#15

Illinois Metropolitan Investment Fund

Investing together for our communities

Jerry Ducay
Village Administrator
Village of Frankfort
Chairman

Christy Powell
Superintendent of Finance & Personnel
Geneva Park District
Vice Chairman

Gary Szott
Director of Finance/Treasurer
Village of Bloomingdale
Treasurer

John Harrington
Director of Finance/Treasurer
Village of Minooka
Secretary

Scott Anderson
Director of Finance/Treasurer
Village of Buffalo Grove
Trustee

Chris Minick
Director of Finance
City of St. Charles
Trustee

Eileen Santschi
Accounting Manager
South Suburban Mayors and Managers Association
Trustee

Laura F. Allen
Executive Director

Debra A. Zimmerman
Associate Director

October 7, 2015

Dear IMET Liquidating Trust Participant:

IMET PARTICIPANT UPDATE
OCTOBER 7, 2015

Please see below for an update regarding the First Farmers Financial litigation and the asset recovery process.

Closing of Certain Hotel Properties

Three of the five hotel properties have now closed, and one more is scheduled to close by the end of the month.

- On September 25, 2015, the Renaissance in Downtown Orlando, Florida closed for the agreed upon purchase price of $12,625,000.
- On September 29, 2015, the Crowne Plaza Orlando LBV closed for the agreed upon purchase price of $27,850,000.
- On October 2, 2015, the Crowne Plaza in Saddle Brook, New Jersey closed for the agreed upon purchase price of $10,450,000.

The Four Points Sheraton in Peoria, Illinois is expected to close by the end of October 2015 for a final gross sale price of $5,800,000.

UCF Orlando Hotel Update

As disclosed in our Participant Update on September 28, 2015, the buyer of the Doubletree UCF Hotel in Orlando, Florida (the "UCF Hotel") recently sent the Overall Receiver a Notice of Termination (the "Notice") to terminate the purchase agreement and is seeking the return of the approximate $1.5 million held in escrow. The UCF buyer has now filed a lawsuit in the United States District Court for the Northern District of Illinois against the Nanosky Receiver and Overall Receiver (the "Receivers") demanding the return of the escrow funds. This lawsuit has been assigned to Judge Amy St. Eve as a related case to the Overall Receivership case. The Receivers do not believe the UCF buyer's position is valid and has advised Judge St. Eve that they plan to file a Counterclaim seeking the $1.5 million held in escrow on behalf of the Overall Receivership Estate.

1220 OAK BROOK ROAD | OAK BROOK, IL 60523 | PHONE 630-571-0480, ext. 229 | FAX 630-571-0484 | www.investIMET.com

As a result of this issue, the Receivers have decided to list the UCF Hotel with HREC, the broker who has been assisting the Receivers with respect to the other hotel properties. The Receivers have already received a letter of intent from a potential purchaser and have also received inquiries and expressions of interest from a number of other potential purchasers. The Receivers are considering the best way in which to maximize value relating to the UCF Hotel. The UCF Hotel is currently operating at a profit of approximately $164,000 per month and any delay in closing will generate additional revenue for the Overall Receivership Estate.

Greenberg Traurig Revised Fee Petition

As you may recall, Greenberg withdrew its initial fee petition in August 2015 due to ongoing negotiations with the Overall Receiver regarding the fees for which it sought reimbursement from the Overall Receivership Estate. Greenberg and the Overall Receiver failed to reach an agreement on the fees and on September 30, 2015, Greenberg filed its revised fee petition, seeking payment of fees and expenses totaling $1,938,737 from the Overall Receivership Estate for services it performed representing Pennant in recovery efforts through August 2015 (the "Revised Greenberg Fee Petition"). Greenberg claims in the Revised Greenberg Fee Petition that it has reduced its prior fee petition by $297,625.57, largely in response to arguments made by IMET and the Overall Receiver in their draft objections to Greenberg's prior fee petition. As you may recall, the original fee petition only related to the period September 2014 through April 2015, whereas the Revised Greenberg Fee Petition relates to the period of September 2014 through August 2015.

Under the Amended Receivership Order of April 23, 2015, the Overall Receiver is tasked with reviewing the Revised Greenberg Fee Petition and providing the Court with his recommendations. At a Court hearing on October 6, 2015, Judge St. Eve set **a deadline of October 20, 2015** for all interested persons to file any legal objection they may have to the Revised Greenberg Fee Petition. The October 20, 2015 deadline applies only to legal objections relating to Greenberg's entitlement to fees and does not apply to objections interested persons may have to the specific time entries of Greenberg. Under the Amended Receivership Order of April 23, 2015, the Overall Receiver is encouraged to communicate with interested persons regarding any concerns they may have regarding any fee petition, including the Greenberg Revised Fee Petition. Accordingly, if you would like to provide your input or express any concerns regarding the Greenberg revised fee petition, you should do so prior to October 20, 2015. You are also free to file your own objections as an Interested Person under the Amended Receivership Order of April 23, 2015. Such filings relating to any legal objection must be submitted to the Court by October 20, 2015. IMET, Harvard Savings Bank, University of Wisconsin Credit Union and the Overall Receiver have all indicated that they plan to object to the Revised Greenberg Fee Petition. To obtain a complete copy of the Revised Greenberg Fee Petition with Exhibits, please contact Laura Allen at lallen@investimet.com. Should you wish to contact Patrick D. Cavanaugh, the Overall Receiver, his contact number is 312-456-5636 or you can contact Mr. Cavanaugh's counsel, Steven Towbin at 312-276-1333.

Overall Receiver's Sale of Other Assets

The Overall Receiver has filed a motion for court approval of the sale of two USDA guaranteed loans (the "Sale Loans"). Neither of the Sale Loans is in monetary default, and the Overall Receiver is currently servicing them for the benefit of the secondary market participants and the receivership estate. The Overall Receiver attempted to market and sell the Sale Loans, as well as the other loans still held by the Overall Receiver, through Government Loan Solutions, Inc., a broker of USDA and SBA guaranteed loans. The marketing effort included over 46,000 e-mail solicitations to potential purchasers. There were a total of eight confidentiality agreements

signed by potential purchasers of the loans and seven of those parties conducted due diligence on the Overall Receiver's loan portfolio. The two Sale Loans have remaining principle balances as of September 28, 2015 of (a) $642,541.89 in total; $128,508.39 retained non-guaranteed portion and (b) $4,882,936.32 in total, $976,587.25 retained non-guaranteed portion. Only the non-guaranteed portions are held by the Overall Receivership Estate. The Overall Receiver obtained an offer for eighty-seven cents on the dollar for the non-guaranteed portions of the Sale Loans, which the Overall Receiver believes is in the best interest of the Overall Receivership Estate to accept.

The Overall Receiver negotiated the sale of Defendant ASL Productions'(an entity controlled by Defendant Tim Fisher) rights to a film called Within the Dark for $35,000. Although ASL Productions' initial investment appears to be around $855,000, the ownership group did not have the ability to pay much to buy out ASL's interest, and the Overall Receiver sought to avoid incurring additional expenses necessary to market and distribute the film. Upon discussion with individuals knowledgeable regarding the industry, the Overall Receiver determined that it is unlikely that the film would generate significant revenues upon release. The Overall Receiver believes this cash return is in the best interest of the Overall Receivership Estate under these circumstances.

Should you have any questions, don't hesitate to call Laura Allen at IMET or IMET's outside counsel, Randall Lending of Vedder Price (312-609-7500).

Sincerely,

Jerry Ducay, Chairman