 106 To authorize the County Administrator to sign the Bullet Proof Vest Partnership application that will allow the Sheriff to purchase twenty (20) bullet proof vests, \$12,640.00 will come from the Department of Justice and \$6,320.00 will come from the forfeiture funds of the Sheriff's Department.

REQUEST FOR BOARD CONSIDERATION-COUNTY OF MUSKEGON

COMMITTEE Board of Commissioners		BUDGETED <input type="checkbox"/>	NON-BUDGETED <input type="checkbox"/>	PARTIALLY BUDGETED <input type="checkbox"/>
REQUESTING DEPARTMENT Fin. And Mgt. Services/Accounting		COMMITTEE DATE June 8, 2010		REQUESTOR SIGNATURE
SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)				
<p>Federal Stimulus funds are available to Muskegon County for facility construction by private companies. West Michigan Renal Properties has applied through Muskegon Area First for \$2,400,000 of Recovery Zone Facility Bonds. Administration has reviewed the application and agrees with the allocation of funds. Funds remaining after this allocation is \$18,435,000.</p>				
SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)				
<p>Move to approve a resolution to allocate \$2,400,000 of Recovery Zone Facility Bonds to West Michigan Renal Properties and authorize the County Clerk to sign the resolution.</p>				
ADMINISTRATIVE ANALYSIS (AS APPLICABLE)				
<u>HUMAN RESOURCES ANALYSIS:</u>		<u>FINANCE & MANAGEMENT ANALYSIS:</u>		
		<p><i>Recommend approval</i> <i>BD</i></p>		
<u>CORPORATE COUNSEL ANALYSIS:</u>		<u>ADMINISTRATOR RECOMMENDATION:</u>		
		<p><i>approval</i> <i>BOA</i></p>		
AGENDA DATE: 6/8/10	AGENDA NO.:	BOARD DATE:	PAGE NO.	



Muskegon Area First

MUSKEGON COUNTY RECOVERY ZONE FACILITY BOND APPLICATION

Please complete entire application and include all requested and/or required documentation and attachments. If assistance is needed please contact Muskegon Area First using the information provided below. Completed applications should be submitted to:

**Muskegon Area First
380 W. Western Avenue, Ste. 202
Muskegon, MI 49440**

Any questions regarding this application process should be directed to Ed Garner at (231) 724-3179 or via email to egarner@muskegon.org OR Karen Benson at (231) 724-3181 or kbenson@muskegon.org.

CONTACT INFORMATION

WEST MICHIGAN RENAL PROPERTIES

Development/Company Name

27-1546671

Federal ID Number (FIN)

Kathy Holtz

Contact Name

holtzk@gmail.com

E-Mail Address

231-733-1912 x 304

Telephone

1277 Mercy Drive

Contact Address

Muskegon

City/Township

49444

Zip Code

Medical Office

Product/Service

8011

Primary SIC (4-digit)

PROJECT DESCRIPTION - please provide a brief summary of the proposed project in the following space provided.

The project involves the construction of a 30,000 square foot Medical Office building housing a dialysis unit, the West Michigan Nephrology Physician Practice and space for two additional office suites.

PROJECT LOCATION(S)

Address(es): **1316 Mercy Drive, Muskegon, MI 49444**

Parcel Number(s): **24-133-400-0011-16**

24-133-400-0011-17

PROPOSED INVESTMENT DETAIL

Proposed Investment: **\$ 3,373,264 (\$2,400,000 Bond Allocation Request)**

Number of proposed new jobs: **5 # Full Time 3 # Part Time 2**

Number of retained jobs: **10 West Michigan Nephrology; 40 in dialysis unit (50 total)**

Provide a "Sources and Uses" pro-forma budget summary below. Attach additional pages if needed.

Sources	Uses
RECOVERY ZONE FACILITY BONDS Building Construction	\$2,400,000
OWNER'S EQUITY Property Cost/Site Work Furniture, Equipment & Fixtures Medical Equipment Phones, Security, Sound, Computers Appliances Professional Services Sewer & Water Assessments Contingencies	\$ 973,264
TOTAL	\$3,373,264
* See attached documentation	

ADDITIONAL INFORMATION

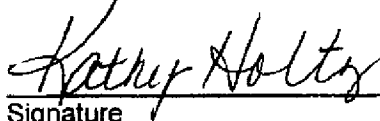
Please answer the following questions and provide documentation on additional pages which are to be attached and submitted with this application.

