



January 8, 2020

NOTICE OF NON-PAYMENT OF INTEREST

To the Holders of the following Bonds:

\$19,600,000 Multifamily Housing Revenue Bonds (Better Housing Foundation Blue Station Portfolio Project), Series 2018A-1; \$2,495,000 Taxable Multifamily Housing Revenue Bonds (Better Housing Foundation Blue Station Portfolio Project), Taxable Series 2018A-2 and \$2,930,000 Subordinate Multifamily Housing Revenue Bonds (Better Housing Foundation Blue Station Portfolio Project), Subordinate Series 2018B

(Series 2018A-1, 2018A-2 and Series 2018B, together, the “Bonds”)

CUSIPs: 45202LCA0, 45202LCB8, 45202LCC6, 45202LCD4, 45202LCE2¹

The Bonds were previously issued and outstanding pursuant to a Trust Indenture dated as of May 1, 2018 (the “Indenture”) between the Illinois Finance Authority (the “Issuer”) and Wilmington Trust, National Association (“Prior Trustee”). Capitalized terms not otherwise defined herein shall have the meanings given to them in the Indenture.

UMB Bank, N.A. serves as Successor Trustee for the Bonds.

The proceeds of the 2018 Bonds were loaned by the Issuer to 2018 Blue Island, LLC, whose sole member is the Better Housing Foundation (the “Borrower”). The proceeds of the 2018 Bonds were primarily used to provide for the acquisition, rehabilitation and equipping of the Projects (as defined in the Indenture) which provide multifamily housing to people of low- and moderate-income; pay certain operating costs, fund debt service reserve funds for each series, and observe other covenants and agreements and make other payments specified therein. The proceeds of the Bonds were loaned by the Issuer to the Borrower under the terms of a Loan Agreement dated May 1, 2018 (the “Loan Agreement”).

Under the terms of the Indenture, interest is due on the Bonds on June 1 and December 1 until maturity. On December 2, 2019, UMB, at the direction of the holders of a majority in outstanding principal amount of the Bonds (“Majority Holders”), in turn directed the Prior Trustee, as paying agent for the Bonds, to refrain from making any payment on account of principal or interest on the Bonds. This direction was intended to allow the Successor Trustee to determine whether events of default presently exist and whether the funds necessary to make payment of amounts then due and payable on the Bonds were sufficient without drawing from the Debt Service Reserve Fund or other Bond accounts.

Working with Majority Holders, the Trustee was directed not to make payment of the December 2, 2019 interest payment at this time.

¹ The Trustee is not responsible for the selection or use of CUSIP numbers. They are included solely for the convenience of the Owners of the Bonds.

Holders of BHF Blue Station Portfolio Bonds

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Holders would like to contact the Successor Trustee for further information on this notice, please use the following:

UMB Bank, N.A.
Michael Slade
120 Sixth Street South, Suite 1400
Minneapolis, Minnesota 55402
Email: Michel.Slade@umb.com
Telephone: (612) 337-7004

The Bond Trustee has retained the law firm of McDermott, Will and Emery to assist it in matters relevant to the Bonds.

Bondholders should not rely solely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment advice herein or as to the Bonds generally.

UMB Bank, N.A.,
as Trustee