



March 23, 2021

NOTICE TO HOLDERS OF FINAL DISTRIBUTION

To the Holders of the following Bonds:

\$19,040,000 in aggregate principal amount of those certain Illinois Finance Authority Multifamily Housing Revenue Bonds (Better Housing Foundation Ernst Portfolio Project), \$15,340,000 Series 2018A-1, \$620,000 Taxable Series 2018A-2 and \$3,080,000 Subordinate Series 2018B

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

CUSIPs: 45202LBV5, 45202LBW3, 45202LBX1, 45202LBY9, 45202LBZ6¹

The Bonds were previously issued and outstanding pursuant to a Trust Indenture dated as of March 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.

The proceeds of the 2018 Bonds were loaned by the Issuer to BHF Chicago Housing Group C, LLC (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 2018 Bonds were loaned by the Issuer to the Borrower under the terms of a Loan Agreement dated March 1, 2018 (the “Loan Agreement”).

UMB Bank, N.A. serves as successor Trustee for the Bonds pursuant to the terms of the Indenture. Capitalized terms used in this notice and not otherwise defined shall have the meaning given to them in the Indenture.

Under the terms of the Indenture, interest is due on the Bonds on June 1 and December 1 until maturity. As of June 1, 2020, the Borrower had not deposited sufficient funds with the

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.

Trustee to make the required interest payment. Failure to deposit sufficient Funds is an Event of Default under the terms of the Indenture.

BANKRUPTCY

In previous notices, the Trustee informed the Holders of the Borrower's bankruptcy case. The collateral for the Bonds was sold by the Borrower and proceeds were used to pay off past dues taxes and receiver expenses associated with the maintenance of the various properties, as well as additional costs and expenses of the Borrower in the bankruptcy. The Trustee received the remainder of the proceeds and has now paid all trustee related expenses (as such, the "Trustee Expenses"). After payment of the Trustee Expenses, \$5,309,396.36 remain and will now be distributed to holders of the Bonds.

FINAL DISTRIBUTION

By operation of Section 8.11(a)(i) of the Indenture, the remaining funds will be ratably applied first to past due interest and second to principal of the Senior Bonds. There are no funds available for payment of any kind on the Subordinate Bonds.

The Trustee has calculated the claim as of the date of the filing of the Bankruptcy case for the Bonds to be \$20,628,222.50.

The Trustee hereby notifies the Holders that a final distribution with respect to the Bonds in the amount of \$5,309,396.36 (the "Final Distribution"). The Final Distribution will be made to Holders of record as of March 24, 2021. The Final Distribution will be made on March 25, 2021. The details of the Final Distribution are as follows:

<u>CUSIP</u>	<u>Interest Paid</u>	<u>Interest Rate Per \$1000</u>	<u>Principal Paid</u>	<u>Principal Rate Per \$1000</u>
45202LBV5	\$ 174,329.17	\$ 101.3541667	\$ 375,008.17	\$ 218.0280076
45202LBW3	\$ 717,170.50	\$ 118.1500000	\$ 1,323,430.01	\$ 218.0280076
45202LBX1	\$ 918,268.75	\$ 121.6250000	\$ 1,646,111.46	\$ 218.0280076
45202LBY9	\$ 48,244.58	\$ 98.4583333	\$ 106,833.72	\$ 218.0280076
45202LBZ6	\$0.00	\$0.00	\$0.00	\$0.00

CALL WITH HOLDERS

The Trustee has previously asked a securities litigation firm to review the facts and circumstances surrounding the issuance of the Bonds. The Trustee will host a call for the benefit of Holders to go over the conclusions of that review. The existence or absence of claims surrounding the issuance of the Bonds are outside of the Trustee Estate created by the Indenture and belong individually to initial purchasers of the Bonds. **In order to allow the firm to run conflicts and to provide the litigation firm with as comprehensive a list of holders as possible, please respond to the Trustee via email with your holdings of the Bonds and indicate when you purchased the Bonds within a week of receiving this notice.** Once the firm has run conflicts, the Trustee anticipates holding a call for Bondholders with members of the firm. Once

that call has occurred, the Trustee will consider the trust estate fully administered and will no longer be involved with or act on behalf of the Bonds. Such call will be held pursuant to a subsequent notice.

If holders would like to contact the Trustee for further information on this partial payment, please use the following:

UMB Bank, N.A.

Michael Slade

120 Sixth Street South, Suite 1400 Minneapolis, Minnesota 55402

Email: Michael.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