1. Document and demonstrate that the project has a FIRM commitment to purchase the bonds from a financial institution or bond underwriter. [Please see attached letter of commitment from PNC Bank]
2. In addition to the ARRA bonding, what other sources of financing are necessary, and committed to the proposed project. [An additional \$973,264 is being invested by the owners toward this project in the form of equity]
3. Describe in detail the costs and benefits of this proposed project. (Please refer to the attached Facility Bond Use Criteria documentation). [This project involves the investment of \$3,373,264 in the community, the retention of 50 jobs and the creation of 5 new jobs. West Michigan Nephrology team is an established business, investing in the community since 1987. Their physicians care for over 3,000 patients in 6 counties.]
4. What other federal, state, or local financial incentives are to be used for this project: [None at this time]
5. Provide a timeline describing approvals for project financing, construction, hiring activities, etc. [Approval has been provided by PNC Bank in the form of a letter of commitment. The bidding process has been completed, and construction is scheduled to begin with 30 days. Completion of the project is expected within 18 months of the start date.]
6. Describe how the project will allow a business to locate/expand, and/or to add/retain a significant number of jobs in Muskegon County. [The building will provide for additional office/tenant space. There is a lease in place with a national dialysis center, Davita, inc., for 15,000 square feet. The building will also have two additional areas: 4,378 sq. ft. and 2,081 sq. ft. available for occupancy. This project allows West Michigan Renal Properties to expand their current office space from 1,600 sq. ft. to 5,000 sq. ft. In doing so, they will have the space they need to add additional physicians and staff to meet the growing demands of the Practice and allow them to better serve the renal population in West Michigan. The Dialysis Unit will also allow for the retention of 50 jobs, and provide the space needed to expand that number as the patient levels increase. This project will also provide many temporary construction jobs.]
7. Please describe and/or attach any other information you feel may be useful in describing your proposed project. Include site plans, other concepts and graphics or maps. [Please see attached building/project plans.]

FORM COMPLETED BY:

Kathy Holtz

Print Name



Signature

06/01/2010

Date



PNC Capital Markets
629 Euclid Avenue, 01-3034
Cleveland OH 44114

May 28, 2010

Re: \$2,400,000* Michigan Strategic Fund Variable Rate Industrial Development
Revenue Bonds, Series 2010 (West Michigan Renal Properties, LLC Project)

Dear Ms. Cranmer:

Subject to final credit approval and satisfactory preparation of the required legal documents and opinions, PNC Bank, National Association is prepared to purchase the bonds for the above-captioned project. The financing will approximate \$2,400,000* in tax-exempt bond proceeds. The Bonds are being purchased for the bank's own account and will not be reoffered to the public.

Please call me at (216) 222-2365 should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kristi Z. Eberhardt". The signature is written in a cursive, flowing style.

Kristi Z. Eberhardt
Director
PNC Capital Markets

*preliminary, subject to change

March 18, 2010

Bao-Min Twu
West Michigan Renal Properties, LLC
1277 Mercy Dr
Muskegon, MI 49444

Dear Dr. Twu,

I am pleased to inform you that National City Bank now a part of PNC ("Bank") has approved the following credit facility(s):

Borrower Name: West Michigan Renal Properties, LLC

Loan Type: Construction Term Loan

Loan Amount \$2,400,000

Purpose: To provide funds for the construction of a medical office facility located at 1300 Mercy Dr., Muskegon, MI, 49444.

Interest Rate: Construction draw period to be at a variable rate of Prime + 0%, floating.
The borrower has the ability to fix the interest rate for the term out phase at any time through the use of a derivative product. If the rate has not been fixed at the conclusion of the construction phase through the use of a derivative product, it will be fixed at that time based on prevailing interest rates at time of closing (current rate equivalent=4.96%).

Forward Rate Lock options:

18 month	5/20	6.04%
	5/25	6.05%
12 month	5/20	5.67%
	5/25	5.69%

Prepayment Penalty: Borrower shall pay a premium on the amount of loan prepaid based on the banks ability to re-employ any funds prepaid so as to maintain the same spread that would have been received had such amount not been prepaid.
If the loan has a variable interest rate there will be no prepayment penalty.

