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**Wells Fargo Bank, N.A. as Master Trustee:**  
**Michael Fry-Perrow**  
**CTS ACCOUNT ASSOC**  
**Wells Fargo Bank, N.A.**  
**Corporate Trust Services**  
**600 S 4<sup>th</sup> St**  
**Minneapolis, MN 55415**  
**MAC: N9300-073**

**Re: Illinois Finance Authority Revenue Bonds, Series 2017 Revenue Bonds (the "Bonds")**  
**Evangelical Retirement Homes of Greater Chicago, Incorporated doing business as**  
**Friendship Village of Schaumburg (the "FVS")**

**Gentlemen:**

**With regret, we inform you that FVS will, effective today, suspend the payment of debt service relative to the Bonds. We take this action as an emergency measure to preserve cash for on-going operating needs. COVID-19 and the measures which we have taken in compliance with Illinois Department of Public Health regulations and CDC guidelines has caused significant reductions in census and move-ins, which in turn has impacted entrance fee income and operating income. Despite significant reductions in operating expenses and our proactive pursuit and use of outside revenue sources including a PPP loan, the reduction in revenue has caused FVS to expend half of its cash reserves in the past nine months. The action we take today is a step toward fulfilling our goal, which is to preserve the ability of FVS to operate until the health and economic crises caused by COVID-19 have abated.**

The following table summarizes actual results through December 31, 2020 – nine months (The Actual column includes actual results from April through November and estimates for December):

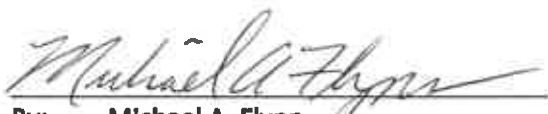
	<b>Actual (9 months)</b>	<b>Budget/Forecast (9 months)</b>	<b>Variance</b>
PPP Loan proceeds allocated to FVS	\$4,145,724	0	\$4,145,724
Medicare Stimulus Funds Received	\$1,599,630	0	\$1,599,630
Medicare Stimulus Funds Used*	(\$1,397,926)	0	(\$1,397,926)
Entrance Fees Received	\$5,298,603	\$14,344,257	(\$9,045,654)
Entrance Fees Refunded	(\$7,187,202)	(\$7,677,041)	\$489,839
Independent Living Revenue	\$13,724,229	\$14,508,396	(\$784,167)
Assisted Living Revenue	\$5,724,908	\$ 6,032,934	(\$308,026)
Skilled Revenue	\$14,999,306	\$16,530,044	(\$1,530,738)
Other Cash Operating Revenue	\$2,829,697	\$2,384,646	\$445,051
Cash Operating Expenses	(\$39,631,763)	(\$40,925,650)	\$1,293,387
Capital Expenses	(\$3,744,415)	(\$4,122,619)	\$378,214
Principal Payments	(\$1,916,250)	(\$1,916,250)	0
<b>Net Cash Use</b>	<b>(\$5,555,459)</b>	<b>(\$841,283)</b>	<b>(\$4,714,176)</b>
Independent Y-T-D Census	435.09	452.22	(17.13)
Assisted Y-T-D Census	99.31	103.17	(3.86)
Skilled Nursing Y-T-D Census	150.03	166.50	(16.47)

\*Includes \$234,705 in medical treatment costs for employees with COVID-19

Our concern is that certain actions which may occur going forward, including the unavailability of government support or other developments, could have an additional significant impact on FVS' cash position in the coming months. Obviously, we must take steps to address the current situation, and we seek your input and participation in a process to restore FVS to what it was before COVID-19 changed everything.

We look forward to working with you.

Evangelical Retirement Homes of Greater Chicago,  
Incorporated, doing business as Friendship Village  
of Schaumburg



By: Michael A. Flynn  
Its: Vice President and Chief Financial Officer

Dated: January 5, 2021