



January 15, 2021

**NOTICE TO HOLDERS OF NON-PAYMENT OF DEBT SERVICE**

**\$122,550,000 ILLINOIS FINANCE AUTHORITY  
REVENUE BONDS, SERIES 2017  
(Friendship Village of Schaumburg)**

**CUSIP NUMBERS<sup>1</sup>**

**45204EB23   45204EB31   45204EA57   45204EA65   45204EA73**

**THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE ABOVE BONDS. IF YOU RECEIVE THIS NOTICE AND ARE ACTING FOR BENEFICIAL OWNER(S), PLEASE SEND THIS NOTICE TO THE BENEFICIAL OWNER(S) IMMEDIATELY.**

UMB Bank, N.A. (the “Trustee”) serves as Bond Trustee under the Bond Trust Indenture dated as of December 1, 2017 (the “Indenture”) by and between the Illinois Finance Authority (“Issuer”) and the Trustee. The Indenture was issued pursuant to that certain Master Trust Indenture dated as of July 15, 2005, by and between Wells Fargo Bank, N.A. (“Master Trustee”) and Evangelical Retirement Homes of Greater Chicago, Incorporated d/b/a Friendship Village of Schaumburg (the “Corporation”), as amended by various supplements including that certain Third Supplemental Master Trust Indenture dated as of December 1, 2017 (as supplemented, the “Master Trust Indenture”).

The Issuer’s Revenue Bonds, Series 2017 identified above (the “Bonds”) were issued under and are governed by the Indenture and Master Trust Indenture. The Bonds are secured, in part, by the Corporation’s Direct Note Obligation, Series 2017-2 (Illinois Finance Authority) in the principal amount of \$122,550,000 (the “Series 2017 Obligation”) issued pursuant to the Master Trust Indenture. The proceeds of the Bonds were loaned to the Corporation pursuant to that certain Loan Agreement dated as of December 1, 2017 (the “Loan Agreement” and collectively with the Indenture, the Master Trust Indenture, and all other documents securing or relating to the Bonds, the “Bond Documents”). Capitalized terms used but not defined herein have the meanings given to them in the Indenture or Master Trust Indenture, as applicable.

On January 5, 2021, the Corporation issued a notice to the Trustee and Master Trustee which stated that, effective as of that date, it was suspending the payment of debt service relative to the Bonds. That notice was posted to the MSRB EMMA Service ([www.emma.msrb.org](http://www.emma.msrb.org)) (the “EMMA Service”)

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<sup>1</sup> No representation is made as to the correctness of the CUSIP Numbers which are included solely for the convenience of the holders of the Bonds.

on January 6, 2021. Additional disclosures of other material events have also been posted to the EMMA Service over the past several months.

**FAILURE OF CORPORATION TO MAKE ITS SCHEDULED JANUARY 10, 2021  
NOTE PAYMENT**

Pursuant to the Loan Agreement, the Corporation is required to make monthly payments of principal and interest on the Series 2017 Obligation in approximately proportional amounts sufficient to pay the interest and principal on the Bonds when due (“Note Payments”). The Corporation has failed to make its scheduled Note Payment due on January 10, 2021. This failure has continued for five days, constituting an event of default under Section 10.1(a) of the Loan Agreement, along with an event of default under the Master Trust Indenture and Indenture. The payment of principal and interest on the Bonds is due on February 15, 2021.

**COUNSEL FOR THE TRUSTEE**

The Trustee has hired the law firm of Mintz, Levin, Cohn, Ferris, Glovski and Popeo, P.C. (“Mintz Levin”) and has been in contact with an *ad hoc* group of institutional holders of a majority in aggregate principal amount of the Bonds outstanding to evaluate appropriate action.

**HOLDER PARTICIPATION**

All holders of the Bonds that have not previously identified themselves are asked to contact the Trustee or its counsel using the contact information set forth in this Notice below. As noted above, the Trustee is already in contact with holders of a majority in aggregate principal amount of the Bonds outstanding. Holders are reminded that holders of a majority in aggregate principal amount of the Bonds outstanding have certain rights under the Bond Documents to direct the method and place of conducting remedial proceedings affecting the Bonds.

The Trustee intends to issue periodic notices to holders regarding certain matters relevant to the Bonds. You may contact the Trustee or its counsel Mintz Levin as follows:

*Trustee:*

UMB Bank, N.A.  
Attention: Craig Litsey  
120 South Sixth Street, Suite 1400  
Minneapolis, Minnesota 55402  
Phone: (612) 337-7013  
Email: [Craig.Litsey@umb.com](mailto:Craig.Litsey@umb.com)

*Counsel:*

Mintz Levin  
Attention: Daniel Bleck  
One Financial Center  
Boston, MA 02111  
Phone: (617) 348-4498  
Email: [DSBleck@mintz.com](mailto:DSBleck@mintz.com)

Please note that the Trustee may conclude that a specific response to particular inquiries from an individual holder is not consistent with equal and full dissemination of significant information to all holders. Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment or legal advice to the above matters or as to the Bonds generally.

UMB BANK, N.A., as Trustee

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