Maturity/Amortization: Up to an 18 month construction draw period
Note will convert to a 5 year term/25 year amortization or a 5 year term/20 amortization the end of the construction draw period.

Repayment: Interest only payments during draw period converting to monthly principal and interest payments automatically drawn from a National City, now a part of PNC depository account.

Collateral: 1st real estate mortgage on property known as 1300 Mercy Drive, Muskegon, MI, 49444.

Advance Rate: Maximum loan to value not to exceed 80% of the cost or appraised value.

Guarantors: Unlimited personal guaranty of Bao-Min Twu
Unlimited personal guaranty of Gregory H Downer
Unlimited personal guaranty of Mark E Staniforth
Unlimited personal guaranty of Joseph P McKenna
Unlimited corporate guaranty of West Michigan Nephrology PLLC

Commitment Fee: \$4,500 to be paid by the Borrower upon signing commitment letter.

Closing Fees: All customary closing costs including Bank's out of pocket expenses, which could include, but are not limited to items such as appraisal fees, title insurance, survey fees, environmental assessments, attorney fees, and recording costs. The Bank's out of pocket expenses are to be reimbursed by the Borrower whether or not the accommodation offered in this letter is closed.

Covenants: Minimum cash flow coverage test of Cash Flow to Total Debt Service of at least 2.0x (measured on an annual basis starting with FYE 2010). *Cash Flow is defined as After Tax Net Income plus Depreciation plus Interest Expenses (adjusted for extraordinary and nonrecurring income and expense items) plus Non-recurring Losses plus other Non Cash Expenses plus recurring Capital Contributions plus Compensation of Officers minus Nonrecurring Gains minus Dividend distributions. Total Debt Service is defined as Prior years Current Maturity of Long Term Debt including capital lease payments plus current year's interest expense.*

FINANCIAL REPORTING REQUIREMENTS: Accountant prepared compiled statements and tax returns for West Michigan Nephrology PLLC within 120 days of FYE. Current Personal Financial statements and personal tax returns for; Bao-Min Twu, Gregory H. Downer, Mark E. Staniforth and Joseph P. McKenna within 120 days of calendar year end.

Conditions of Loan Closing and Disbursement: The Bank's obligation to disburse the proceeds of the loan is subject to the following conditions:

- Verification of sufficient funds, amount and source, necessary to complete the construction in accordance with the plans and specifications.
- Details of the construction project funding equity contributions to date.
- Receipt of all documents required by Bank in form and content satisfactory to Bank and its counsel in their sole discretion;
- Receipt by Bank of a mortgagee's policy of title insurance issued by a title insurer acceptable to Bank, and insuring Bank's valid first mortgage lien upon the Real Property prior to all mechanic's liens and containing only such exceptions to the title as may be accepted by Bank;
- Receipt by Bank of a current survey, certified to Bank and the title company, and made in accordance with the minimum standard detail requirements for ALTA/ACSM Land Title Surveys. The survey must contain a note as to zoning classification of the subject property, and disclose the Flood Map Panel Number, Suffix, Map Date and Zone in which the property is located;
- Receipt and acceptance by Bank of Environmental Screening Questionnaire. An Environmental Phase I, Phase II or BEA may be determined necessary by the bank and/or its counsel.
- Satisfactory analysis by Bank for its own credit decision making purposes that no hazardous substances, waste or toxic material or other environmental hazard or adverse condition exists on the Real Property;
- Receipt by Bank of an appraisal **to be ordered by Bank** from an acceptable appraiser, which appraisal shall meet Federal requirements for appraisals established for national banking associations.
- If it is determined the property is located in a federally identified flood hazard zone and Bank determines flood insurance is required, Borrower will provide flood insurance coverage in a minimum amount not less than the Loan amount;
- Borrower shall obtain and maintain builder's risk insurance coverage and liability insurance coverage during building converting to permanent insurance coverage, as appropriate,

satisfactory to Bank, on the real estate and personal property securing this Loan. All insurance policies shall include a standard mortgagee clause (without contribution) in favor of and acceptable to Bank;

