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July 12, 2006

RAPID RESPONSE
WORKFORCE PROGRAMS

Deborah Hennessey
Michigan Department of Labor and Economic Growth
Bureau of Workforce Programs
Workforce Transition Division, Rapid Response Section
201 North Washington Square, 5th floor
Lansing, MI 48913

Re: MediLodge of Bloomfield Hills

Dear Ms. Hennessey:

Please be advised that the nursing home facility leased by MediLodge of Bloomfield Hills, Inc., located at 50 West Square Lake Road in Bloomfield Township, Michigan, will permanently close in its entirety. The facility will commence permanent layoffs of employees on July 28, 2006. These layoffs will continue until August 11, 2006 by which time the closure will be complete. MediLodge of Bloomfield Hills cannot establish a schedule by which the layoffs will occur because the facility cannot predict the rate at which census will decline. Employees will be laid off between July 28, 2006 and August 11, 2006 as census dictates. The employment loss is expected to be permanent.

MediLodge of Bloomfield Hills is unable to provide longer notice, because the closing was caused by business circumstances that were not reasonably foreseeable, and MediLodge of Bloomfield Hills was actively seeking capital or business which, if obtained, would have enabled it to avoid or postpone the shutdown. MediLodge of Bloomfield Hills was actively seeking to sell the business. A potential buyer was located. MediLodge of Bloomfield Hills reasonably and in good faith believed that giving any notice that may have been required under the WARN Act would have precluded a potential sale. In any event, the buyer (after signing a letter of intent) for reasons not reasonably foreseeable refused to close its purchase of the facility. If this sale would have

50 W. Square Lake Rd.
Bloomfield Hills, MI 48302
(248) 338-0345 phone
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www.medilodge.com



MEDILODGE
OF
BLOOMFIELD HILLS

happened, MediLodge of Bloomfield Hills would have been able to avoid permanent closure.

A total of 188 employees will be affected by this closure. Notice of this closure has been sent to SEIU Local 79 President Willie Hampton, the Bloomfield Township supervisor, and each non-represented employee. MediLodge of Bloomfield Hills is providing this notice voluntarily and by doing so makes no admission that it is required to do so. Additional information can be obtained from Karen Monday, Administrator at 248-338-0345

Very truly yours,

Karen Monday

Karen Monday, Administrator

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