- Receipt by Bank of properly executed Purchase and Sales Agreement (if applicable);
- Receipt by Bank of copies of all existing and proposed tenant leases for the Real Property;
- Draw requests will be submitted on AIA G702/703 form or similar documentation approved by Bank. Each draw request must be authorized by construction inspector approved by Bank and Title Company;
- Receipt by Bank of executed copy of construction contract between Borrower and general contractor;
- Receipt by Bank of executed copy of architect contract between Borrower and architect (if applicable);
- Receipt by Bank of detailed cost breakdown of the project, and complete construction plans and specifications;
- Condominium declaration (if applicable) must be reviewed and approved by Bank's counsel before Loan closing;
- Borrower must maintain a primary depository relationship with National City, now a part of PNC.
- Annual corporate tax returns and annual personal financial statements and tax returns from borrowers and guarantors as requested.
- Receipt by Bank of copy of Partnership Agreement (if applicable), and/or copy of Operating Agreement and recorded Fictitious Name Certificate (if applicable), and/or Certificate of Good Standing from the Corporation Division of the office of the Secretary of State (if applicable); acceptable to Bank's counsel.
- Receipt by Bank of borrowing resolutions or certificates of authority, in form and substance satisfactory to Bank, authorizing Borrower to enter into the Loan transaction contemplated herein, to encumber the Real Property as security for the Loan and to execute this commitment and the Loan Documents evidencing the Loan (if applicable).
- The terms and conditions of this commitment shall survive the closing.

If any information contained in the loan application is incorrect, this offer is null and void. The commitment is further conditioned upon the Borrower maintaining a financial condition satisfactory to National City, now a part of PNC.

This commitment is issued for the benefit of the Borrower and shall not be assignable by operation of law, or otherwise, and may be terminated at the Bank's option, and in such a manner as the Bank may determine; if (a) Borrower shall fail to comply with any of the terms and conditions hereof, or (b) in the event of the filing by or against Borrower of a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee, or the making by Borrower, or which may exist in the time now or hereafter established for the closing of the loan commitment.

This letter constitutes the entire agreement between the parties. Any and all prior contemporaneous oral or written agreements, undertakings, statements, customs, or practices among any of the parties pertaining to the transactions contemplated herein are merged herein. No party has made any representations, warranties or inducements, expressed or implied, to any other party, except as expressly set forth herein. The terms of this letter cannot be modified in any way except by a future amendment in writing by National City, now a part of PNC and Borrower.

Your acceptance of this commitment letter shall constitute your agreement to pay all fees, charges, and expenses whether or not the approved facility is disbursed and closed, including without limitation, the cost of title examination and insurance, surveys, recording fees, appraisal, and any environmental site assessments.

The information herein is confidential and proprietary to National City, now a part of PNC. It is available for use by Borrower for evaluation only and is not to be shown to nor otherwise shared with any third party (with the exception of the company's CPA or attorney) without the express, written consent of National City, now a part of PNC. To do so would render this Commitment null and void.

Thank you for providing National City now a part of PNC with the opportunity to assist you with your financing needs. If the terms of this commitment letter are acceptable, please acknowledge by signing and returning this letter within 14 days along with a check for your commitment fee. This commitment will expire on May 15, 2010; therefore, the loan transaction must be closed prior to the expiration date.

Sincerely,

Scott Hoag, VP
Business Banking
National City, now a part of PNC

Brian Janssen, SVP
Business Banking
National City, now a part of PNC

ACCEPTED AND AGREED to this _____ day of _____, 2010.

ACKNOWLEDGED AND ACCEPTED:

Borrower: West Michigan Renal Properties, LLC

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____

Guarantor(s):

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____



Proposed building for:

West Michigan Nephrology, PLC

Muskegon, Michigan

TAG The Architectural
Group, Inc.

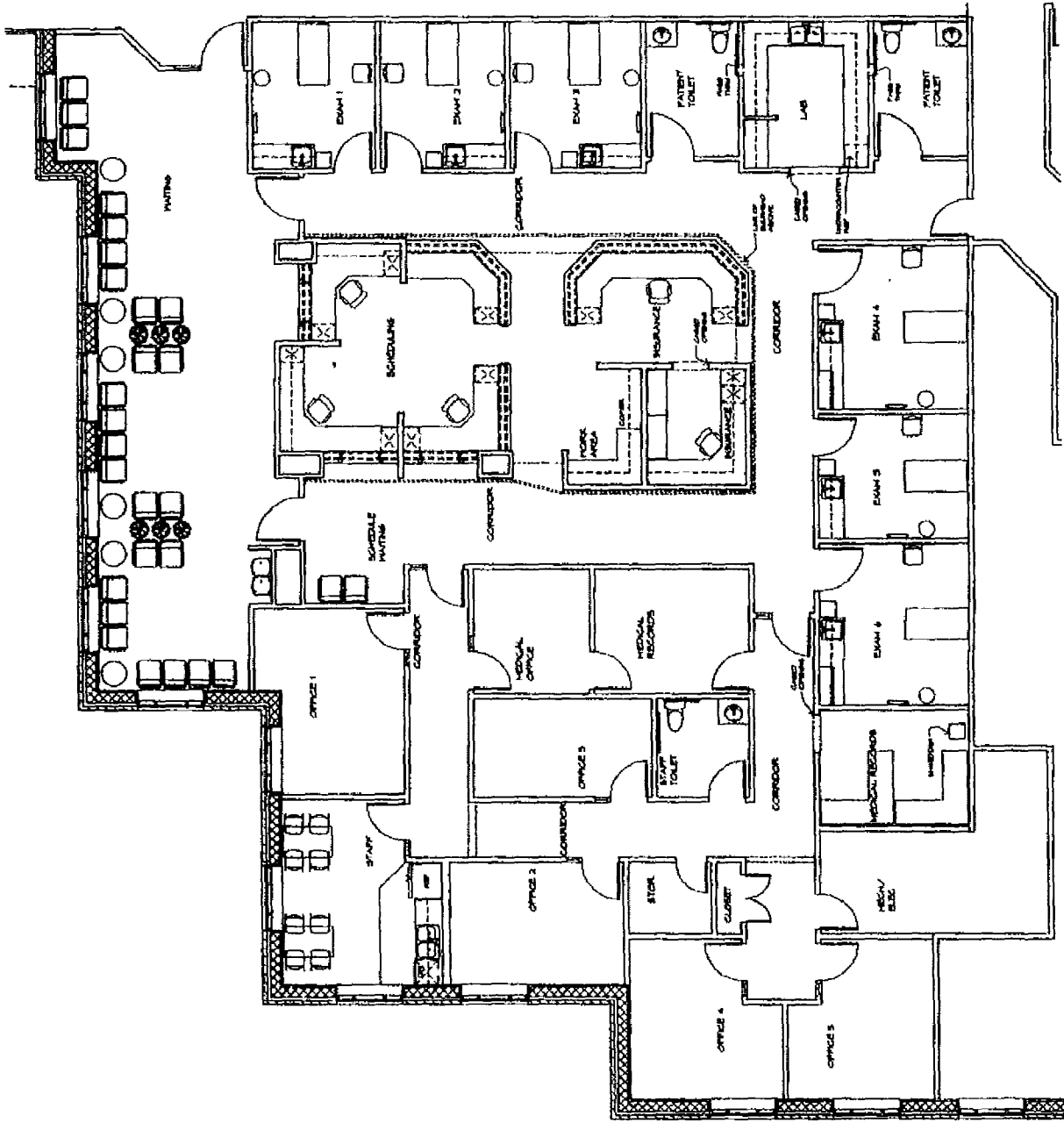
www.TheArchitecturalGroup.com



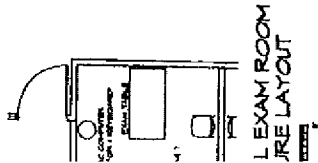
The Architectural Group, Inc.
 Architects Planners
 4165 Preble S.W.
 Grandville, MI 49418
 Phone (616) 331-1046
 Fax (616) 331-0211

Proposed Building for
 West Michigan Nephrology, PLC
 Muskegon, Michigan

Dr. EBC/S
 As. B/VZ
 Date Issued For
 Date
 Scale
 File No. 0701.4
 Drawing
A13



WEST MICHIGAN NEPHROLOGY
 FLOOR PLAN



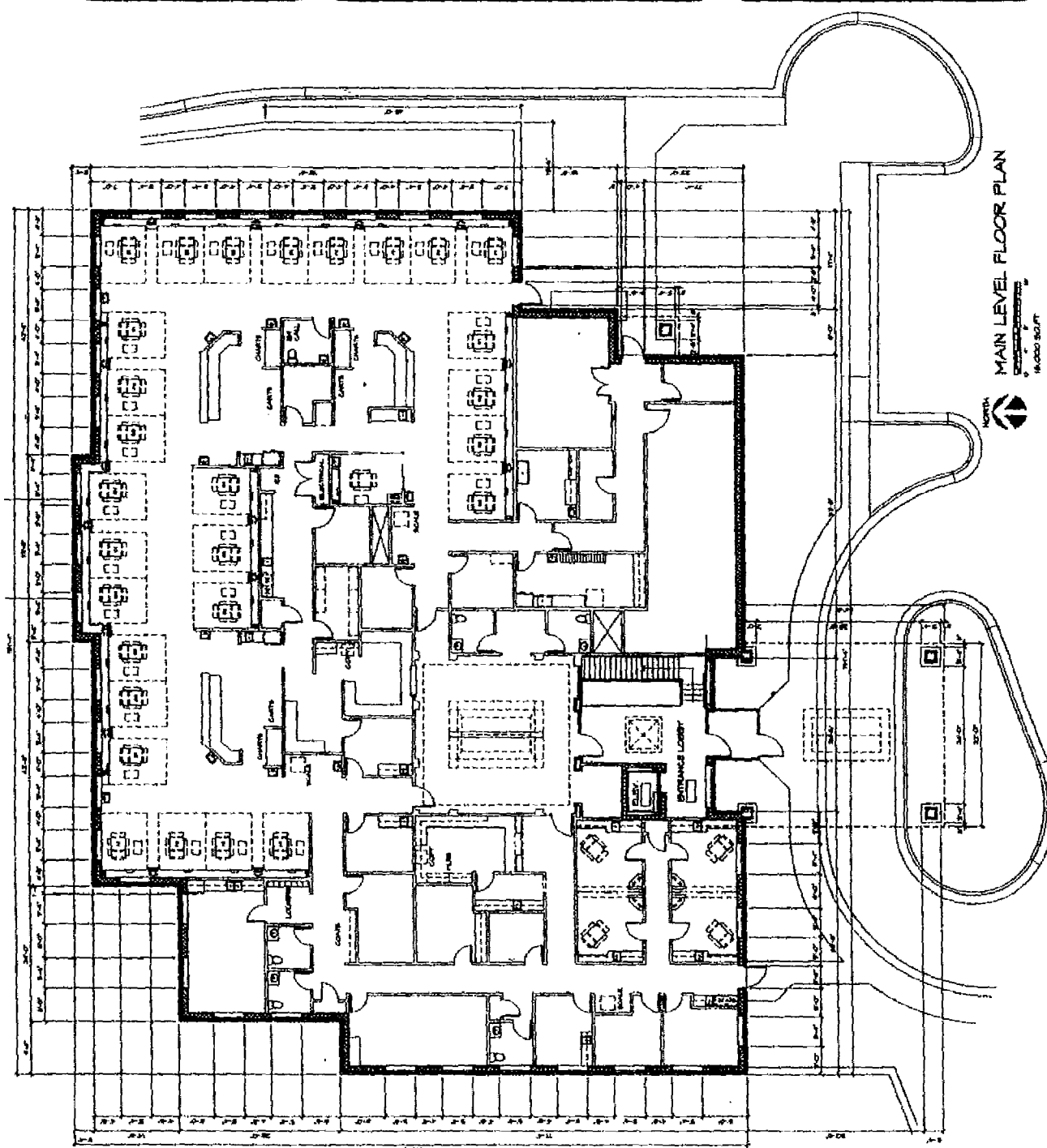


The Architectural Group, Inc.
 Architects
 Planners
 4185 Pennington S.W.
 Columbus, MI 49913
 Phone: (616) 371-7000
 Fax: (616) 371-0221
 www.thearchitecturalgroup.com

Proposed Building for:
West Michigan Nephrology, PLC
 Muskegon, Michigan

Dr. EM/OS
 Ar. EVZ
 Date Issued For 33.000.001.0000000000
 File No. 0701-4
 Drawing
A1.2

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MAIN LEVEL FLOOR PLAN
 SCALE: 1/8" = 1'-0"

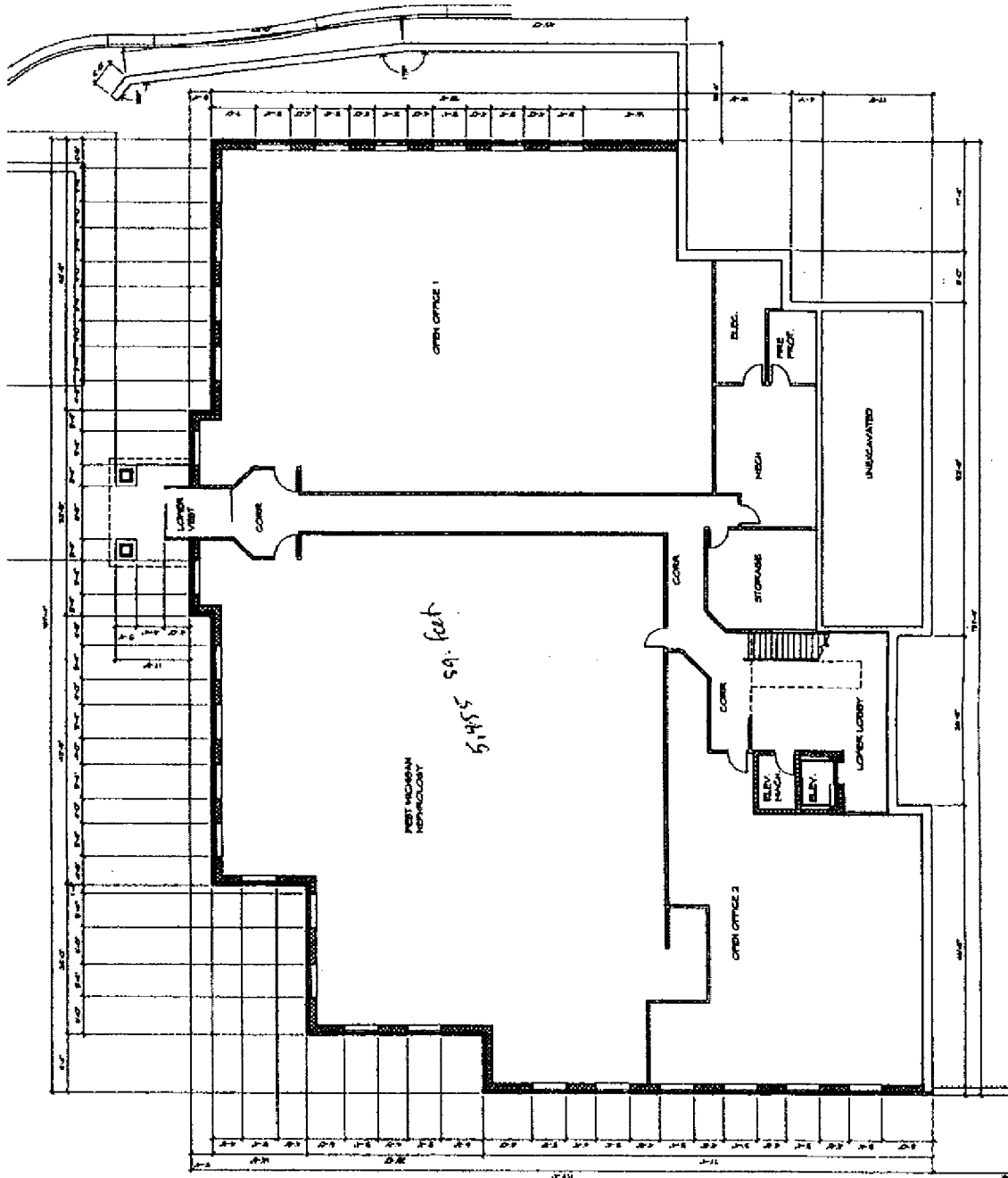


TAG

The
Architectural
Group, Inc.
Architects
Planners
4165 Prairie S.W.
Grandville, MI 49419
Phone (616) 331-7040
Fax (616) 331-0221

Proposed Building for:
West Michigan Nephrology, PLC
Muskegon, Michigan

Dr. ES/DJS
As. EVZ
Date Issued For REVISIONS
DATE 11/11/03
SCALE
File No. 0701-4
Drawing
A1.1



LOWER LEVEL FLOOR PLAN
14,000 SQ. FT.

**West Michigan Nephrology, PLC
Construction Budget
May 14, 2009**

Two story structural block walls with brick and stone veneer. Steel beam structural floor system and steel joist structural roof system.

Total Building: 30,381 s.f.

Main Floor: 15,699 s.f.

DaVita space -- "gray box" finish only: 15,012 s.f.
Common area (lobby, stair, elevator): 687 s.f.

Lower Level: 14,682 s.f.

West Michigan Nephrology space 5,758 s.f.
Tenant A 4,378 s.f.
Tenant B 2,081 s.f.
Common area (stair, elevator, corridor, mechanical, electrical and fire protection rooms) 2,465 s.f.

• Site work	9.0%	\$ 229,950.00
• Concrete	5.1%	\$ 130,305.00
• Masonry	10.2%	\$ 260,610.00
• Steel	6.4%	\$ 163,520.00
• Elevator	2.0%	\$ 51,100.00
• Roofing	3.5%	\$ 89,425.00
• General trades	12.2%	\$ 311,710.00
• Glass	3.6%	\$ 91,980.00
• Drywall and ceilings	7.2%	\$ 183,960.00
• Flooring	3.1%	\$ 79,205.00
• Fire protection	1.0%	\$ 25,550.00
• Painting	2.1%	\$ 53,655.00
• Mechanical	8.3%	\$ 212,065.00
• Plumbing	5.1%	\$ 130,305.00
• Electrical	9.2%	\$ 235,060.00
• General conditions	8.0%	\$ 204,400.00
• Contractor fee	<u>4.0%</u>	<u>\$ 102,200.00</u>
	100%	\$2,555,000.00

Construction Budget = \$2,555,000.00

This estimate has a range of \$2,400,000 - \$2,650,000



4165 Prairie, S.W. Grandville, MI 49418

(616) 531.7040

West Michigan Nephrology, PLC
Project Costs
May 14, 2010

Construction Bid	\$2,205,311.00
Water & Sewer Fee	\$ 50,000.00
Landscaping	\$ 60,000.00
Miscellaneous Owner Items	\$ 60,000.00
• Building sign, phone system, security system and construction testing.	
Furniture	\$ 50,000.00
Contingencies	<u>\$ 50,000.00</u>
	\$2,475,311.00

TAG The Architectural Group, Inc.

**WEST MICHIGAN RENAL PROPERTIES
OWNER ITEMS NOT INCLUDED IN CONSTRUCTION BUDGET**

SITE RELATED	ESTIMATE
Property Cost	\$235,000.00
Phase I Environmental	\$ 3,000.00
Topographical / Utility Survey (Moore & Bruggink)	\$ 20,000.00
Soil Borings & Geotechnical Report (Materials Testing Consultants Inc)	\$ 3263.81
Landscaping and Lawn Irrigation	\$ 60,000.00
Building Signage	\$ 10,000.00
BUILDING RELATED	
Furniture (Desk, chairs, filing cabinets etc.)	\$ 55,000.00
Office Equipment (copier, scanners, printers etc.)	\$ 10,000.00
Phone Service (Conduit provided)	\$ 10,000.00
Phone System & Wiring	\$ 25,000.00
Sound System	\$ 7,000.00
Security System	\$ 10,000.00
Computers, Network System & Wiring	\$ 15,000.00
Appliances (refrigerators, microwaves, televisions)	\$ 3,000.00
Window Treatments	\$ 4,000.00
Medical Equipment (exam tables scales etc)	\$ 15,000.00
PROFESSIONAL SERVICES	
Architectural/Engineering Fees	\$213,000.00
Civil Engineering Fees	\$ 14,000.00
D.E.Q. Permit Expense	\$ 22,000.00
Printing, Reimbursable & Misc Expenses	\$ 8,000.00
Attorney Fees	\$ 15,000.00
Accounting Fees	\$ 4,000.00
Special Inspections	\$ 12,000.00
MISCELLANEOUS	
Sewer & Water Assessments	\$ 50,000.00
Contingencies	\$ 50,000.00